UK will win AI race as Chancellor sets out economic ‘big choices’

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UK will win the AI adoption race as Chancellor sets out her economic growth ‘big choices’.

- The Chancellor has said the UK will see the fastest adoption of AI in the G7, with a record £2.5 billion boost to secure the UK as a world leader in AI and quantum
- Comes ahead of the Chancellor’s Mais lecture later today, where she will set out the three biggest opportunities for economic growth in the UK: innovation and AI, closer ties with Europe, and regional growth
- This announcement will see the UK becoming first country in the world to commit to rolling out Quantum computers at scale while investing £500 million to back most promising British AI companies

The Chancellor has said that the UK will “achieve the fastest AI adoption in the G7” as she sets out the three biggest opportunities for economic growth in the UK.

She also outlined the UK’s ambition to lead the Quantum revolution, which could create more than 100,000 UK jobs and generate £212 billion of economic impact over the next two decades.

In a record funding announcement, UK AI and quantum technologies will receive £2.5 billion, anchoring the world’s most promising AI and quantum companies in Britain to ensure they start, scale and succeed in this country.

The investment delivers on the government’s modern Industrial Strategy, which identified Digital and Technologies - including AI and quantum - as one of eight high-growth sectors critical to long-term economic renewal.

The UK already leads Europe in talent and investment across AI and quantum, with world-class research, entrepreneurial ambition and a thriving venture ecosystem. Since 2020, more AI companies have been founded in Britain per capita than anywhere else in Europe; and the UK is home to the second most Quantum companies in the world.

At the Chancellor’s Mais lecture on Tuesday afternoon she will set out that AI – along with closer ties with Europe and regional growth – are the biggest opportunities in the UK to get the economy growing.

The Chancellor is expected to say:

> In this changing world, Britain is not powerless. We can shape our own future. Our method is stability, investment and reform – through an active and strategic state.
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> Today, I am making three big choices on the greatest growth opportunities for Britain in the decade to come: growth in every part of Britain, AI and innovation, and a deeper relationship with the EU.
>
> Our plan is clear. To build for growth, to champion innovation, and to make Britain the place where the industries of the future are created.

On AI, she is expected to say:

> AI is the defining technology of our era. The choice is this: we can bury our heads in the sand and leave it to other countries - whose values may differ from ours - to shape and own this technology. We can leave it to the market alone, and let the balance of risk and reward be determined by a super-wealthy few. Or we can chart our own course.
>
> That's why I am setting out an ambitious plan for the UK to achieve the fastest AI adoption in the G7. In a world defined by technological change, Britain cannot afford to stand still. With this strategy, I believe we can approach the future with confidence – with the technologies of the future invented, built and deployed here in Britain.

The Chancellor Rachel Reeves and Technology Secretary Liz Kendall announced the new investment from the National Quantum Computing Centre in Oxford.

The new quantum computer procurement programme will help companies prove there is demand for their services, raise additional capital, make more technological progress, and become UK champions of a burgeoning global market.

Widely seen as 'the next AI', Quantum is technology's next great generational leap. While a traditional computer solves problems methodically, a Quantum system can explore dozens of potential answers at once - slashing the time it takes to reach a solution.

This means researchers able to rethink how we treat and beat disease, companies able to easily spot wasted resources and protect their bottom line, and new ways to make renewable energy more efficient. This is how Quantum will drive growth, investment, and national renewal for future generations.

Liz Kendall, Secretary of State for Science, Innovation and Technology said:

> I am determined this country grasps the benefits Quantum computing will bring. It is only by keeping pace with technological progress that we can deliver the high-paid jobs, cutting-edge public services, and innovations which change lives.
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> Today's announcements are an investment in our future - unlocking better health, wealth, and more opportunities for communities across the country.
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> This government is ushering in a Quantum leap - making the choice today to back UK scientists, companies, and innovators so we can deliver a future that works for all.

