

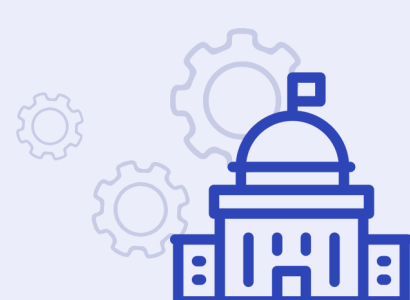
The Procurement Imperative

The public sector perspective

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In 2026 procurement remains central to business decision-making. But the function is at a crossroads. Procurement teams are being asked to do more: cut costs, manage disruption and drive digital change. But confidence in their ability to deliver on that broader mandate, and in its alignment with wider corporate strategy, is slipping.



The latest iteration of Economist Enterprise's research takes the pulse of the C-suite on procurement's evolving role, tracking its transformation over the past five years. The findings are anchored in a survey of 2,648 C-suite executives across 12 industries. **Within the public sector, 220 executives were surveyed.**

Artificial intelligence now shapes procurement's agenda

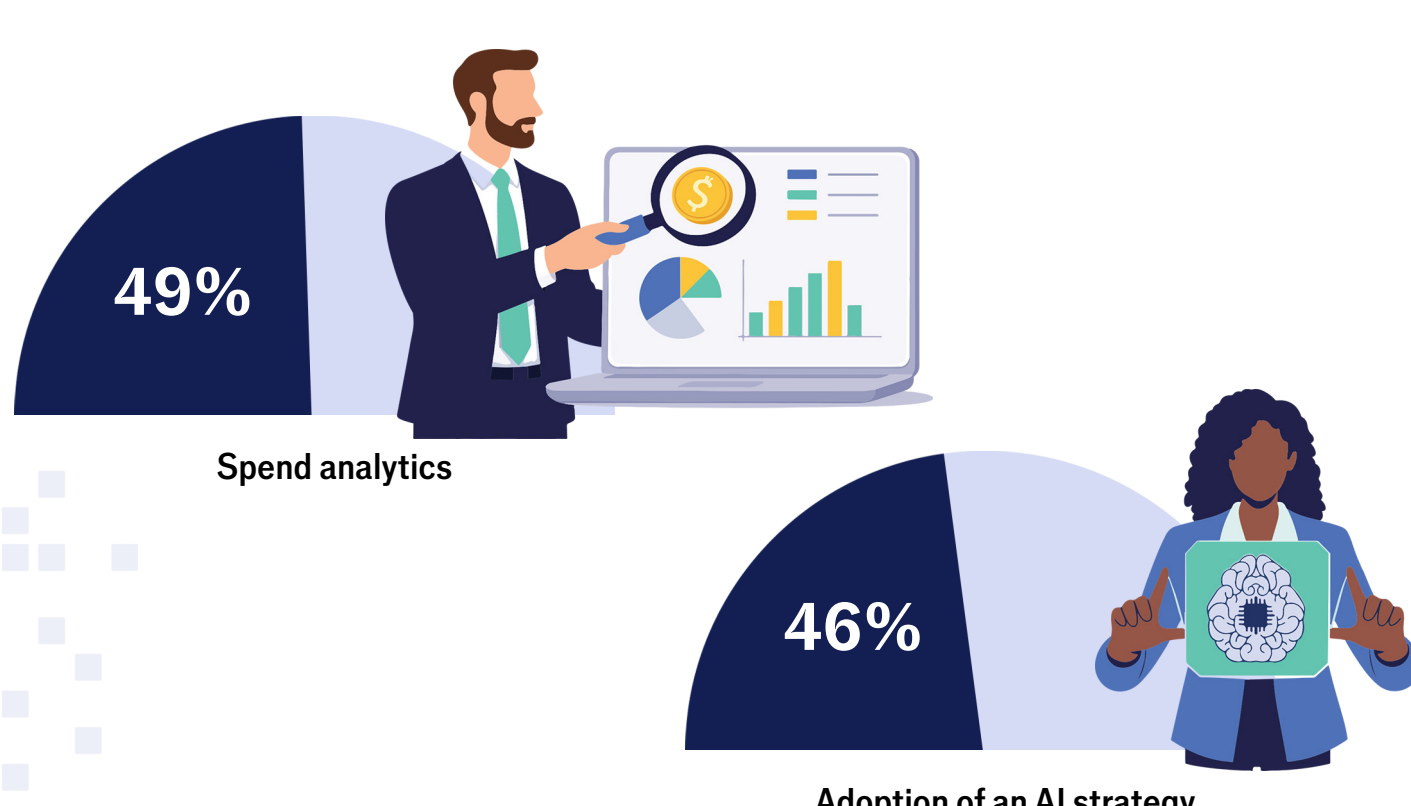
Executives in the public sector increasingly see procurement as a data-led function, with digital transformation topping procurement's short-term priorities.

