# Ercole Rovida's Newsletter

February 2026

# MESSAGE FROM THE AUTHOR

We are entering the new year in a context shaped by significant geopolitical developments that are directly affecting the telecom and ICT market. Growing geopolitical fragmentation, regulatory pressure, and national security considerations are influencing spectrum policies, vendor selection, supply-chain resilience, and investment priorities across regions. As a result, market conditions are becoming more complex, with increased scrutiny on infrastructure ownership, data sovereignty, and network reliability.

Throughout 2025, we analysed the key technological trends expected to drive structural change in the telecom and ICT industry, including cloud-native networks, Open RAN, AI-driven network automation, and the evolution toward 5G Advanced and early 6G research. These trends, combined with geopolitical and regulatory forces, are accelerating the transformation of network architectures and operating models. Telecom operators and ICT players are therefore required to reassess their technology roadmaps, partner ecosystems, and sourcing strategies in order to balance innovation, cost efficiency, and long-term resilience in an increasingly fragmented global landscape.

**Implications for Public Administration, Large Enterprises, and Defence**

In this scenario, Public Administration and Large Enterprises are assuming a more central role in driving demand for secure, resilient, and sovereign digital infrastructures. Governments are increasingly prioritizing national and regional autonomy in critical communications networks, cloud platforms, and data management systems, with a strong emphasis on compliance, continuity of service, and cybersecurity.

The Defence sector, in particular, is emerging as a key driver of technological requirements across the broader ICT ecosystem. The need for highly secure, mission-critical, and interoperable networks is accelerating investments in private 5G, edge computing, encrypted communications, and AI-enabled situational awareness. These requirements are also influencing civilian technologies, pushing telecom and ICT providers to adopt defence-grade standards in terms of resilience, latency, and operational continuity.

Large Enterprises operating in strategic industries—such as energy, transportation, manufacturing, and finance—are facing similar pressures. As critical infrastructure operators, they must align digital transformation initiatives with national security frameworks and regulatory constraints, while ensuring scalability and performance.

This convergence of public, defence, and enterprise requirements is reinforcing the need for trusted technology partners capable of delivering end-to-end solutions that combine network expertise, security, and long-term operational reliability.

To face this scenario and assure tangible results in 2026, managers—especially in the telecom, ICT, Public Administration, and Defence domains—should act across some concrete and coordinated dimensions. The focus must shift from analysis to execution, resilience, and measurable outcomes.

We can take into consideration.

Managers should recalibrate 2025–2026 strategies to explicitly address geopolitical risk, regulatory pressure, and national security requirements. This means:

**Re-prioritize Strategy Around Resilience and Sovereignty**

- Embedding **digital sovereignty, supply-chain resilience, and cybersecurity** as board-level KPIs.

- Reducing dependency on single vendors or regions through multi-vendor and

multi-cloud strategies.

- Aligning technology roadmaps with national and EU defence, security, and industrial policies.

**Move from Innovation Pilots to Industrialization**

- Many organizations are stuck at the proof-of-concept stage. Managers must:

- Select a limited number of high-impact technologies (e.g. private 5G, edge, AI-driven automation, secure cloud).

- Industrialize these solutions with clear ownership, funding, and timelines.

- Focus on use cases tied to operational efficiency, security, or service continuity, not innovation for its own sake.

**Strengthen Execution Capabilities and Governance**

- Simplify decision-making and reduce internal fragmentation.

- Establish cross-functional governance connecting technology, security, regulatory, and business teams.

- Ensure that program management, delivery excellence, and risk management are treated as strategic assets.

**Invest in Security-by-Design and Defence-Grade Standards**

- Adopt security-by-design

across networks, cloud platforms, and applications.

- Align architectures with Defence and critical infrastructure standards, even for civilian use cases.

- Treat cybersecurity skills, certifications, and processes as core competencies.

**Build Strategic Ecosystems, Not Just Supplier Relationships**

- Given market fragmentation, no single player can deliver end-to-end value alone. Managers should:

- Build trusted ecosystems with technology partners, system integrators, and local players.

- Prioritize partners aligned with long-term sovereignty, compliance, and resilience goals.

- Shift from transactional sourcing to co-investment and co-innovation models.

