



## UK productivity crisis drives strong demand for tech investments

**London, United Kingdom, 28 June 2023** – Technology Analyst and Advisory firm, TechMarketView, today releases its latest market data and trends analysis for the UK Software and IT Services (SITS) market.

The analysis shows that in 2022, the market grew at its **fastest rate for more than a decade** up **12.2% to £67.7bn**. Furthermore, over the course of the next three years, spend on digital products and services will increase **from c.56% of the market today to c.72%** of the total UK SITS market in 2026.

Over this period, organisations will seek to drive greater value from their recent hikes in digital expenditure and will take a more exacting approach to technology investment decisions. Market growth is therefore set to dip from 12.2% in 2022 to 6.9% in 2023. Nevertheless, TechMarketView is forecasting a solid **Compound Annual Growth Rate (CAGR) of 5.8%** through to 2026.

The new market analysis also reflects how the UK's ongoing productivity crisis will drive strong demand for tech investments in multiple areas over the next few years.

Georgina O'Toole, Chief Analyst at TechMarketView, said: *"The UK tech industry has a big role to play in improving the UK productivity picture. With the right investment, it is perfectly placed to improve the productivity of its clients' organisations, as well as supporting the productivity of the UK more generally."*

The preliminary assessment of UK productivity in the first quarter of 2023 by the Office for National Statistics' (ONS) makes for grim reading and shows that the productivity crisis in the UK has worsened over the last six months. Organisations across sectors are having to assess how they tackle productivity while also facing inflationary pressures and labour shortages.

O'Toole concluded: *"Our analysis suggests that current challenges, and the potential opportunities for technology to help address them, will continue to push strong demand in the UK Software & IT Services market – albeit at a more measured pace – over the forecast window."*

**For more details on the forecast data or more explanation, please contact us for an interview with Georgina O'Toole.**

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## About TechMarketView

TechMarketView is an influential boutique analyst and advisory firm focused on the UK tech market. Trusted by tech suppliers and tech users as they navigate change, TechMarketView analysts are known for robust analysis of suppliers and disruptive market trends, blending UK depth with forward-looking insight.

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The full report is available to TechMarketView subscribers, [Market Trends and Forecasts 2023](#).

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