# UK AI market pivots to edge computing in push for real-time intelligence



The UK’s fast-growing AI market, valued at over £16 billion and projected to surpass £790 billion by 2035, is undergoing a major transformation. As AI systems become more complex, the infrastructure supporting them is shifting from centralised cloud computing to distributed data centres and edge environments—placing intelligence closer to the source of data.

Lee Larter, Pre-sales Director at Dell Technologies, said this new landscape requires enterprises to adopt a data-centric infrastructure. By deploying AI tools directly into locations such as factories, hospitals and energy grids, businesses can achieve real-time decision-making and reduce reliance on centralised cloud platforms. This trend is driven in part by the rise of agentic AI—self-organising systems that operate with greater autonomy than traditional generative models. Supporting such systems demands a robust foundation of AI-optimised hardware, including GPUs, NPUs and dedicated accelerators, combined with high-speed, low-latency networking like software-defined networking (SDN).

Data management is emerging as a cornerstone of this evolution. With regulations such as GDPR, organisations must ensure data is secure, accessible and curated across diverse environments. AI systems must process data across sources efficiently while avoiding bias and safeguarding privacy. Storage infrastructure is also evolving, blending high-speed flash with tiered and hybrid cloud storage to handle the explosive growth in unstructured AI data.

As AI infrastructure expands, environmental sustainability becomes increasingly important. Energy-efficient hardware, next-generation cooling systems and real-time power monitoring are helping to reduce the ecological impact of large-scale AI deployments.

The UK government’s support is reinforcing these shifts. Backed by multi-billion-pound investments and a national AI strategy, the UK is positioning itself as the world’s third-largest AI market. Economic forecasts suggest AI could add between £550 billion and £1 trillion to the UK economy by 2035—provided adoption and skills development accelerate in tandem.

Cloud AI remains strong, with major players like Microsoft, IBM and NVIDIA continuing to drive growth. However, the rise of edge architectures suggests a hybrid future. Rather than replacing cloud systems, distributed computing adds flexibility, speed and improved data governance—essential for AI’s most demanding applications.

In this hybrid model, success will belong to those who build agile, resilient infrastructures that move intelligence to the edge. For UK businesses, that means unlocking AI’s full potential across every sector—from healthcare and manufacturing to energy and finance—while ensuring innovation is grounded in privacy, compliance and sustainability.

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## Bibliography

1. <https://datacentrereview.com/2025/06/is-enterprise-ai-deserting-the-cloud-and-racing-to-the-edge/> - Please view link - unable to able to access data
2. <https://www.grandviewresearch.com/horizon/outlook/enterprise-artificial-intelligence-market/uk> - The UK enterprise artificial intelligence market is projected to reach a revenue of US$6,271.4 million by 2030, with a compound annual growth rate (CAGR) of 33.9% from 2025 to 2030. The cloud deployment segment is expected to be the largest revenue-generating segment in 2024 and is anticipated to register the fastest growth during the forecast period. Key market players include Alphabet Inc., Amazon.com Inc., C3.ai Inc., DataRobot, Hewlett Packard Enterprise Co., IBM Corp., Intel Corp., Microsoft Corp., NVIDIA Corp., Oracle Corp., SAP SE, and Wipro Ltd.
3. <https://www.trade.gov/market-intelligence/united-kingdom-artificial-intelligence-market-2023> - The UK AI market is valued at over $21 billion and is estimated to grow to over $1 trillion by 2035, making it the third-largest AI market globally after the U.S. and China. The UK government has invested significantly in AI, with a National AI Strategy and Action Plan outlining over $1.3 billion of support for the sector. This investment complements the $2.8 billion previously invested in AI initiatives since 2014. The industry has also attracted substantial funding from global AI companies, including Google, AWS, HPE, and Beyond Limits.
4. <https://www.statista.com/outlook/tmo/artificial-intelligence/united-kingdom> - The UK's artificial intelligence market is projected to reach a size of US$7.68 billion in 2025, with an expected annual growth rate (CAGR) of 26.33% from 2025 to 2031, resulting in a market volume of US$31.21 billion by 2031. In global comparison, the largest market size will be in the United States, with US$73.98 billion in 2025. The UK is ranked third in the world for AI readiness, behind the US and China.
5. <https://www.finder.com/uk/share-trading/ai-statistics> - The UK AI market is estimated to be worth £16.6 billion in 2023 and is projected to grow to £790.4 billion by 2035, making it the third-largest AI market globally. The UK is ranked third in the world for AI readiness, behind the US and China. The UK government has invested £2.2 billion in the AI sector and plans to invest a further £1 billion, totaling £3.2 billion. The UK AI market is expected to add over £800 billion ($1 trillion) to the UK economy by 2035.
6. <https://ukstories.microsoft.com/features/ai-could-boost-uk-gdp-by-550-billion-by-2035-research-shows/> - A report commissioned by Microsoft estimates that AI could represent a £550 billion opportunity for the UK over the next 10 years. The findings predict multiple ways that AI could boost the UK economy if the country steps up its AI journey. The report also estimates that prompt investment in digital technologies and skills could have an average societal Return on Investment (ROI) of more than 5:1 in the next decade, meaning that for every extra £1 spent by companies, the economy could grow by £5.
7. <https://www.grandviewresearch.com/horizon/outlook/cloud-ai-market/uk> - The UK cloud AI market is expected to reach a projected revenue of US$36,385.6 million by 2030, with a compound annual growth rate (CAGR) of 35.7% from 2025 to 2030. The cloud deployment segment is expected to be the largest revenue-generating segment in 2024 and is anticipated to register the fastest growth during the forecast period. Key market players include Alphabet Inc., Amazon.com Inc., C3.ai Inc., DataRobot, Hewlett Packard Enterprise Co., IBM Corp., Intel Corp., Microsoft Corp., NVIDIA Corp., Oracle Corp., SAP SE, and Wipro Ltd.