**Develop Leadership and Talent for Complexity**

- Upskill teams in cloud-native networking, AI, cybersecurity, and defence-related requirements.

- Promote leadership capable of operating in uncertainty and managing trade-offs between speed, cost, and risk.

- Align incentives with delivery, accountability, and long-term value creation.

**Resilience & Sovereignty Focus**

- Recailbrate strategy for geopolitical risks
- Enhance supply chain and cybersecurity
- Align with national policies

**Security & Defence Standards**

- Adopt security-by-design
- Meet defence-grade requirements
- Ensure critical infrastructure protection

**Industrialize Key Technologies**

- Deploy Private 5G & Edge
- Scale AI & Secure Cloud
- Focus on ROI-driven use cases

**Build Strategic Ecosystems**

- Form trusted partnerships
- Co-innovate with key players
- Develop local alliances

**Strengthen Execution & Governance**

- Streamline program delivery
- Improve risk management
- Enhance cross-functional teams

**Develop Leadership & Talent**

- Upskill in AI & Cybersecurity
- Foster adaptive leadership
- Align incentives & accountability

# GLOBAL MARKET SNAPSHOT

The global ICT market is substantial and expanding, with estimates showing a market value of around US $6.31–6.52 trillion in 2026. From there, it continues to grow strongly toward 2031–2035 at mid-single-digit to high-single-digit CAGR (~5.8–6.5 %).

Cloud services, IoT, and digital transformation initiatives are major drivers of the ICT market.

**Telecom Sector**

The global telecommunications market (networks, mobile & fixed services) is also growing steadily — from roughly US $2.0 trillion in 2025 to about US $2.35 trillion in 2026. Continued digital connectivity demand fuels this expansion.

Business telecom services (B2B communications, managed connectivity) are estimated at over US $216 billion in 2026 and forecast to grow ~3.3 % annually over the next decade.

**Key Growth Drivers in 2026**

- Digital Transformation & Cloud

Rapid adoption of cloud computing and digital systems continues to push ICT investment, with a notable shift toward hybrid cloud architectures and integration of AI in enterprise systems.

- Artificial Intelligence

Generative AI and AI-enabled applications are central to ICT spending, with large increases in budget allocations; AI also underpins automation and smart analytics across industries.

- Connectivity & 5G

Telecom operators continue heavy rollout of 5G networks. By 2026, 5G will be a dominant mobile standard in many markets, significantly boosting data traffic and enabling new services.

- IoT & Edge Computing

IoT device penetration and edge computing solutions accelerate as enterprises demand real-time data processing with low latency — especially when combined with 5G networks.

- Regional Infrastructure Investment

Deployment of fiber networks, investments in cloud infrastructure, and digital transformation initiatives in North America, Asia-Pacific and Europe drive much of the global growth.

**Regional Dynamics**

North America.

Leading in ICT spending globally, with high enterprise adoption of cloud, AI platforms, and digital services.

Asia-Pacific.

Strong growth from China and India driven by telecom expansion, IoT deployment, digital transformation in industries.

Europe

Growth continues in telecom and ICT, though at moderate pace compared to Asia; regulatory focus on digital sovereignty and secure infrastructure is shaping markets.

## MORE INFORMATION

**Mordor Intelligence - ICT Analysis**

**Business Research insight - Information and Communications Technology (ICT) Market**

**Global growth Inside**

**Global Market Statistics**

**Tech Radar - IT spending**

**PWC - Las "telecos" crecerán un 2,9% hasta 2028, a pesar del tirón del 5G que cuadruplicará sus suscripciones**

# REGIONAL FOCUS – SPAIN AND EUROPE

**Spain: ICT & Telecom Market Overview (2026)**

ICT Market (Information & Communication Technologies)

The Spain ICT market is growing strongly: estimated at ~USD 67.7 billion in 2026 and expected to expand to ~USD 97.7 billion by 2031, at a CAGR of ~7.6 % (2026-31).

Cloud and cybersecurity are among the fastest-growing segments, with cloud making up over 60 % of the market and cybersecurity projected to grow above 12 % CAGR.

Public-private investment programs such as España Digital 2026 are driving modernization (spending ~€77 billion on networks, AI projects, digitalization).

Regional hubs (Madrid, Barcelona) dominate activity, with major hyperscaler investments boosting data-centre capacity.

