# UK sets £1tn digital economy target by 2030



The UK has unveiled a bold plan to build a £1 trillion digital economy by 2030, underpinned by heavy investment in artificial intelligence, quantum computing and cybersecurity. The strategy seeks to secure Britain’s share of the fast-evolving global digital landscape, with Prime Minister Sir Keir Starmer hailing technology as central to economic renewal.

A ten-year sector plan commits £670 million to quantum technologies, with the aim of capturing 15 per cent of the global market by 2033. National missions will focus on quantum-enhanced navigation and healthcare applications, supported by the National Quantum Computing Centre and research hubs.

AI infrastructure is another priority. Although the UK boasts world-class research talent, it ranks behind the US and China in computing power. At London Tech Week, Nvidia chief executive Jensen Huang urged greater investment, prompting a £1 billion government pledge to expand national capacity twentyfold and boost the AI Research Resource launched in 2023. Civil servants will also be trained in AI as part of public service reform.

The push is reinforced by a £31 billion UK–US Tech Prosperity Deal, struck during President Donald Trump’s 2025 state visit, which commits both countries to collaborate on AI, quantum and civil nuclear technologies. Microsoft, Nvidia and Google have pledged billions in UK infrastructure, with Microsoft alone investing £22 billion and Nvidia deploying 120,000 GPUs—its largest expansion in Europe.

Yet experts warn that reliance on foreign providers risks undermining homegrown innovation. Palantir’s dominance in healthcare contracts, for example, has limited opportunities for domestic firms. By contrast, countries including Denmark, France, Germany, India and Singapore are actively building sovereign AI capabilities to secure national advantages.

To counter this, the UK strategy includes support for startups, digital transformation incentives and immigration reforms to address talent shortages. Ministers argue this will build on domestic strengths exemplified by DeepMind, the AI pioneer now owned by Google.

Cybersecurity is also a central focus, with efforts to protect transport and power infrastructure while grappling with AI ethics and privacy. Industry councils will be formed to oversee AI energy consumption and environmental impact.

The digital economy already contributes around £150 billion annually and employs more than 1.7 million people. Growth is not confined to London and Cambridge: “tech towns” such as Livingston and Burnley are expanding faster than the wider economy, highlighting the spread of innovation.

Analysts say convergence between AI, blockchain and the Internet of Things will further shape the UK’s success. While challenges remain in building sovereign AI and scaling domestic firms, the government’s long-term investment and international collaborations are seen as laying the groundwork for Britain to become a leader in responsible, forward-looking digital innovation.

