# UK's AI sector accelerates with billions in investment and global ambitions



Since the launch of ChatGPT by OpenAI in 2022, artificial intelligence has seen a surge in global interest and investment, with the market now valued at more than $240 billion. While US tech firms like OpenAI, Google and Microsoft continue to dominate, the UK is fast emerging as a significant force in AI, fuelled by a growing network of startups and scaleups developing proprietary models and applications.

The UK AI market is estimated to be worth between £18 billion and £21 billion as of 2024–25, supported by more than 2,300 active AI firms. Some reports suggest this number could exceed 3,700, employing over 60,000 people. This momentum is reinforced by government initiatives such as the Artificial Intelligence Action Plan, which aims to boost the economy by £47 billion annually and establish the UK as the world’s third-largest AI market.

AI investment in Britain is now second only to the software-as-a-service sector. The technology is increasingly embedded in industries including finance, healthcare, cybersecurity and manufacturing. Even niche areas such as gaming and online casinos are adopting AI to personalise gameplay and enhance customer support.

Wayve, a London-based startup developing autonomous driving technology, exemplifies this momentum. It has raised over $1 billion, including £822 million in a landmark 2024 round led by Softbank Group and NVIDIA, giving it a post-money valuation above £2 billion and cementing its unicorn status.

Another key player is OneTrust, which builds frameworks for governance, risk, compliance and ethical AI. Founded in 2016, it has raised nearly £700 million and expanded through acquisitions. Although now headquartered in the US, it remains a significant contributor to the UK’s AI ecosystem. Graphcore, a semiconductor firm known for its Intelligence Processing Unit chips, was acquired by Softbank for £462 million after facing headwinds. It continues to collaborate with global companies including Dell and Microsoft.

In healthcare, startups such as Cera and Isomorphic Labs are applying AI to practical challenges. Cera uses machine learning to manage homecare and telehealth services via an intuitive app, raising £479 million to date. Isomorphic Labs, a Google offshoot, focuses on AI-driven drug discovery and secured £464 million in its initial major round.

Growth forecasts for the UK AI market remain strong. Estimates vary, but projected annual growth rates range from 22% to over 32%, with valuations expected to hit between $20 billion and $31 billion by 2030–31. Generative AI is set to grow even faster, with an anticipated annual rate of 37%, highlighting a key area of UK expertise.

The UK’s environment for AI development is bolstered by government policy, investment incentives, grants and a highly skilled workforce. The local presence of global leaders like OpenAI and Google is further enriching the innovation landscape.

While the UK still lags behind the US in overall market size—with the American AI sector expected to reach nearly $74 billion in 2025—the UK's trajectory is clear. With a combination of entrepreneurial energy, investment and a focus on responsible development, Britain is steadily establishing itself as a global hub for AI.

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## Bibliography

1. <https://prolificlondon.co.uk/top-artificial-intelligence-startups-and-scaleups-in-the-uk/> - Please view link - unable to able to access data
2. <https://www.statista.com/outlook/tmo/artificial-intelligence/united-kingdom> - This report provides insights into the UK artificial intelligence market, projecting a market size of US$7.68 billion in 2025, with an expected annual growth rate of 26.33% from 2025 to 2031, resulting in a market volume of US$31.21 billion by 2031. It also compares the UK market size to other countries, noting that the largest market size will be in the United States, with US$73.98 billion in 2025.
3. <https://www.imarcgroup.com/uk-artificial-intelligence-market> - This report offers a comprehensive analysis of the UK artificial intelligence market, which was valued at USD 3.3 billion in 2024 and is expected to reach USD 20.5 billion by 2033, exhibiting a growth rate of 22.56% during 2025-2033. It discusses various factors propelling the market's growth, including the implementation of policies, funding programs, and strategic initiatives by governing agencies, as well as the increasing adoption of AI technologies across various sectors.
4. <https://www.grandviewresearch.com/horizon/outlook/artificial-intelligence-market/uk> - This article discusses the UK artificial intelligence market, which is expected to reach a projected revenue of US$89,795.9 million by 2030, with a compound annual growth rate of 32% from 2025 to 2030. It provides data on the market's revenue in 2024 and forecasts for 2030, highlighting the significant growth and potential of the AI sector in the UK.
5. <https://www.great.gov.uk/campaign-site/grow-your-tech-business-in-the--uk/artificial-intelligence/> - This page highlights the UK's position as the third-largest AI market globally, valued at $92 billion (£72.3 billion) in 2024. It mentions that the UK is home to over 3,700 AI companies, employing over 60,000 people and contributing £3.7 billion to the economy. The page also discusses the government's initiatives to support the AI sector, including the Artificial Intelligence Action Plan aimed at boosting the economy by £47 billion annually.
6. <https://www.forbes.com/uk/advisor/business/software/uk-artificial-intelligence-ai-statistics/> - This article provides statistics and trends on artificial intelligence in the UK, including the market's valuation at over £21 billion and its projected growth to £1 trillion by 2035. It also discusses the increase in the number of UK AI companies by over 600% over the last 10 years and the adoption rates of AI technologies across different company sizes and sectors.
7. <https://www.statista.com/outlook/tmo/artificial-intelligence/generative-ai/united-kingdom> - This report focuses on the generative AI market in the UK, projecting a market size of US$3.20 billion in 2025, with an expected annual growth rate of 36.98% from 2025 to 2031, resulting in a market volume of US$21.14 billion by 2031. It also compares the UK market size to other countries, noting that the largest market size will be in the United States, with US$21.65 billion in 2025.