TURING
INNOVATION
CATALYST
MANCHESTER

unit M.

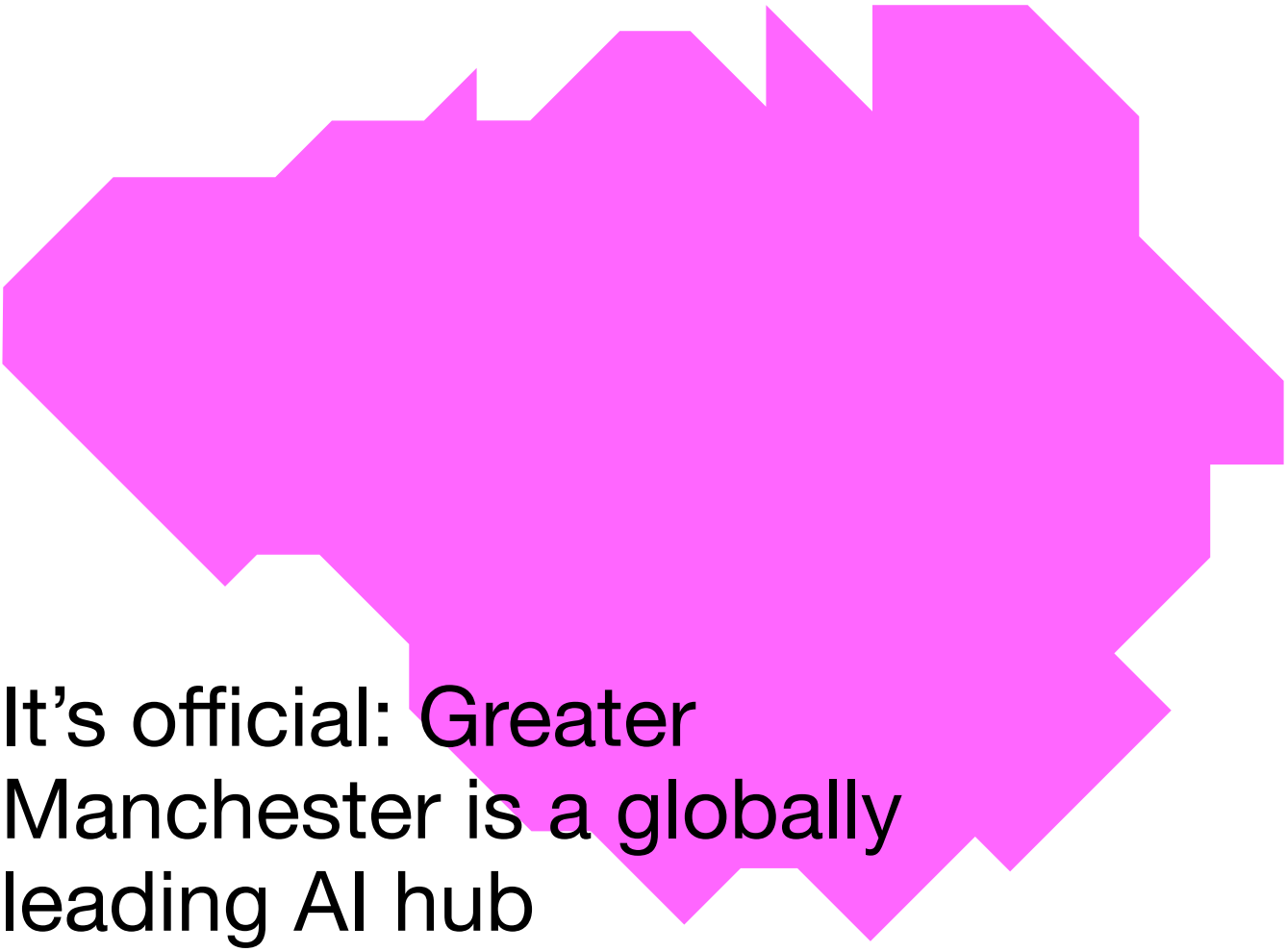
THE AI CATALYST REPORT

GREATER MANCHESTER

CONTENTS

01
EXECUTIVE SUMMARY

LIZ SCOTT MBE
Executive Director
Turing Innovation Catalyst
Manchester



It’s official: Greater Manchester is a globally leading AI hub

We’re at a critical juncture in our journey to become a powerhouse of AI innovation, planting our flag firmly in the ground as a city region leading the charge, enabling groundbreaking technological advancements and creating the right conditions for businesses, researchers, and the current and future workforce to thrive.

The 2025 Greater Manchester AI Catalyst Report outlines the region’s significant achievements, challenges, and its vision for a future in which AI drives both economic and social progress.

At the heart of this transformation, the Turing Innovation Catalyst Manchester (TIC), part of Unit M, the University of Manchester’s new innovation arm, will play a central role in shaping, supporting, and enabling the rise of Greater Manchester’s AI ecosystem. But we know there is always more to do when it comes to accelerating the growth of talent, innovation and opportunity in order to fully realise the potential of our region.

While Greater Manchester is recognised as a city region outperforming all those outside of London in terms of the resilience of its digital economy, the strength of its cluster of AI companies is what really sets it apart.

Central to Greater Manchester's transformation into a globally recognised AI hub is the power of collaboration. The intersection of higher education, the private sector, and local and national government has become the foundation of the city region's success. This tri-sector approach has unlocked unprecedented opportunities for innovation, economic growth, and social progress.

TIC exemplifies this collaboration in action, led by the University of Manchester, a powerhouse of innovation in the region. By prioritising the development of the AI ecosystem, the university continues to demonstrate an unwavering commitment to leveraging its resources and expertise for the benefit of the regional economy.