**Telecom Market (Mobile & Fixed)**

The Spanish telecom MNO market (mobile network operators) is worth ~USD 23.8 billion in 2026, with moderate growth (~3.3 % CAGR to 2031).

Fiber-to-the-home (FTTH) coverage is extremely high (~95 % of premises), making Spain one of Europe's leaders in fixed infrastructure.

5G coverage nationally is expanding (with government support for rural standalone 5G) and expected to be near ubiquitous by 2026-27.

**Infrastructure & Adoption**

Spain leads the EU in high-capacity fixed broadband coverage (~93 %) and is among the top European countries for network infrastructure.

**Workforce & Skills**

Spain is increasing its share of ICT specialists, growing faster than the EU average, although it still trails the overall EU share of specialist employment.

Spanish initiatives include AI talent attraction programmes and digital skills training to counter talent shortages.

**Domestic Market Challenges**

Revenue stagnation in telecoms, despite heavy investment in infrastructure.

Talent shortages in advanced ICT fields (AI, cybersecurity, cloud).

Rising operational costs due to energy and competitive pricing pressures.

**European ICT & Telecom Outlook (2026)**

**ICT Market Size & Growth (EU)**

Europe's total ICT spending is forecast to exceed ~US $1.4 trillion by 2026, with a ~5.4 % CAGR (2021-26) — reflecting investments in enterprise software, cloud, AI, security, and digital transformation.

Software, cloud-first solutions, and AI tools are the fastest-growing technology categories within Europe's ICT spend.

**Telecom Sector Dynamics**

Regulatory & Policy Shifts

The EU is proposing major telecom reforms, including unlimited-duration radio spectrum rights to encourage long-term investment and support full fibre rollout by 2030-35.

EU efforts to phase out "high-risk" telecom equipment suppliers from critical networks — seen as targeting non-EU vendors — are shaping the technology supply landscape.

**Market Structure & Competition**

European operators face intense competition, moderate revenue growth, and consolidation pressures. Major players (e.g., Deutsche Telekom, Orange, Telefónica) are exploring mergers and strategic alliances to scale and innovate.

Employment trends in European telecoms have been mixed, with job cuts reported in 2025 as companies restructure to adapt to slower overall telecom service revenue growth.

**Infrastructure Goals & Adoption**

The EU's Gigabit Society targets emphasize universal high-speed broadband and 5G as central pillars of the Digital Decade agenda, requiring continued investment through 2030.

Innovations like satellite-integrated mobile broadband hubs are emerging, blending terrestrial and space-based connectivity research and trials

**European Market Challenges**

Regulatory uncertainty and geopolitical supply chain tensions affect vendor choices and investment planning.

Monetization of next-gen networks (5G/6G) remains slower than expected, pressuring operator business models.

Skills shortages and digital talent attraction are pan-European concerns, requiring coordinated education and training programmes.

Spain ICT Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

Invest In Spain ICT

Emarketer - Europe Spending 2026

# FEATURED STORY

## *Outlook on global defense market trends*

The global defense market is sizable and expanding.

Estimates put the defense market around ~USD 2.75 trillion in 2026, with growth toward ~USD 4.27 trillion by 2035 at a ~5 % CAGR. This reflects ongoing modernization and geopolitical pressures.

Broader aerospace & defense sector overall — including civil aviation — also shows robust expansion, with defense contributing a major share of deising Government Defense Spending

**Geopolitical tensions remain a primary driver**:

European defense budgets grew sharply even before 2026 as NATO members pursue greater autonomy and military readiness amid insecurity, boosting orders for vehicles, air defense systems, and advanced tech.

The U.S. will maintain high defense outlays, although shifts in strategic posture (e.g., more limited forward presence) may change spending priorities within the budget.

NATO pledges to increase defense spending targets (e.g., toward 5 % of GDP by 2035) continue to shape long-term forecasts.

Tech Trends Redefining Defense Capabilities

**Autonomous & Software-Driven Systems**

Autonomous ground combat vehicles and AI-integrated systems are moving from experimentation toward early deployment, emphasizing reduced human risk and smarter decision cycles.

Defense procurement is shifting from platform-centric buys to networked, software-defined systems that better integrate sensors, platforms, and AI decision support.

