Microsoft trumps Google with $30 billion investment in the UK

Microsoft is announcing that it's investing £22 billion (around $30 billion) in the UK to help support AI infrastructure and ongoing operations from 2025 through 2028. The investment includes $15 billion in capital expenditures to build a supercomputer to support AI demand and adoption.

"This will account for more than two-thirds of the tech sector's total investment announcements in the UK that are being made this week," says Microsoft vice chair and president Brad Smith in a press briefing attended by *The Verge*. "We're focused on British pounds, not empty tech promises, because it's easy to have big numbers, but we'll be good for every cent of this investment."

Smith is clearly referencing Google's own investment of £5 billion (around $6.8 billion) that it announced earlier today to help power the UK's AI efforts. Smith says Microsoft's latest UK investment is a "very substantial increase" over its previous investment in 2023.

"This investment will enable us to build the country's largest supercomputer — with more than 23,000 advanced GPUs — in partnership with Nscale," says Smith. "We're not just investing in the UK, we're investing with partners in the UK. It includes the data centers we have today and an expansion of them."

Microsoft's multibillion-dollar investments in the UK come on the same day President Donald Trump arrives in Britain for a

second state visit, in what's meant to be seen as a clear collaboration between the US and UK. Smith told reporters that the investment wasn't requested by the Trump administration, but it's clearly been well timed on the UK government side.

The announcement is a big change from Microsoft's issues with the UK only a few years ago. Smith openly criticized the UK's Competition and Markets Authority (CMA) during Microsoft's giant Activision Blizzard acquisition in 2023. Smith said his confidence in the UK had been "severely shaken" after the CMA originally blocked Microsoft's giant gaming deal, and even said "the European Union is a more attractive place to start a business" than the UK. Smith later described the regulator as "tough and fair" last year, and said he "might choose slightly different words" to make his point about the CMA.

Smith praised both former Prime Minster Rishi Sunak's and Prime Minister Keir Starmer's governments during his briefing with reporters today. "Our ability to make an investment of this size is based in no small measure on the work the government is doing to reform planning, grow electricity capacity, and foster a more stable and open regulatory environment," says Smith.

Google is also opening a new data center in Waltham Cross, Hertfordshire, that Chancellor Rachel Reeves calls a "powerful vote of confidence in the UK economy and the strength of our partnership with the US." Microsoft managed to one-up Google and get Starmer to comment on its own investment, and he also called it "a powerful vote of confidence in UK's leadership in AI and cutting-edge technology."

The other half of Microsoft's $30 billion investment will be used to support the company's ongoing operations across the UK, including its 6,000 employees that are based in Britain. Microsoft did close its 21,000-square-foot store in the heart of London earlier this year, but the company still holds offices at Microsoft Research in Cambridge, the Microsoft UK

headquarters in Reading, Microsoft AI in London, and elsewhere.

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