This collaborative ethos ensures that AI innovation in Greater Manchester is not siloed but thrives within a connected, dynamic ecosystem. From facilitating innovative research and commercialisation to attracting investment and creating skilled job opportunities, TIC's work positions Greater Manchester as a city region that leads by example. This seamless integration of academic, industry, and public sector ambition highlights how Greater Manchester is redefining what is possible for a city region on the global stage.

Once seen as a regional tech centre, Greater Manchester now competes with major AI hubs around the world.

The city region's transformation has been fuelled by a powerful combination of public and private sector collaboration, support and funding for businesses and researchers, and an inclusive approach to nurturing talent and skills.

This collaborative effort, underpinned by funding support from institutions like the University of Manchester, Innovate UK, Manchester City Council and Greater Manchester Combined Authority, has allowed the city region to tailor innovation strategies to local needs and unlock funding and resources for critical areas of growth.

A pivotal enabler in Greater Manchester's digital journey has been its spearheading of the devolution agenda, influencing the transfer of powers from central government to regional authorities and enabling its leaders to tailor economic and innovation strategies to meet local needs.

Greater Manchester is now equipped to direct funding into high-impact areas, ensuring that the benefits of innovation are felt across the entire region, particularly in the areas where change is needed most.

TIC is instrumental in Greater Manchester's progress and is already delivering a programme of work in alignment with the government's recently announced AI Opportunities Action Plan, supporting startups and scaleups, developing talent, and prioritising the commercialisation of research. TIC is creating the infrastructure for sustainable AI innovation.

One of the report's key observations is the evolving "flywheel effect" within Greater Manchester's AI ecosystem. As highlighted in Atomico's State of European Tech report, vibrant tech ecosystems thrive on the recycling of talent and capital across early, mid, and late-stage companies. In Greater Manchester, we're starting to see this dynamic play out, with successful AI companies reinvesting their expertise and financial returns into the next generation of innovators. This feedback loop is critical in ensuring the ecosystem's continued growth and global competitiveness.

Greater Manchester's AI success also lies in its talent pool. Through partnerships with a wide variety of skills providers and outreach to underrepresented groups, we're breaking down barriers to AI careers and ensuring a steady pipeline of skilled professionals to meet the growing demands of the sector. This emphasis on inclusivity—alongside a commitment to responsible AI practices—positions Greater Manchester as a leader in not only technological advancement but also in ethical AI development.

Looking ahead, this report outlines a clear path for continued success:

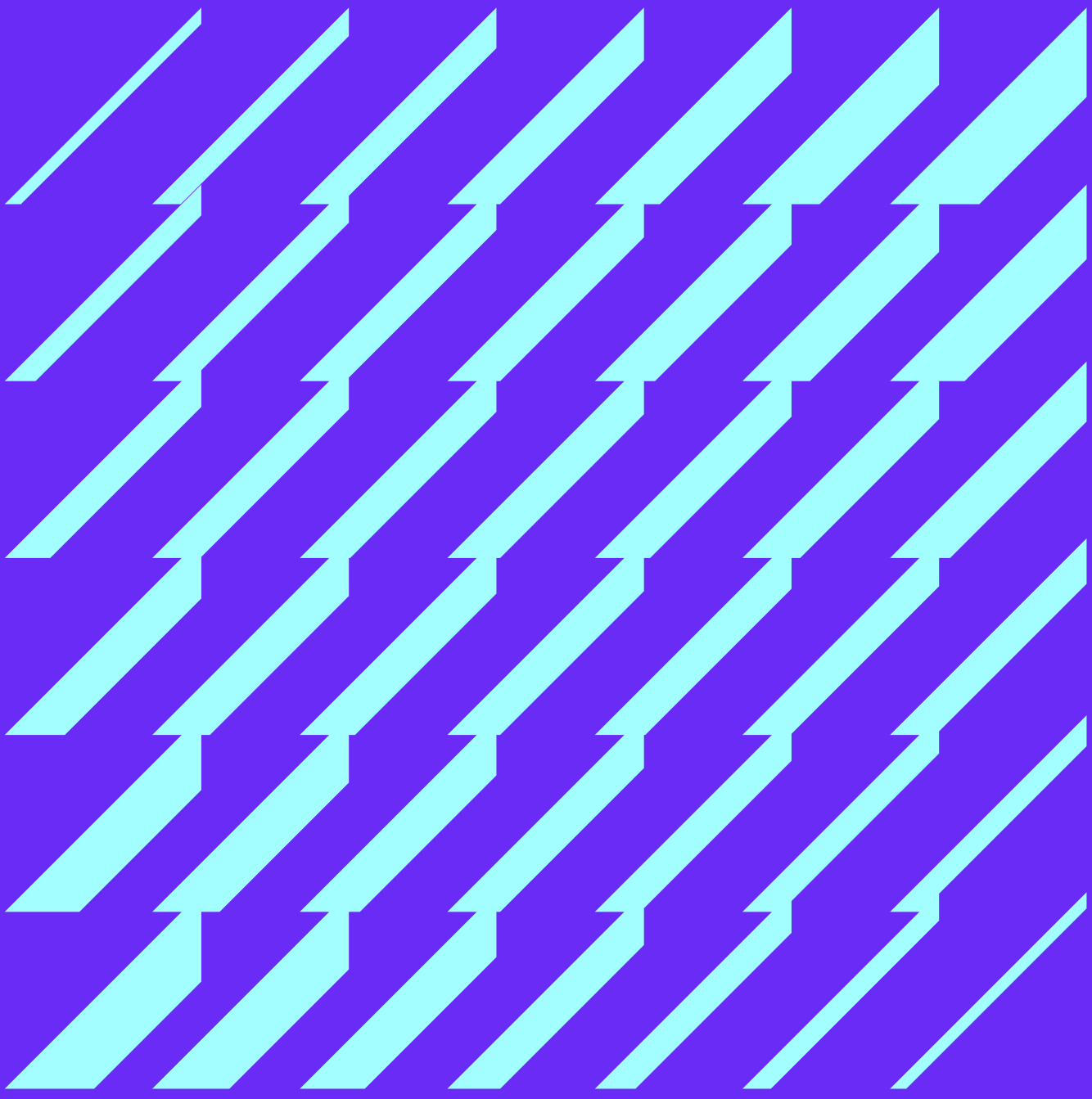
- Securing investment for growth-stage AI companies to scale innovation.
- Expanding collaboration between academia, industry, and the public sector.
- Broadening the reach of AI's benefits across all of Greater Manchester.
- Leading in the development of responsible AI practices, ensuring AI technologies align with ethical considerations and social values.