The record package for AI and quantum includes:

- A £500 million Sovereign AI Fund is set to be launched in April at Wayve. Sovereign AI will give British companies access to funding, compute and other support to compete and succeed globally.
- A record £2 billion to upgrade the UK's quantum capabilities, including a first-of-its-kind procurement programme worth up to £1 billion to procure commercial-scale quantum computers.
- An extra £13.8 million will be injected into the UK's 5 National Quantum Research Hubs,

researchers working in healthcare, clean energy, and national security projects will be among the first to get access to the most powerful technology in the world.
- A further £12 million will ensure quantum researchers have the skills they need to translate their work into real-world impact through a dedicated commercialisation skills centre – to help bring ideas from the lab into the real world.

ENDS

Notes to Editors

- The new Quantum procurement programme will lead to the development of prototypes of the most advanced quantum computers in the world. Prototypes will then be assessed, with the most promising systems coming online for use by scientists, researchers, the public sector, and businesses - transforming the UK into a hotbed for the latest, cutting-edge Quantum technology.
- This will also accelerate growth of the UK's already thriving Quantum industry – supporting homegrown firms as they scale-up and grow while building an environment which encourages private backers from around the world to pour money into the sector.
- Among the UK's key strengths are Quantum networking and sensing, with dedicated funding of £125m and £205m respectively now poised to accelerate innovations in medical diagnostics, greenhouse gas monitoring, and ultra-secure communications. This will transform our ability to diagnose and treat medical conditions like childhood epilepsy and potentially Alzheimer's in the years to come – transforming outcomes for patients.
- In transport, Quantum sensors could free us from our reliance on satellite technology to keep the country moving around the clock, while in the energy sector they can monitor gas leaks across networks to minimise disruption.
- The UK is already a global powerhouse in the technology, launching a first of its kind Quantum programme in 2014 which has already been backed by more than £1 billion in public funding to support skills, research, and infrastructure. Our credentials as a global magnet for private investment are also thriving.

Steve Brierley OBE, CEO and Founder of Riverlane, said:

> Quantum error correction is the pivotal technology that will unlock the most powerful applications of quantum computing. The Government's foresight in supporting this and other leading quantum technologies during these formative years will help ensure the UK captures the enormous economic and societal benefits these systems will deliver for decades to come.

James Palles-Dimmock, CEO of Quantum Motion, said:

> The UK has led the world in the creation of companies built on quantum technologies. With this procurement programme, the government can now turn that scientific and entrepreneurial leadership into real capability by purchasing the most powerful computers the laws of physics allow us to build. Programmes like this give British companies the confidence to scale, attract investment and compete globally. Strengthening our ties with Europe while backing homegrown innovation will be critical to ensuring the UK remains at the forefront of the quantum era.

Danyal Akarca, Co-founder of Callosum, said:

> The UK is not only cementing itself as a central force in AI but the computing infrastructure underpinning it. By leveraging the next generation of diverse computing technologies, we have the opportunity to tackle the very hardest problems in science and accelerate real economic growth. This programme is a sign that the UK understands what is at stake and is building the conditions for the most ambitious companies to thrive.

Gerald Mullally, CEO of Oxford Quantum Circuits (OQC) said:

> Today's announcement is a powerful statement of the UK's ambition to lead the world in the technologies that will help shape the next era of economic growth. The Government's clear commitment to investing in quantum computing, alongside major support for AI, recognises the central role these technologies will play across industry, science and national prosperity. At OQC, we strongly welcome this programme and its focus on deploying quantum technologies at scale. It sends a powerful signal that the UK intends not only to lead in research, but to turn that leadership into scaled technologies, globally competitive companies, high-skilled jobs and sovereign capability that will strengthen the UK economy and deliver lasting benefits to businesses, public services and people across the UK.

Dr. Carmen Palacios-Berraquero, Founder and CEO at Nu Quantum:

> The UK is leading in nurturing the huge potential of quantum computing and the game changing impact it can bring to the economy. Such a bold quantum computing procurement and investment programme is a testament not only to the capabilities of the world-leading quantum companies that are proud to call Britain home, but also a tangible step for the country to retain and further grow its critical skills and know-how.

https://www.gov.uk/government/news/uk-will-win-ai-race-as-chancellor-sets-out-economic-big-choices