Top short-term strategic priorities for procurement in the public sector



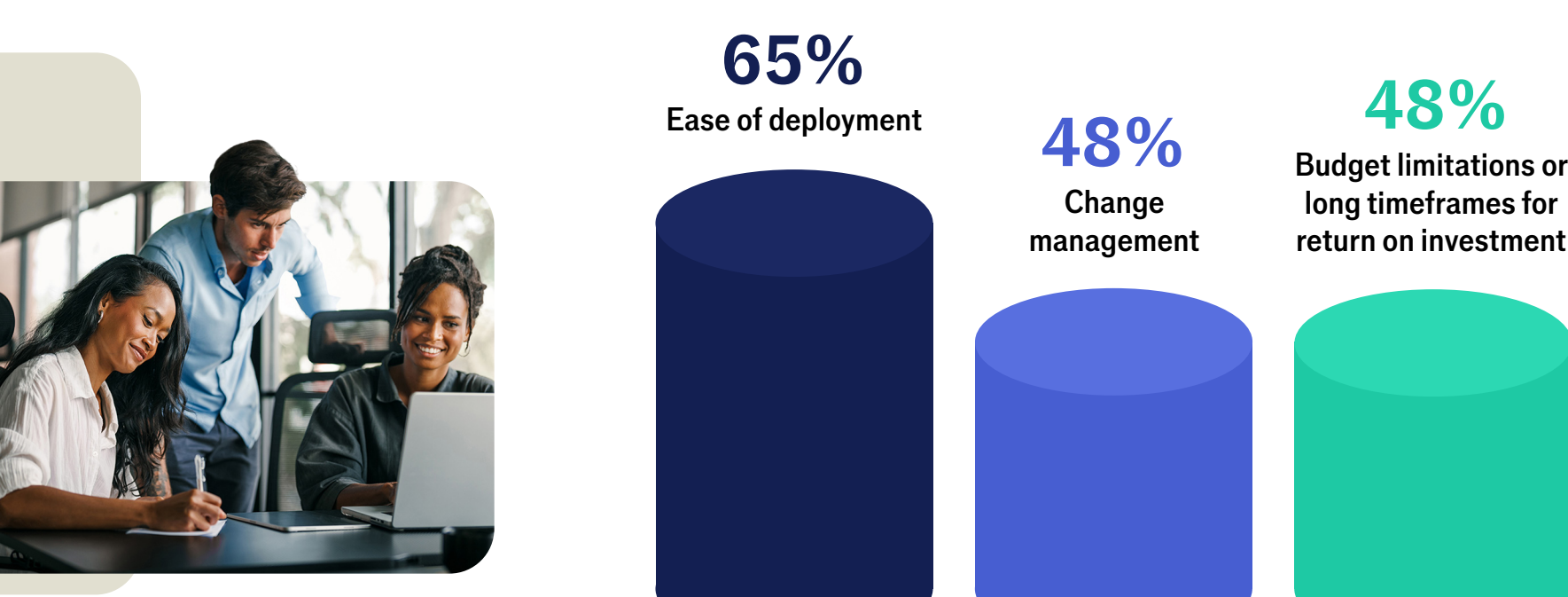
AI sits at the centre of this shift. The adoption of AI strategies and spend analytics are driving digital transformation and agentic AI is emerging as the technology most likely to shape procurement's future in the public sector.

Top drivers of digital transformation in procurement in the public sector



But AI adoption has so far yielded mixed results and faces technical obstacles.