Greater Manchester is not just adapting to the future of AI innovation - it's actively shaping it.

The road ahead is a challenging one, with the city region attempting something that no other city region in the UK is committing itself to. But through strategic investment, continued collaboration between the public and private sectors, and a clear, unwavering vision, Greater Manchester is on the path to becoming a leader in the fourth industrial revolution.

What we're presenting here is a compelling vision for Greater Manchester's future, capitalising on our reputation as a destination for business and talent, a place where AI innovation can flourish, and as a clear leader in the global AI revolution.

Together, we can deliver an AI ecosystem that competes on the global stage.



02
THE HEADLINES

THE HEADLINES

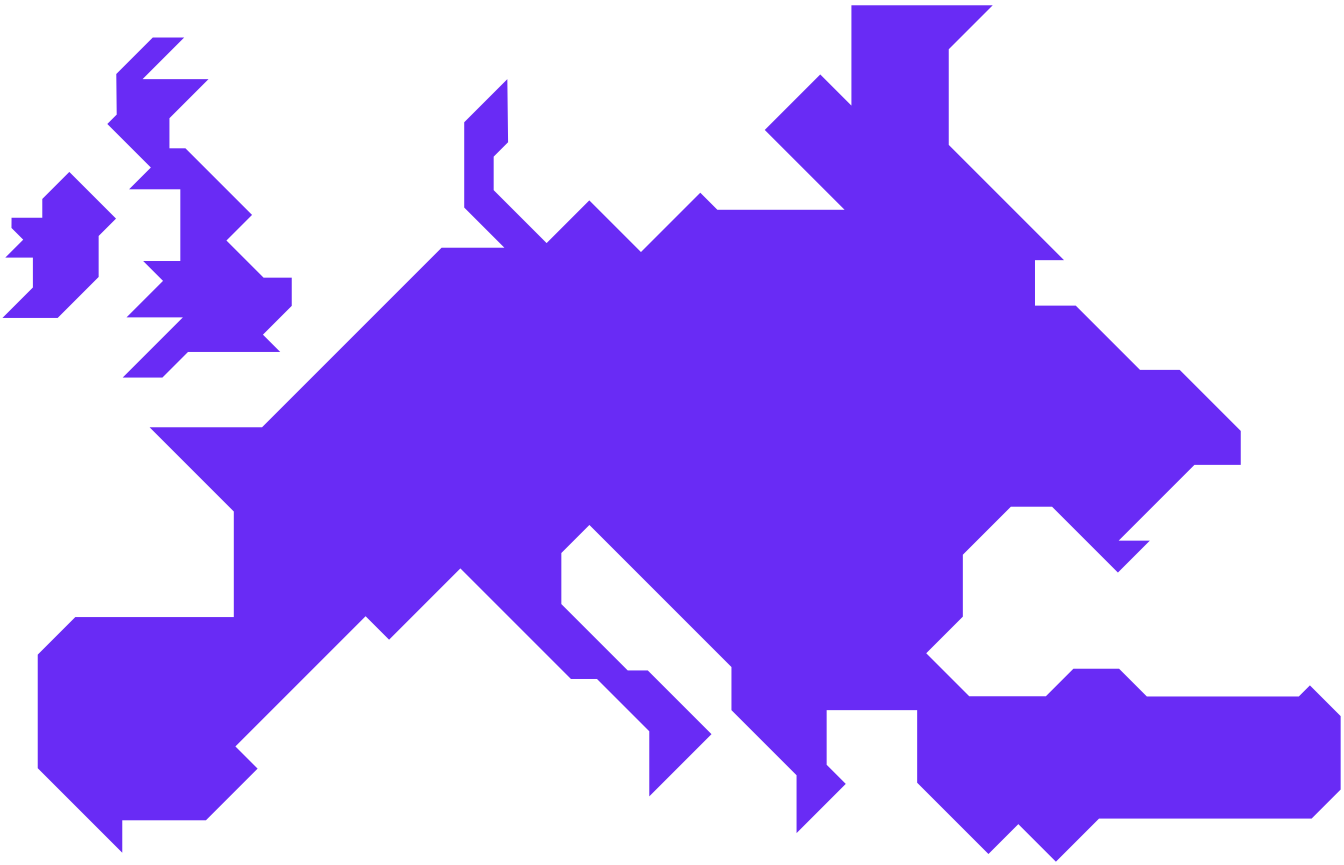
The global picture

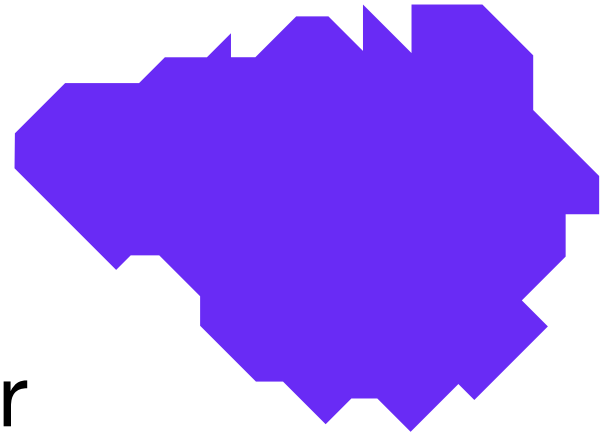
1

Global AI investment hit $110bn in 2024 - the highest level of investment raised by AI companies on record.