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## Bibliography

1. <https://www.webpronews.com/uk-targets-1-trillion-digital-economy-by-2030-with-ai-investments/> - Please view link - unable to able to access data
2. <https://www.reuters.com/world/uk/uk-us-agree-42-billion-tech-pact-mark-trumps-visit-2025-09-16/> - The United Kingdom and the United States have signed a landmark 'Tech Prosperity Deal' valued at £31 billion ($42 billion) during U.S. President Donald Trump's second state visit to Britain. The agreement aims to strengthen collaboration in artificial intelligence, quantum computing, and civil nuclear energy. Major U.S. tech firms, led by Microsoft, pledged significant investments in the UK, with Microsoft alone announcing a £22 billion investment in cloud and AI infrastructure, including an AI supercomputer in Loughton. Nvidia plans to deploy 120,000 GPUs across the UK, marking its largest European rollout, while Google will invest £5 billion in a new data center and continued AI research via DeepMind. British Prime Minister Keir Starmer emphasized the deal’s significance for driving economic growth and positioning the UK as a global tech leader. Under pressure to rejuvenate the UK economy, Starmer is adopting a light-regulation strategy favored by the U.S., diverging from the more controlled EU framework. The pact underscores a deepening of UK-U.S. trade relations, with additional commitments from companies like CoreWeave, Salesforce, Amazon Web Services, and Oracle, aiming to bolster the UK's position in the global tech landscape.
3. <https://www.ft.com/content/a4f13a6c-2f5f-439f-9034-3ae2597d94ab> - The UK is falling behind in the race for digital and AI sovereignty due to long-standing systemic issues, warns the former UK government digital and data chief. The over-reliance on large, international tech providers and inefficient public IT contracts has stifled domestic innovation and startup growth. Despite government efforts like infrastructure investment and AI development zones, Britain remains primarily a consumer, not a creator, of AI technology. The healthcare sector exemplifies this struggle, with a history of poor tech adoption and the recent dominance of foreign firms like Palantir crowding out local competition. In contrast, countries like Denmark, Germany, France, India, and Singapore are aggressively nurturing their national AI industries. The UK’s focus on foreign AI partnerships further sidelines homegrown tech companies, failing to build upon strong local talent exemplified by DeepMind—now under Google’s ownership. To regain digital control, the UK must prioritize and invest in its own AI firms through state support, targeted markets, and strategic policymaking, akin to Brazil's Pix system. The potential is present; it needs backing.
4. <https://www.ft.com/content/cc04adfb-81b2-477f-b85c-ce042e8f83a8> - At the London Tech Week, Nvidia CEO Jensen Huang highlighted the UK's lack of sufficient digital infrastructure despite its strong AI research talent and significant private investment, ranking third globally behind the US and China. In response, UK Prime Minister Sir Keir Starmer announced a £1 billion investment to expand the nation’s AI computing capabilities, aiming to increase compute power twentyfold and transition the country into an AI leader. The funding will bolster the UK AI Research Resource launched in 2023 and support wider adoption of AI, including training for all civil servants. Nvidia also announced several UK initiatives, including a new AI Technology Centre in Bristol and the formation of the UK Sovereign AI Industry Forum in collaboration with firms like BAE Systems and BT. Additionally, AI cloud companies Nscale and Nebius will launch facilities using thousands of Nvidia’s chips. Despite this momentum, UK AI investments remain significantly lower than those of the US and China. Plans are in motion to close this gap, including a long-term goal of expanding government computing capacity to match 100,000 Nvidia GPUs by 2030.
5. <https://www.ft.com/content/3ae0fa88-2884-47e5-93c4-4690f37ceceb> - The UK government has announced an investment exceeding £500 million over the next four years in quantum computing, as part of a broader £670 million commitment over the next ten years. This investment aims to bolster national security and economic resilience by developing sovereign quantum computing capabilities. This follows prior government pledges to support quantum technologies with £2.5 billion over a decade, and addresses growing concerns about foreign acquisitions of UK-based quantum firms. The funding includes ongoing support for the National Quantum Computing Centre and complements a £100 million investment announced last year for five research hubs. Experts highlight quantum computing’s potential to revolutionize areas such as secure communications, medical imaging, and industrial material discovery. The government’s strategic support underscores the need to maintain the UK's competitive edge in an emerging global quantum race, amid leadership transitions and reassessments of national science priorities. Advocates emphasize that quantum technology, akin to AI and the internet, holds transformative potential and must be treated as a national priority.
6. <https://www.ft.com/content/3df56e38-357c-495f-b81b-d11dcfe3055f> - The UK government plans to significantly boost its AI computing capacity over five years, including constructing a new supercomputer, to establish a competitive AI sector globally. This decision follows a report by venture capitalist Matt Clifford, advocating for 100,000 GPUs in government-owned capacity by 2030. The expanded capacity aims to support AI applications in academia and public services and will be funded by the Department for Science, Innovation and Technology's R&D budget. Prime Minister Keir Starmer emphasized the economic and public service benefits of AI. The expansion responds to the need for reliable, sovereign compute capacity to lessen dependence on foreign AI businesses. The 'AI Opportunities Action Plan' includes 50 recommendations for fostering a thriving AI industry, such as AI growth zones and an AI Energy Council. Previously, Science and Technology Secretary Peter Kyle faced criticism for halting funding for an £800mn Exascale supercomputer, highlighting the urgent need for enhanced national AI infrastructure.
7. <https://www.gov.uk/government/news/tech-innovators-backed-to-set-up-and-scale-up-in-britain-through-industrial-strategy> - Innovators driving future technologies like quantum computers to deliver new life-saving medicines and semiconductors powering the next generation of mobile phones are being backed by well over £1 billion to set up and scale up their businesses in Britain, Science and Technology Secretary Peter Kyle has announced. By 2035, the UK aims to develop quantum computers capable of outperforming conventional supercomputers, potentially meaning new drugs for incurable diseases or better carbon capture technologies, supporting our missions of building an NHS that is fit for the future and making Britain a green clean energy superpower as part of the plan for change. Science and Technology Secretary, Peter Kyle, said: 'Britain is full of ambitious risk-takers driven by a desire to innovate and improve people’s everyday lives. It is on us in government to match that boldness by investing in our country’s immense potential and embracing businesses who can drive that change and grow our economy.' From quantum computers that could revolutionise drug discovery and make the NHS fit for the future, to sustainable fuels that can make the UK a clean energy superpower, science and technology has a key part to play in delivering our modern Industrial Strategy to renew our country and support our Plan for Change.