

The physical effects of a revolution: AI innovation in the UK triples post-ChatGPT

New analysis from Hard Numbers reveals that AI popularity in UK business has soared

“If our era is the next Industrial Revolution, as many claim, AI is surely one of its driving forces.” – Fei-Fei Li

One year after ChatGPT has been launched and introduced the general public to AI, it is certain that the world has changed in ways that, until now, seemed impossible.

We have been propelled into the future, achieving decades of progress in just a year. Artificial Intelligence now affects everyone's life, is everywhere in the media and is even part of many political feuds.

What we might not be realising is that this technology is still at a very early stage. Its impact on the real world has just started, and the future generation will look at the current AI the same way we look at computers from the 80s; with kindness and a zest of humour.

The same way computers did over the past decades, AI will keep growing stronger and better. In a near future, its influence will go beyond the limits of our imagination. AI, the latest revolution, will be an essential part of everyone's life, if it isn't already the case.

Skyrocketing Innovation

Innovation in the UK's artificial intelligence sector has tripled following the launch of ChatGPT, according to a new report from *Hard Numbers*.

The number of new companies launching with 'AI' in their name has more than tripled, jumping to 1,284 – a 202% increase. This surge points to a significant shift in the landscape, underscoring the growing innovation and investment in AI technology within the UK.

The study from Hard Numbers analysed UK Companies House data for companies with 'AI' in their name.

Their research focused on the UK AI sector's growth post-ChatGPT launch, using Companies House data. Hard Numbers examined the number of companies established with 'AI' in their name since November 30th, 2022. This approach served as a proxy for measuring sector expansion, offering a comprehensive historical perspective.

Aware of potential limitations in this method, they conducted a manual review of the 250 most recently registered companies with "AI" in their name up until the cut-off date.

London stands out as the dominant hub, hosting nearly half of the new AI companies. Of the 1,284 new AI firms, 625 are based in London, far exceeding second placed Manchester which has just 21. This stark contrast underscores London's dominance in the tech sector, and shows just how little progress has been made to level up the rest of the country.

"This data paints a clear picture: we have officially entered the fifth phase of the industrial revolution. The impact of AI will be as profound as that of any great technology to have come before it – from the first revolution of mechanisation and steam power, to the fourth, ushered in by the internet." says *Paul Stollery*, Co-Founder and Creative Director of Hard Numbers

Companies launching with AI in their name in the UK:

- 12 months leading up to November 30th, 2022: 425
- 12 months following November 30th, 2022: 1,284

This represents a 202% increase.

Disparity in the UK

Cities ranked by AI company count since November 30th, 2022:

1. London - 625
2. Manchester - 21
3. Birmingham - 16
4. Glasgow - 16
5. Cambridge - 15
6. Leeds - 10
7. Leicester - 10
8. Liverpool - 10
9. Bristol - 9
10. Altrincham - 8

“London dominates to a disappointing extent, with as many AI companies launching as the rest of the country put together. Levelling up the country is a complex thing. But I thought we would have gotten further by the time we passed the Turing Test. Clearly, that is not the case.” adds Paul.