2

The US leads the global AI investment race, with $80.7bn raised by AI startups and scaleups in 2024, compared to second place, China ($7.7bn) and the UK, in third place ($4.3bn).





THE HEADLINES

The picture in Greater Manchester

1

Greater Manchester-based AI companies are now valued over five times higher than they were in 2020, at $4.2bn, highlighting that they are punching way above their weight internationally.

2

Greater Manchester has a balanced AI enterprise value pipeline with early, mid and late-stage AI companies (30% early, 31% mid, and 39% late stage), creating the conditions for a flywheel effect of talent, capital and scaling knowledge recycling in the ecosystem.

3

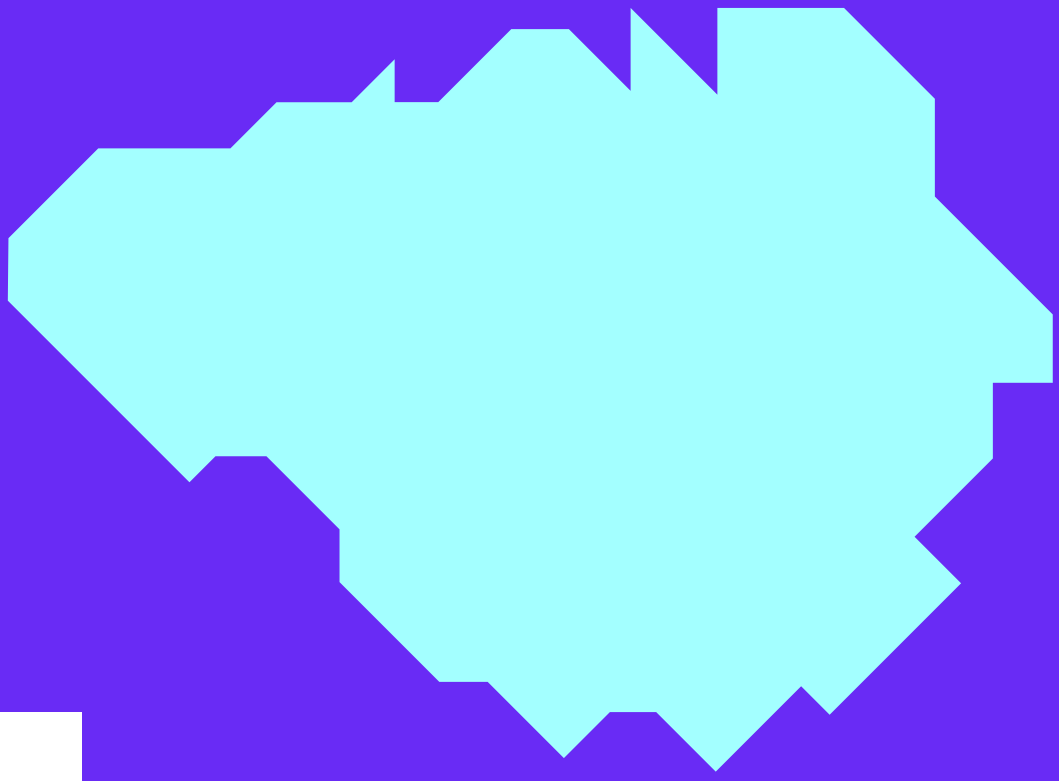
AI companies in Greater Manchester raised a staggering $583 million in VC investment from 2021-2023, accounting for 28% of the $2.03bn raised by all tech startups and scaleups over the three-year period.