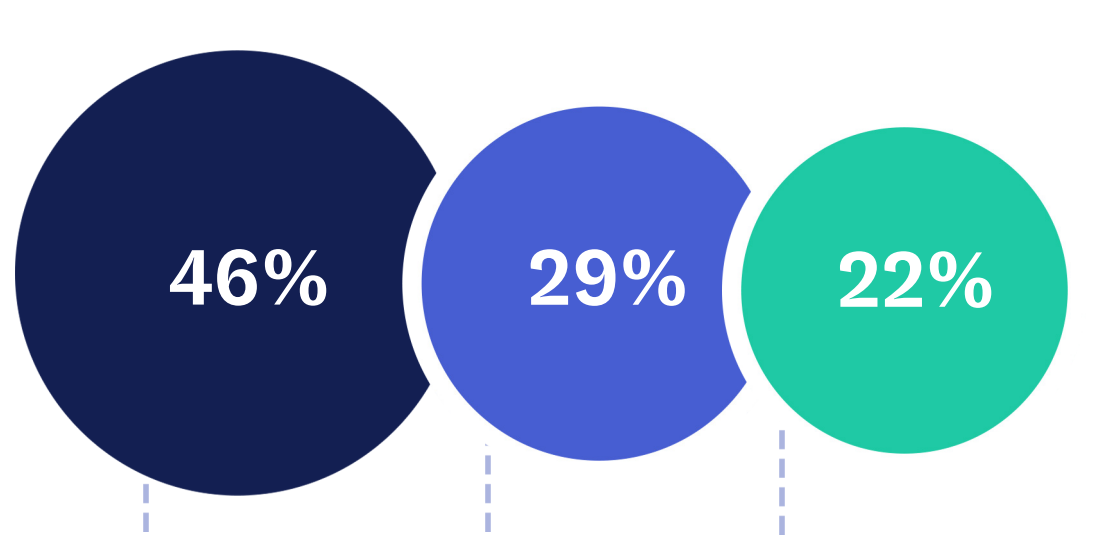
Top barriers to adopting or scaling AI in the public sector



Procurement is aiming AI at its biggest bottlenecks

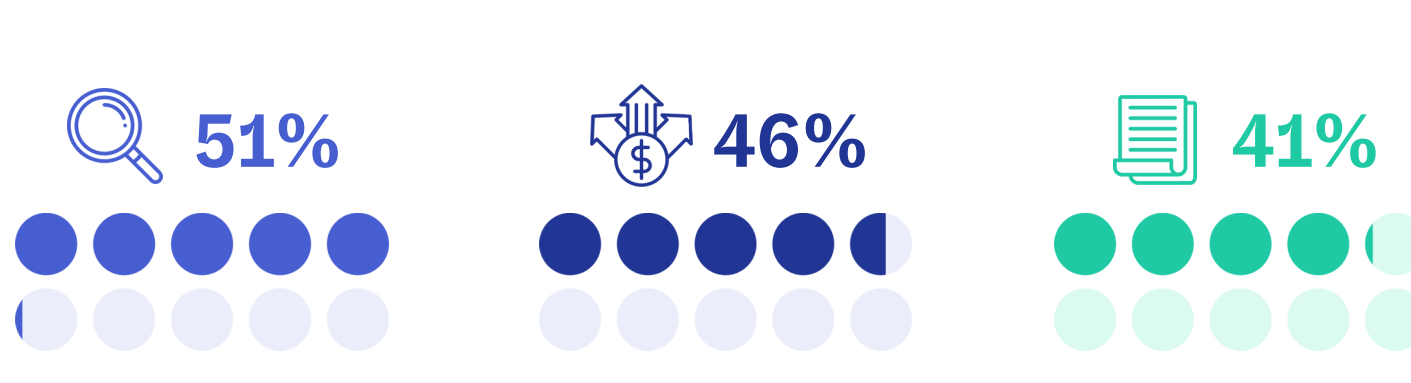
Even as AI climbs the agenda, several core processes remain stubborn sources of delay in the public sector.

Areas experiencing the biggest delays in procurement processes in the public sector



Executives in the public sector are pointing AI at these same pain points. The outlier is spend classification, which owes its prominence less to delay than to the data-led ambition behind digital transformation—echoing the strength of spend analytics as a driver above.