**AI, Cyber, EW & Space**

Integration of AI and cyber capabilities into tactical communications, situational awareness, and electronic warfare is a key trend with growing investment.

Space systems and dual-use space technologies (satellites, orbital ISR, resilient networks) are becoming strategic priorities for militaries and investors alike.

Precision & Counter-Drone Systems

Rising threats from drones and hypersonic weapons have pushed defense sectors to invest in precision, counter-drone, and layered air defenses — markets projected to grow rapidly.

**Regional Dynamics**

United States

Largest single national market, about USD 350 billion+ in 2026, with growth focused on C4ISR, electronic warfare, and space/cyber systems.

Venture-backed entrants (e.g., digital defense firms) are applying commercial-style engineering to military tech, pressuring primes to adopt modular, upgradeable architectures.

Europe

European defense stocks and orders are strong as countries seek strategic autonomy and boost procurement of air defense, naval, and battlefield systems.

Countries like Germany and France are approving historic defense contracts, including large budgets for modern vehicles, missiles, and AI systems.

Asia-Pacific

Asia's defense industries (e.g., South Korea, India) are expanding rapidly, driven by export growth and indigenization strategies to reduce reliance on foreign suppliers.

# LISTEN ON THE GO

In this new edition of my newsletter I would like to talk about Alan Turing.

He was born on June 23, 1912, in London and died on June 7, 1954, in Wilmslow, England. He was a British mathematician, logician, cryptographer, and theoretical computer scientist, considered one of the fathers of modern computing and a pioneer of artificial intelligence.

In 1936, he published the paper on computable numbers, introducing the concept of the Turing machine, the theoretical foundation of algorithms and computing.

During World War II, he led the team at Bletchley Park that cracked the Enigma machine codes, shortening the war by two to four years and saving millions of lives.

After the war, he designed one of the first electronic programmable computers and proposed the famous Turing Test (1950) to evaluate machine intelligence.

His work laid the foundations of computer science and artificial intelligence. Today, he is a symbol of science and diversity, inspiring generations.

What Examples Can Alan Turing Offer Today's Managers?

### Participative and Collaborative Leadership

Turing was not an authoritarian leader; his approach was participative.

During World War II at Bletchley Park, he led an interdisciplinary team to break the Enigma code. He encouraged collaboration and idea-sharing, leveraging individual strengths to achieve a common goal. This shows that innovation thrives in environments where people can contribute and cooperate.

### Clear Vision and Resilience

Turing had well-defined objectives and a systemic vision. Despite working under adverse conditions, he remained persistent and creative in solving complex problems. For today's managers, this means staying focused on the goal, even in uncertain environments, and adapting with innovative solutions.

### Innovation and Disruptive Thinking

His concept of the "Turing machine" and the Turing Test are examples of how he challenged the limits of knowledge in his time. This teaches modern leaders the importance of thinking beyond established norms and fostering innovation within their teams.

### Humility and Authenticity

Although he was a genius, Turing never tried to be the "superhero" of the team. He recognised the need to work with other experts and ask for help when necessary. Today, managers should understand that humility and transparency, strengthen trust and team commitment.

> *"Those who can imagine anything, can create the impossible."*

### Talent Management and Diversity

Turing brought together people with different skills and disciplines to solve complex problems. This demonstrates that diversity and inclusion are key to innovation and organisational success.

[Wikipedia](Wikipedia)

[CIA - The Enigma of Alan Turing](CIA - The Enigma of Alan Turing)
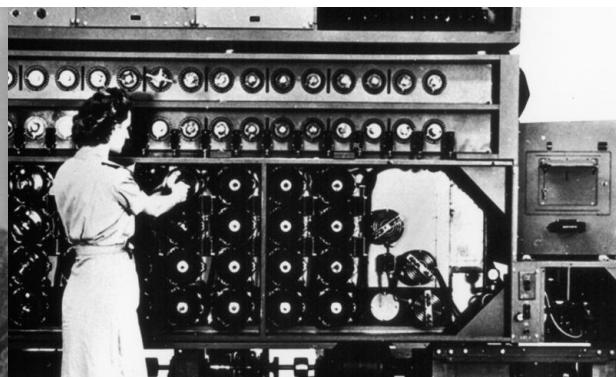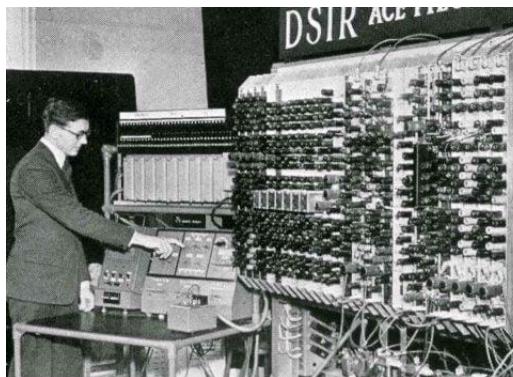
# COMPANY OF THE MOUNTH