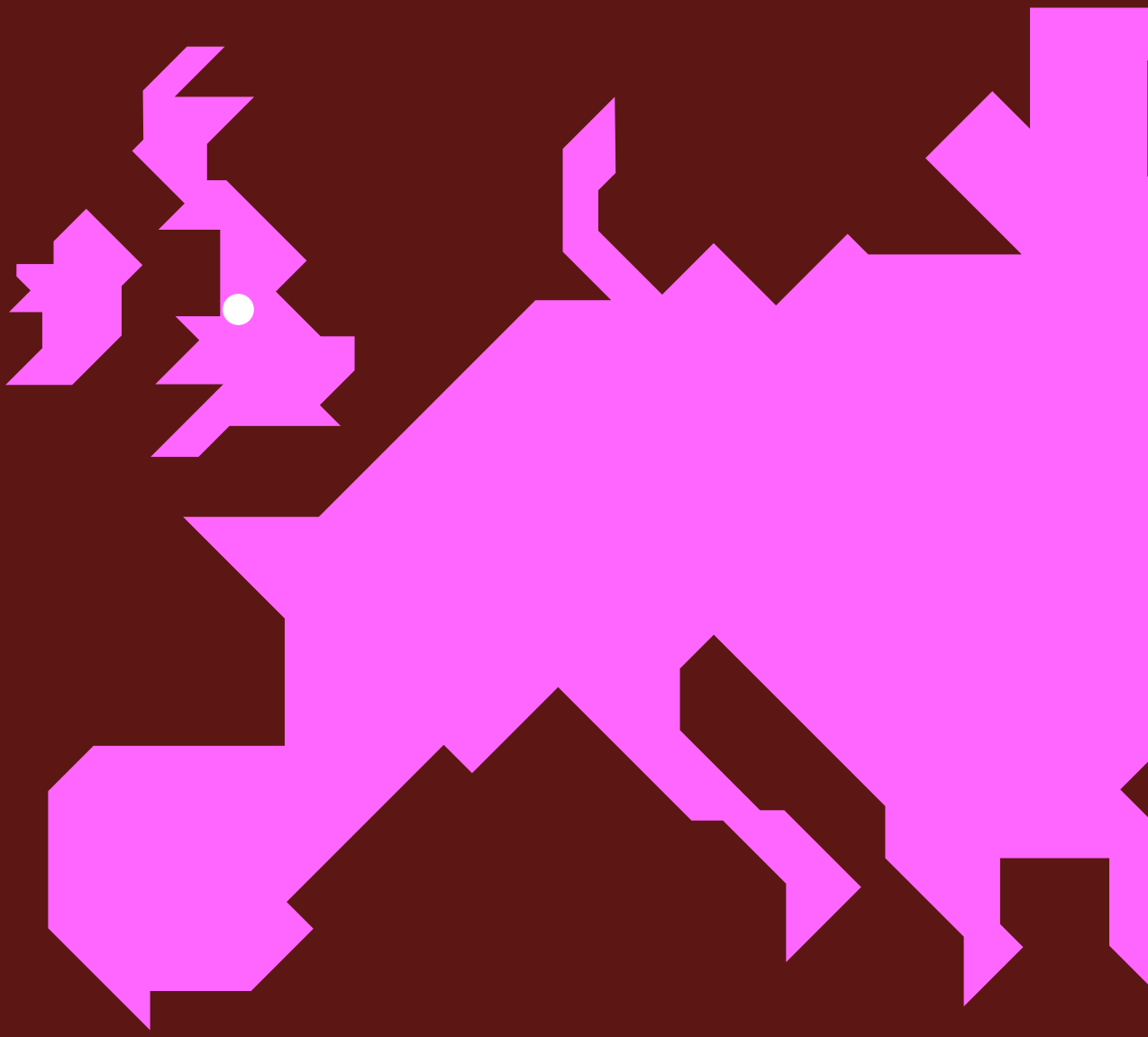
4

Greater Manchester is ranked 13th in Europe for AI talent, with 13,500 people working in the sector

We believe that with the right investment and support, Greater Manchester's AI ecosystem has the potential to be worth...

$15 billion by 2035

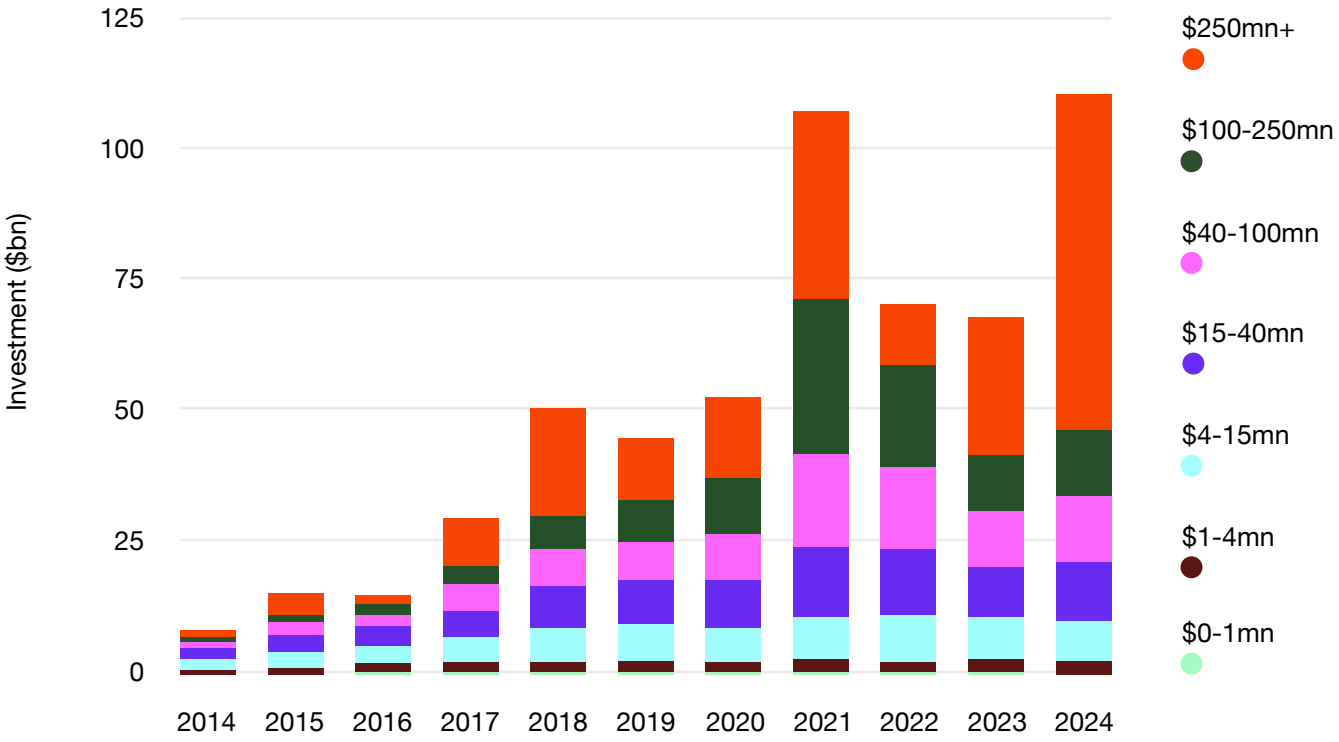




03 GREATER MANCHESTER ON A GLOBAL STAGE

Global AI investment hit $110bn in 2024, surpassing the $106.6bn raised in the boom year of 2021.