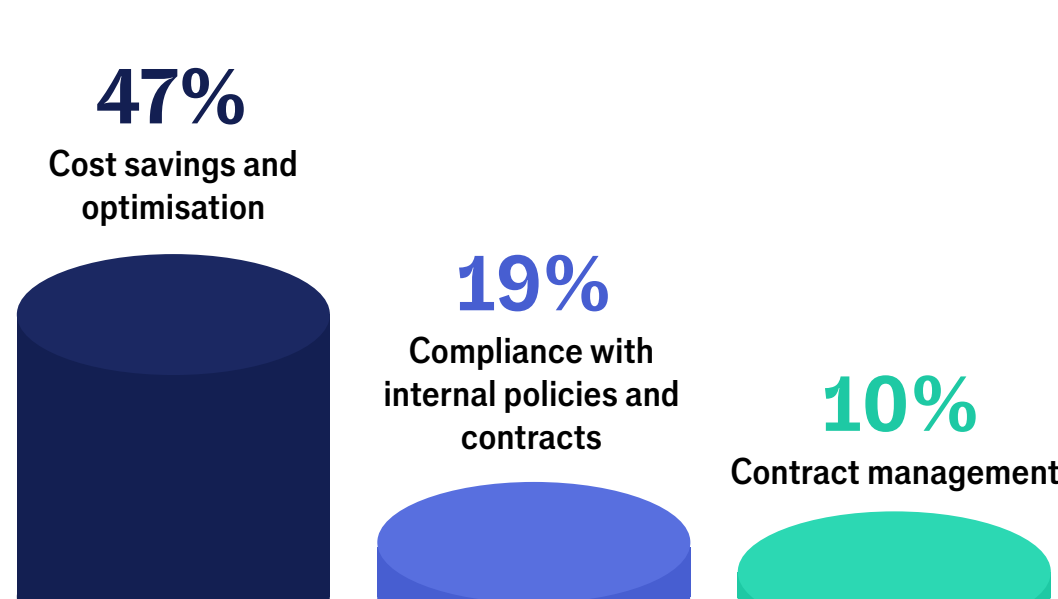
Procurement processes to be improved through the use of AI over the next 12 to 18 months in the public sector



Compliance and contract management are important priorities for the public sector

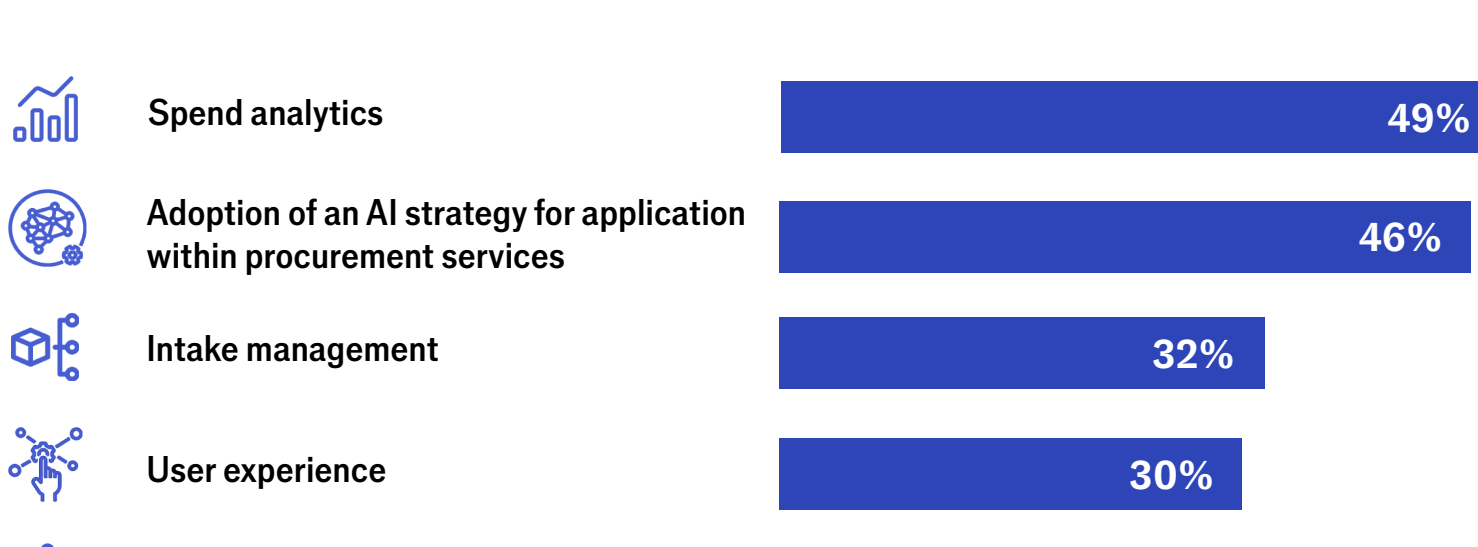
Procurement in the public sector operates under different pressures from many other industries. While cost savings remain important, compliance plays a far larger role in defining procurement's value.

Primary value that procurement delivers to organisations in the public sector



This focus on compliance helps explain why contract management features more prominently in public-sector digital transformation efforts than it does in many other industries.

Top drivers for digital transformation in procurement in the public sector



Find out more about how procurement is changing—and what it means for your organisation—in our [full analysis](#).

