

Infrastructure demand to push global AI spending growth in 2026 to \$2.59 trillion

Our Bureau
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Global spending on AI is moving into a new phase, with investments increasingly shifting beyond applications towards the infrastructure needed to support AI systems. Gartner estimates worldwide AI spending will rise from \$1.76 trillion in 2025 to \$3.49 trillion by 2027, almost doubling in two years. It is forecast to total \$2.59 trillion in 2026, a 47 per cent increase year-over-year.

AI infrastructure is expected to account for the largest share of this growth. Spending in the segment is projected to increase from \$975.6 billion in 2025 to \$1.89 trillion in 2027, making up more than half of total AI ex-

penditure. The rise reflects growing investments in chips, cloud capacity, data centres and computing resources required to run advanced AI workloads.

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AI services remain another major spending area, expected to grow from \$436 billion to \$759 billion over the same period. This points to increasing enterprise demand for implementation, integration and consulting support as companies move AI projects into production.

Software spending is also set to expand sharply, rising from \$283 billion in 2025 to \$638 billion in 2027, indicating wider adoption of AI-powered applications across industries. Spending on AI models is projected to nearly quadruple to \$59 billion,



highlighting stronger investment in foundation models and model development.

AI cybersecurity is emerging as one of the fastest-growing segments, with spending expected to rise from \$25.9 billion to \$86 billion by 2027 as companies focus on protecting systems, models and data.

Even AI data spending, though relatively small today, is expected to grow significantly to \$6.5 billion,

underlining the importance of high-quality datasets in the AI ecosystem.

"Through the next several years, the need for capacity will make AI infrastructure, including AI-optimised IaaS, AI-optimised servers, AI network fabric, AI processing semiconductors and devices, the largest segment of the market, accounting for over 45 per cent of spending, which will be driven by vendors," said John-David Lovelock, Distinguished VP Analyst at Gartner.

"Within this segment, spending on AI-optimised servers will triple over the next five years to become the largest sub-segment, as cloud services providers expand capacity in anticipation of the workloads created by GenAI models and agentic workflows," he said.