Figure 1: Global investment into AI companies ($bn) from 2014-2024



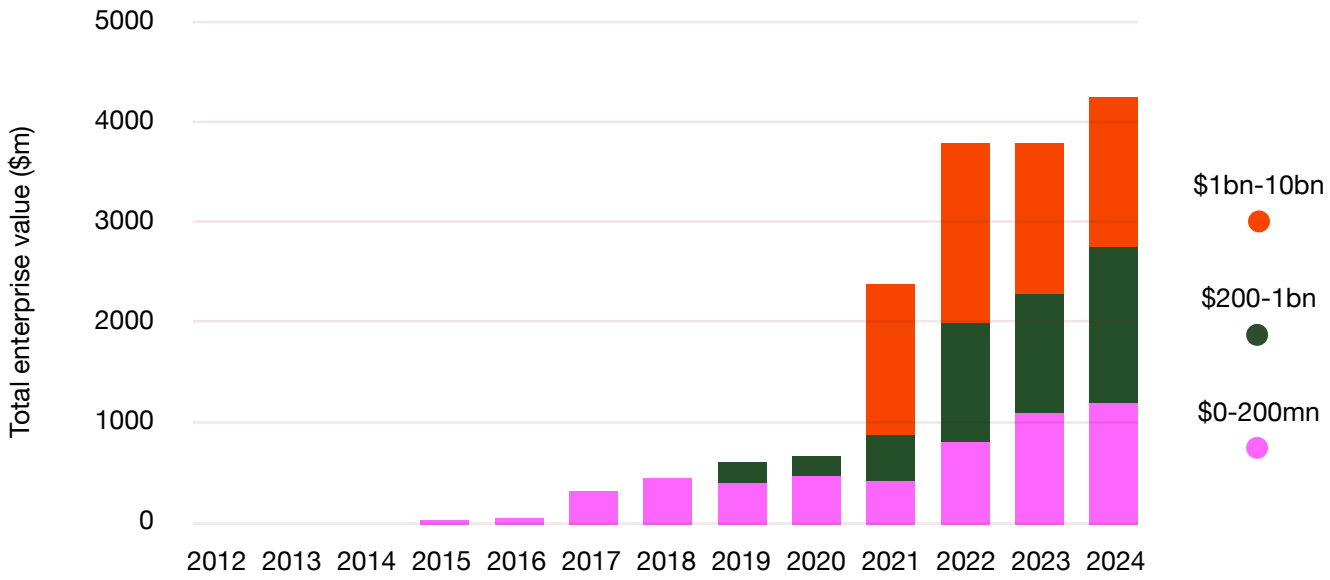
(Source: Dealroom, 2024)

While London has historically been the UK's tech capital, Greater Manchester's continued rise shows that it can stand shoulder to shoulder with some of the largest global AI hubs. It has attracted significant investment, nurtured cutting-edge companies, and developed a highly skilled workforce, demonstrating that the region is playing a pivotal role in shaping Europe's AI landscape.

Greater Manchester's AI ecosystem is no longer in its infancy — it's a force to be reckoned with on a global scale.

Greater Manchester-based AI companies are now valued over five times higher than they were in 2020, at $4.2bn.

Figure 2: AI company enterprise value by valuation bucket (2012-2024)



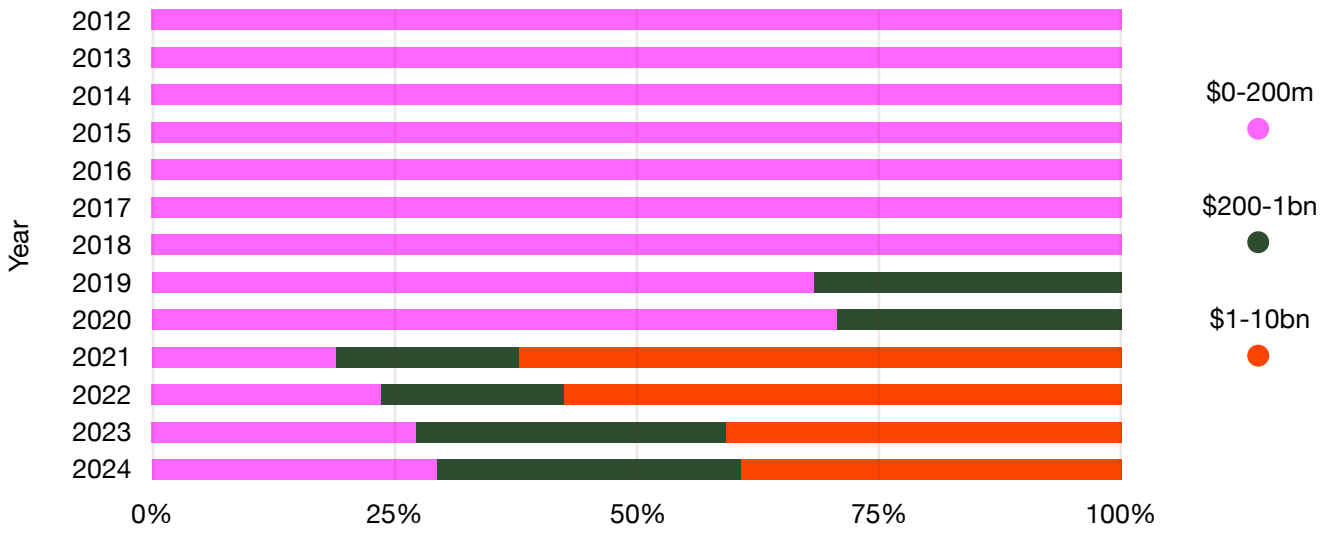
Greater Manchester is in the midst of a major transformation, emerging as one of Europe's leading AI hubs. Over the past decade, the city region has embraced digital innovation as its future and it is now competing with some of the world's most prominent AI cities, creating a fast-growing ecosystem of startups, scaleups, and research institutions that are pushing the boundaries of innovation.

In 2024, the distribution of AI companies across early, mid, and late stages of growth - 30%, 31%, and 39%, respectively - suggests a mature ecosystem that is poised to benefit from a flywheel effect.

This phenomenon, where talent, capital, and scaling knowledge circulate and reinforce one another, is a hallmark of vibrant tech hubs. As highlighted by Atomico's State of European Tech report, ecosystems thrive when there's a healthy mix of startups at varying growth stages, which drives both innovation at the early stage and deep expertise from scaling successes.

