2026 Predictions

The Year of Embedded Intelligence – Integrating Systems that Think, Learn and Lead

Dr. Martin Schulz, Chief Economist, Fujitsu Limited

The year 2026 will require solutions to address the fragile balance of economic disruption, geopolitical insecurity, and an unprecedented surge in investment in artificial intelligence (AI) that has characterized 2025.

In 2026, successful enterprises will transition from reactively observing disruption to proactively shaping their business models and operations for a more diverse multipolar world. They will take advantage of emerging technology trends to upgrade platforms and create more resilient supply chains, upskill workforces, add intelligence to their products and services, and operate in more localized environments that are, crucially, closer to customers.

Despite daunting economic challenges, the necessary transformation cannot be deferred. In an increasingly inward-looking US, new investments and supply chains require a local focus and highly competitive technology. In defensive Europe, new ecosystems must support complex infrastructure investments and more sovereign technology platforms. In Asia, the restructuring and diversification of supply chains away from China, along with the growing competition in environmental technology, present both challenges and opportunities.

These ten technology trends will help enterprises catch opportunities from the agentic AI boom and prepare for a more complex geo-economic environment in 2026.

1. **Small AI models and specialized AI agents** development stand out in their ability to support companies with process transformation and planning. As production and services move closer to customers in various regions, flexible automation in smaller-scale operations becomes crucial. Large, potentially sprawling AI models serve as blueprints for smaller, lightweight, and domain-specific AI "student" models. In many cases, these models will outperform their "teachers" in specific tasks. For example, Fujitsu's Takane technology successfully develops such models that run on the "edge", offering high energy efficiency and accuracy.

2. **Flattening organizational structures** is vital for effectively localizing operations and boosting the efficiency of a hybrid workforce that operates both online and offline, especially in preparation for AI integration. We will see greater adoption of AI assistants and the development of AI agents to handle workplace processes and communication on major platforms. Successful implementation depends on empowering employees in their operational roles and accurately valuing an increasingly diverse, AI-enabled workforce beyond simply tracking hours. Fujitsu co-designs AI-driven workplace solutions for digital colleagues and copilots, helping to improve decision-making and streamline multi-step employee tasks.

3. **Physical AI** is leveraged by the development of agentic AI and small AI models that can work "at the edge" in robotics and automation. Although autonomous cars and humanoid robots have received the most attention, the real impetus lies in connecting existing Internet of Things (IoT) sensing devices with the orchestration of specialized robots of all shapes and sizes. Intelligent machines that can sense and act in dynamic environments are already roaming restaurants and warehouses and inspecting critical infrastructure. Training otherwise specialized robots by example in different environments now vastly expands their usability in manufacturing, logistics, and healthcare at the local level. Fujitsu is a leader in industrial AI capabilities and has integrated them with generative AI potentials on its Kozuchi AI platform from the beginning. In addition, new initiatives in the field of physical AI are being explored via collaborations with partner companies.

4. **Cybersecurity** becomes even more important as AI analytics capable of detecting and exploiting vulnerabilities are increasingly used in local cyberattacks. The attention that recent high-profile ransomware attacks have gained when they disrupted production and became national security concerns has been an important wakeup call. As enterprises recognize this new level of vulnerability, governments will advocate for proactive defense measures and stricter regulations. A strong focus on proactive AI-driven trust and digital sovereignty technologies will help companies not only to remain safe, but also to prepare for a new regulatory environment. Fujitsu has seized the opportunity to develop multi-AI agent security technologies with its partners and cooperates with governments to solve national security challenges.

5. **Data sovereignty and federated clouds** will spur the development of alternatives to public clouds and US hyperscaler services. International dataspace projects involving public and private sectors, such as Gaia-X and Catena-X in the European Union (EU) and Data-EX and Ouranos in Japan, have progressed slowly so far. The new urgency to share a wider range of data across supply chains in hybrid cloud environments, and government investment in national security will lead to a wave of experimentation — both in Europe, as it pursues data sovereignty, and in Asia, where supply chains are diversifying and must integrate China-related and non-China-related data layers. Fujitsu plays a key role in supporting initiatives across Europe and Asia, offering its Track and Trust technologies to partners.

6. **Dual use of national security (defense) technologies** opens new markets. Reinforcing national defense has become crucial for all major countries. As a result, barriers to using private technology for military purposes have been lowered, and smart technologies, ranging from autonomous drones to AI vision analytics, are transforming defense. Meanwhile, significant public investment is creating opportunities in defense research and development, including cybersecurity, earth intelligence (geospatial analytics), robotics, and autonomous systems. Fujitsu is applying its extensive experience in digital integration for national security agencies with various technologies in Japan, Australia, the UK, and around the world.

7. **High-performance computing (HPC) and quantum computing** will increasingly align to produce tangible results much earlier than anticipated. HPC-based error correction is incorporating more unstable physical qubits into reliable logical qubits. HPC-powered quantum simulation offers a crucial link to experimentation, with a growing range of quantum solutions for complex business challenges, including optimization and material research. At the same time AI is accelerating quantum system development and demand

for complex data model solutions. Fujitsu has created a platform for hybrid quantum computing and is developing technology that automatically optimizes workload selection for customers based on parameters such as calculation time, accuracy, and cost.

8. **Concerns around a new "ESG" (Energy, Security, Growth)** are shaping a new approach to energy security and sustainability. The original ESG (Environment, Social, Governance) principles of calmer times remain important and relevant, and energy and efficiency strategies will play a bigger role in reaching environmental goals. Looking ahead, security will have a larger role among social enterprise goals. Growth strategies will focus on AI-related technology investments, requiring a stronger focus on technology governance. Fujitsu's platform for ESG management continuously integrates these enterprise needs for efficiency, security, and impact.

9. **Enterprise blockchains** are finally emerging from the "trough of disillusionment." Driven by a boom in cryptocurrencies and stablecoins, and supported by major banks, enterprise payment functions can be streamlined and prepared for AI-based "machine customers." Enterprise blockchains will enable significantly lower transaction costs and payments with tokens and smart contracts, forming the foundation for process transformation and greater autonomy in AI agent transactions. Fujitsu has consistently supported blockchain technology as part of its Track and Trust platform and is collaborating with partners to co-design solutions.

10. **The "New Silver Economy"** creates new growth opportunities in challenging environments of slowing domestic economies. Rather than increasing the demand of aging consumers, the main component is AI-driven opportunities to retain and empower a more motivated workforce for longer. AI agents are being developed to preserve the deep domain expertise of senior employees. These agents interact in natural language with continuously updated systems and augment the skills and capabilities of senior employees with on-demand tutors. Seamlessly connecting the experienced senior workforce with the shrinking number of juniors on AI-enabled communication platforms becomes vital to increasing productivity on both ends. Fujitsu has been at the forefront of work transformation and digital productivity with its Work Life Shift initiative for years.

In 2026, as companies face economic instability and swift technological progress, this year will be crucial for integrating intelligence into systems, organizations, and industries. The adoption of AI agents, sovereign data infrastructures, and resilient computing will determine how well companies can adjust to a more fragmented global landscape. Early movers—those creating agile, intelligent, and localized operations—will succeed despite disruptions and drive the shift toward a more balanced and interconnected digital economy.

Dr. Martin Schulz
Chief Policy Economist at Fujitsu

Martin's work at Japan's leading ICT services company focuses on the impact of digitalization, economic policy and corporate strategy. He teaches at the Mercator School of Management, and volunteers for the global Open Footprint Forum.

His analysis is widely shared in the international media – with regular interviews on Bloomberg, CNBC, NHK, etc.

