



UNITED NATIONS
UNIVERSITY
CRIS

Institute on Comparative Regional Integration Studies

GR:REEN

Global Re-ordering:
Evolution through European Networks

Future Trends Series - GR:REEN Project

Title of the report

2013 Technology Industry Outlook Survey – Economic Pressures Temper Tech Industry Opportunities

Area

Science and Technology

Reporter

KPMG

Type of the Reporter

Private Organisation

Periodically updated?

Yes

First issued year

2009

Latest update

2013

Official website

www.kpmg.com/us/techindustry

Language available

English

Short summary

The 2013 Technology Industry Business Outlook Survey reflects emerging perspectives from United States (US) technology executives about revenue and employment growth, promising applications and platforms, R&D spending in markets outside traditional tech research and manufacturing strongholds such as the US, China and India. A broader range of markets is offering attractive growth opportunities and attracting increased industry investments. Optimism about revenue and geographic growth is also reflected in spending plans.

According to the survey, cloud and mobile continue to be the leading technologies driving revenue growth. As these technologies mature and enable the growth and management of data, the trend is for data and analytics to provide attractive opportunities to increase revenue as enterprises invest to harness the potential benefits of cloud transformations and big data initiatives.

Consistent with previous surveys, tech sector leaders have muted expectations for the US economy, with a notable drop in expectations for economic improvement.

Key trends

- **Geographic growth and revenue gains expected.** In 2013, just fewer than 80 per cent of the executives expect their company's revenue to increase over the next year, compared with 77 per cent in last year's result. The responses also indicate the growing importance of markets such as Brazil, Canada, Mexico and South Korea and lower revenue growth expectations for the United States and China. As global adoption increases for mobile and cloud technologies, revenue expectations continue to be significant for these technologies. The majority of respondents say cloud and mobile revenues have met or exceeded their expectations.

- **Spending trends.** Continued optimism is leading to further investments in products and services development, core R&D, acquisitions and geographic expansion. Plans for employment growth reflect broader geographic diversity as emerging markets increasingly drive technology demand and many countries offer employment incentives. The United States, China and India remain the leading countries for employment growth, with executives also citing plans to increase headcount in Brazil, Canada, Mexico, the United Kingdom, South Korea and other countries.

- **Business challenges.** Pricing pressures were cited as the most significant growth barrier over the next year, followed by increasing labour costs and the ability to remain on top of emerging technologies. Regulatory and legislative pressures also emerged as a more pressing growth challenge in this year's results. The potential loss of market share to lower-cost producers was described as the largest business model threat, followed by political or regulatory uncertainty and the emergence of disruptive technologies.

- **U.S. economy expectations.** Tech leaders' expectations for a broader U.S. economic recovery remain muted. Respondents anticipating the economy to remain about the same rose significantly, with a notable decline in those with expectations for economic improvement in the United States.

Suggestions

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Methodology

Modelling

Reference to other trends reports? If yes, which reports?

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