Greater Manchester's AI ecosystem mirrors these dynamics. The city region is now cultivating a virtuous cycle in which successful scaleups are reinvesting their know-how and financial returns into the next generation of innovators. Reports by Tech Nation have long emphasised the importance of recycling talent and capital within tech ecosystems, noting that growth-stage companies are often critical in mentoring and supporting early-stage startups. The balance seen in the AI landscape further strengthens these insights, creating a feedback loop that not only bolsters the sector's growth but ensures the ecosystem remains globally competitive in the long term.

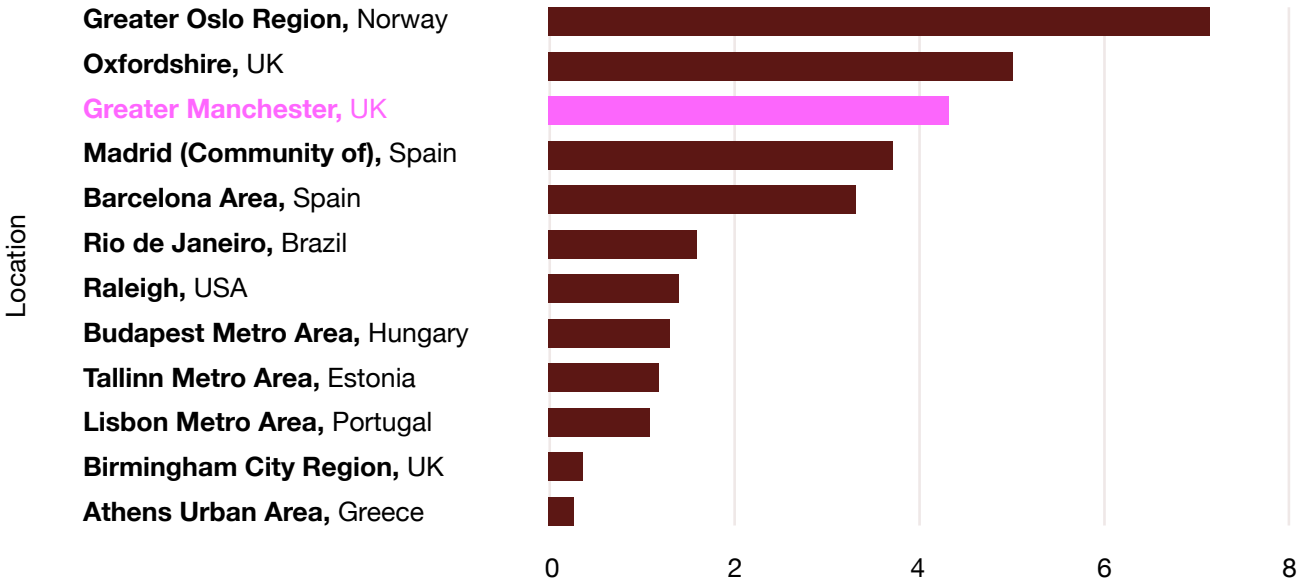
Figure 3: AI company enterprise value by valuation bucket (2012-2024)



AI company EV by valuation bucket

Greater Manchester AI companies are forming a regional ecosystem surpassing the scale of many leading European and global innovation hubs.

Figure 4: Value of key European and global AI ecosystems ($bn, 2024)



This positioning in Europe, and the world, reflects Greater Manchester's ability to attract and nurture businesses that are developing world-class AI technologies, but also to curate an ecosystem of organisations supporting the emergence of commercially viable R&D-intensive processes. The ecosystem is thriving not only because of the local talent but also due to the city region's strategic support for innovation and entrepreneurship.

Greater Manchester has also made its mark in hastening the upward trajectory of high-growth startups, including those on the path to becoming unicorns. Since 2019, the city region has produced four unicorns, with a pipeline of five future unicorns expected in the coming years. This exciting prospect positions Greater Manchester as a city region to watch, with a promising 8% seed-to-unicorn conversion rate, which is notably competitive for a city region of its size.

These statistics highlight Greater Manchester's capacity to scale high-potential companies, demonstrating that it's more than just a place for startups — it's a hub for companies looking to become true global leaders.

In 2024, companies in Greater Manchester attracted $389m in venture capital investment,

$108m of which was raised by AI companies, positioning the city region competitively alongside European ecosystems like Madrid.

