# UK bets on automation to reboot economy



The UK government’s new Modern Industrial Strategy places robotics, automation and artificial intelligence (AI) at the centre of its plan to reshape the economy by 2035. The 10-year vision integrates these technologies into three key growth sectors—advanced manufacturing, digital and technologies, and professional and business services—marking a major push to expand intelligent automation across industry and services. A core component is the Advanced Manufacturing Sector Plan, which targets a near doubling of private investment in subsectors such as aerospace, batteries, agri-tech and automotive. It promotes smart production methods, new materials and robotics to raise productivity. The Made Smarter programme will expand with pilot projects to help small and medium-sized manufacturers adopt robotics, digital twins and predictive automation tools. In parallel, the Digital & Technologies Plan identifies robotics as a key part of the UK’s emerging tech sector, alongside AI, semiconductors and quantum computing. It outlines measures in research, finance and regulation to help the UK lead in intelligent systems and automation. The Professional and Business Services Sector Plan goes further by allocating £150 million to boost AI and automation in service-based fields including law, accountancy, consultancy, architecture and engineering. This includes five new technology hubs and an AI Skills Hub to train professionals in advanced automation. Industry has largely welcomed the strategy, especially its focus on innovation for SMEs. Oana Jinga, Chief Commercial Officer and co-founder of UK robotics firm Dexory, praised the support but warned that talent shortages remain a challenge. “If the UK wants to lead in truly advanced, high-tech manufacturing, we need more clarity and commitment on how this will be delivered in practice,” said Jinga. She called for sustained investment in skills development, STEM careers and simplified recruitment for robotics and software roles. A £4 billion Industrial Strategy Growth Capital initiative from the British Business Bank aims to unlock £12 billion in private funding for high-growth firms, including those in robotics and automation. Up to £60 million in direct investment will support UK tech companies, along with backing for new venture capital funds focused on AI and robotics. The strategy also addresses cost pressures, notably high energy prices. A planned British Industrial Competitiveness Scheme will offer reduced electricity rates for strategic industries and support grid upgrades tailored to automation needs. This plan builds on existing policy. The Smart Machines Strategy 2035 outlines the UK's ambition to lead in robotics, highlighting the role of smart machines in solving complex challenges and boosting productivity. Demand is rising—robotics installations hit a record 3,830 in 2023, up 51% year-on-year, driven by the automotive sector and temporary tax breaks. Yet the UK still trails global leaders. It has just 141 robots per 10,000 manufacturing workers, compared with 397 in Germany and 1,000 in South Korea. Analysts link this to the UK’s weak productivity, though forecasts suggest rapid growth ahead, with a projected 36% annual rise in the robotics market through 2027 driven by labour shortages and economic uncertainty. Beyond manufacturing, the government is targeting automation in areas like sustainable farming, with £12.5 million in funding for robotic and sensor technologies in agriculture. While challenges remain around skills and infrastructure, the UK’s industrial strategy lays the groundwork for a more competitive economy built on advanced automation, innovation and long-term resilience.

Created by [Amplify](https://www.hbmadvisory.com/amplify): AI-augmented, human-curated content.

## Bibliography

1. <https://www.roboticsandautomationmagazine.co.uk/news/ai/uks-industrial-strategy-puts-robotics-and-automation-at-core-of-manufacturing-digital-and-services-growth.html> - Please view link - unable to able to access data
2. <https://www.gov.uk/government/publications/smart-machines-strategy-2035> - The UK government's 'Smart Machines Strategy 2035' outlines a roadmap to position the UK as a global leader in robotics and smart machines. The strategy highlights the transformative potential of these technologies to address societal challenges, enhance economic productivity, and establish national leadership in a rapidly evolving technological landscape. It builds on the UK's strengths in research, innovation, and entrepreneurship, laying out strategic goals and actionable steps to unlock the full potential of smart machines by 2035.
3. <https://www.reuters.com/sustainability/climate-energy/uk-backs-advanced-manufacturing-clean-energy-ten-year-industrial-plan-2025-06-23/> - The UK government unveiled a ten-year industrial strategy aiming to reduce electricity costs for businesses from 2027 and boost key sectors. Central to the plan is an investment of up to £2.8 billion in advanced manufacturing R&D to enhance innovation and automation. The country also plans to double clean energy investments to over £30 billion annually by 2035. The creative industries will see a £150 million growth fund, while the life sciences sector will receive up to £600 million to build an AI-ready health data platform. For the first time, professional and business services are included in the national plan, focusing on AI adoption, international recognition of qualifications, and the creation of five new service hubs. In digital and technology, the UK aims to become a global leader by prioritizing cutting-edge fields like AI, cybersecurity, and semiconductors through regulatory reforms and international collaboration. Additionally, the UK seeks to enhance cooperation with the EU on energy and carbon pricing to ease business operations and support North Sea projects, including potential UK participation in the EU’s internal electricity market.
4. <https://www.businesswire.com/news/home/20240924129755/en/Robot-Boom-in-the-UK-Hits-All-Time-High-%E2%80%93-IFR-Reports> - Sales of industrial robots in the UK reached a new record high with 3,830 units installed in 2023, marking a 51% increase from the previous year. The main driver of this boom has been the automotive industry. The International Federation of Robotics (IFR) reports that the UK manufacturing industry has heavily invested in robotics, with a significant tax break for investment in plant and machinery expiring after the first quarter of 2023, reportedly boosting investment.
5. <https://www.telegraph.co.uk/business/2023/07/29/british-manufacturing-robot-revolution-productivity/> - The UK is lagging behind international peers in the adoption of industrial robots, with a robot density of 141 per 10,000 workers, compared to Germany's 397 and South Korea's 1,000. This shortfall is seen as part of the explanation for Britain's flatlining productivity levels and its industrial struggles. The International Federation of Robotics (IFR) noted that the UK has a strong manufacturing industry but surprisingly low annual robot installation counts, very low for a Western European country.
6. <https://www.gov.uk/government/news/125m-for-robotics-and-automation-to-boost-sustainable-farming> - Nineteen innovative projects developing automation and robotic technologies will receive a share of £12.5 million in government funding to boost productivity, food security, and sustainable farming practices. The projects include developing a system to accurately predict and enhance the quality of strawberry yields, reduce waste, and optimise labour and harvesting schedules; a new system to digitally map and monitor vineyards using drones, robots, and sensors; and a navigation system for field-based robotic vehicles to improve accuracy and reliability and enable safe navigation in farmyard and field operations.
7. <https://www.globenewswire.com/news-release/2023/06/13/2686858/0/en/UK-Industrial-Robotics-Industry-to-Grow-at-a-CAGR-35-9-from-2022-to-2027.html> - According to a research report, the UK industrial robotics market is expected to grow at a compound annual growth rate (CAGR) of 35.9% from 2022 to 2027. The UK's strong manufacturing industry is expected to drive the demand for industrial robots, with companies adopting robots to prepare for pandemics and recession-like situations, which caused a labour shortage.