## *INDRA GROUP*

### *Tech for the Future*

Indra Group is a Spanish multinational technology holding company focused on advanced technology, defence, aerospace, digital transformation, and critical systems. It combines two main business pillars:

Indra – a global leader in defence, air traffic management, space, mobility and secure systems

Minsait – a leading digital transformation and IT consulting company in Spain and Latin America

The group's mission is to use technology to build a safer, more connected, and more sustainable future for governments, critical infrastructure and large enterprises worldwide

**Main Business Areas**

Indra Group operates across several strategic technology domains:

Defence & Security

Advanced systems for land, air, sea and space defence, integrating sensors, communications, command-and-control, and cybersecurity.

Air Traffic & Mobility

Radars, traffic management systems and smart mobility tech used by airports, airlines and transport networks worldwide.

Space
End-to-end systems for civil and military space missions, including satellite navigation and secure communica

Digital & IT (Minsait)

Consulting and digital transformation services — including data, cloud, analytics and AI — for governments and private sectors.

Advanced Technologies (IndraMind)

A division focused on sovereign artificial intelligence, cyber-resilience and next-gen digital platforms for both civil and defence applications.

**Strategic Focus**

Indra Group's strategy — known as "Leading the Future" — pushes the company toward:

A stronger global footprint, especially in the US, EU and Middle East.

Increased industrial capabilities in defence and aerospace.

Enhanced digital technology and cybersecurity offerings.

Innovation leadership via R&D and talent investment.

The group also plays an active role in European defence industrial initiatives and major tech programs like satellite navigation and secure communications infrastructure.

**Innovation & Sustainability**

Innovation and sustainability are core ambitions:

Significant investment in R&D&I (hundreds of millions annually).

Collaborations with universities, startups and research centres across Europe.

A cultural emphasis on sustainability to address social and environmental challenges.

**Recent Developments**

Indra Group continues to grow and diversify its footprint with big projects such as:

- Major transport tech contracts, including significant deals to manage ticketing systems in major cities like London.

- Expansion of industrial facilities and R&D sites in Spain to strengthen defence and security capabilities.

- Strategic alliances with global defence players to co-develop advanced systems.

In a Nutshell. Indra Group is far more than a consulting firm — it's a technology powerhouse with roots in Spain and influence on global systems that help run everything from air traffic to defence networks. It blends deep engineering, digital innovation, and strategic global reach to be a key player in today's tech-driven world.

[Indra Group](Indra Group)
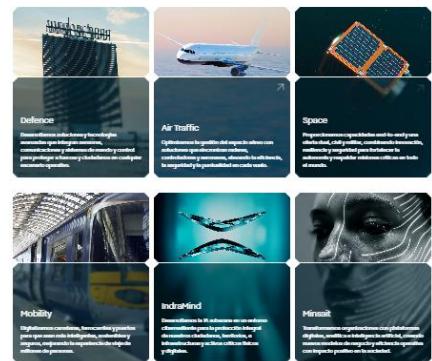
# EVENTS

*Capacity Middle East* *(Feb 10-12, Grand Hyatt Dubai Conference & Exhibition Centre, UAE): Region's leading digital infrastructure event.*

*IOT Tech Expo* *(Feb 4-5, London) IoT Tech Expo is the leading event for IoT, Digital Twins & Enterprise Transformation, Embedded Systems, IoT Security IoT Connectivity & Connected Devices, Smart Infrastructures & Automation, Data & Analytics and Edge Platforms.*

*2026 Events Calendar*

# Ercole Rovida's Newsletter

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I'd love to hear from you!