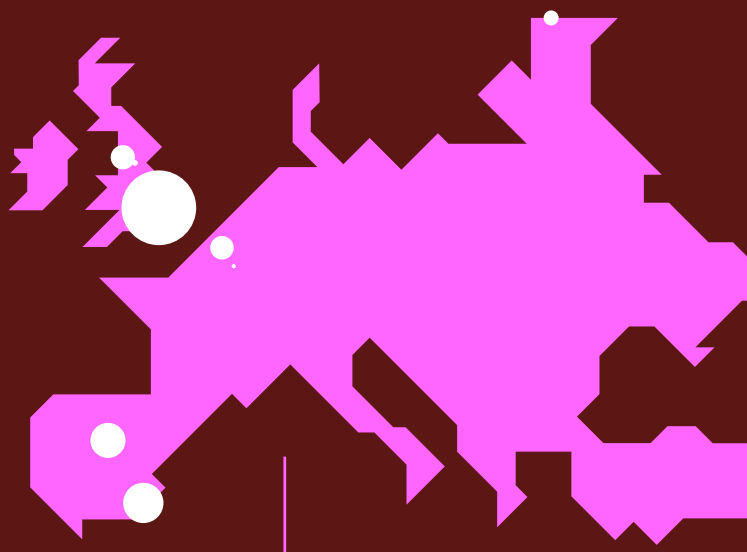
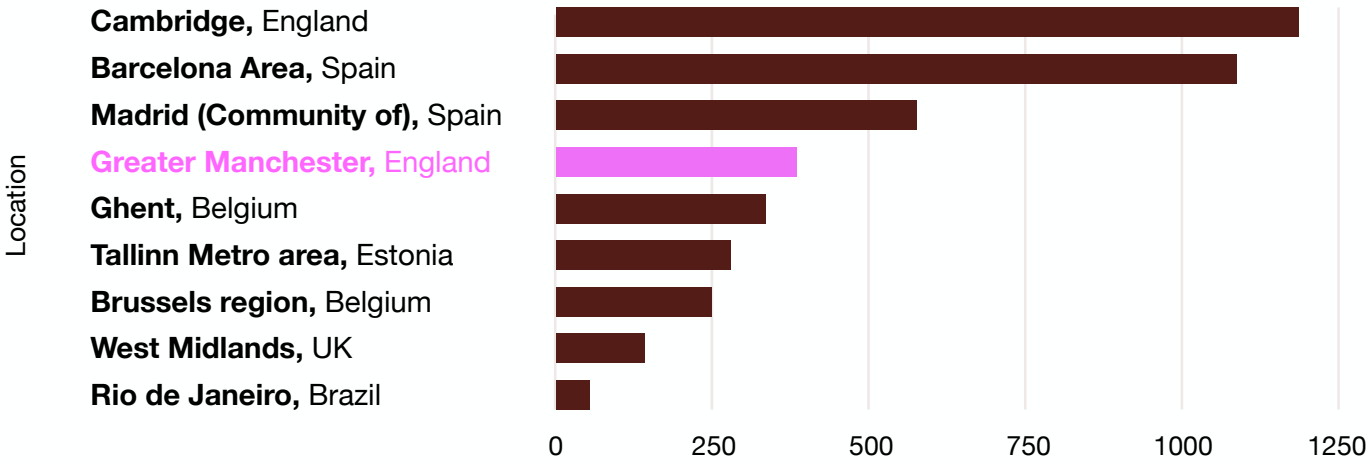


Figure 5: Equity investment into startups and scaleup companies in European and global hubs ($m, 2024)

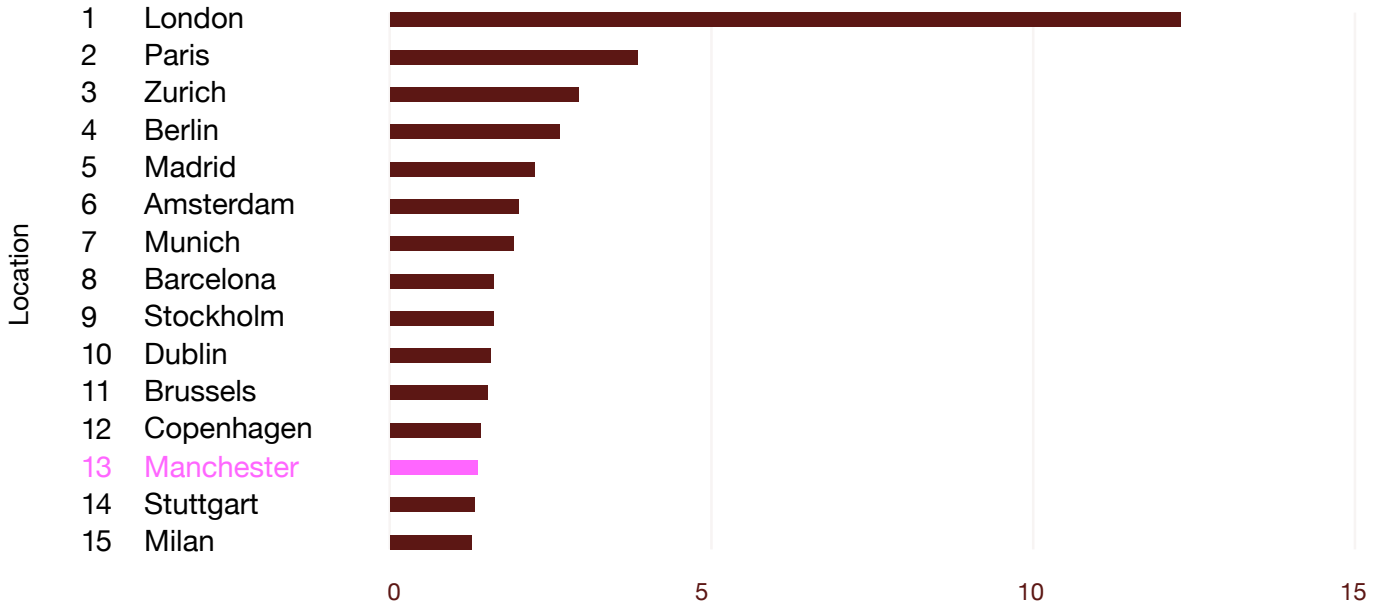


Investment is critical to the growth of any technology ecosystem, and Greater Manchester has attracted significant funding to fuel its rise. This influx of capital has been key to supporting the city region's burgeoning AI ecosystem, driving innovation across key sectors such as healthcare, fintech, and manufacturing.

In addition to early-stage investments, Greater Manchester has raised over $100 million in scaleup VC. This focus on growth-stage investment is helping companies scale faster, enabling them to bring more products and services to market. The city region's ability to attract this level of funding demonstrates its enticing global appeal, as investors recognise Greater Manchester as a high-potential ecosystem that is ripe for future growth.

Figure 6: Total European AI talent (%) by city

Source: Sequoia, 2024



Ranked 13th in Europe for AI talent, Greater Manchester's growing community of AI professionals is driving innovation and ensuring that the city region can meet the demands of its swiftly expanding AI sector.

A thriving ecosystem requires a strong talent base, and Greater Manchester has made major strides in developing its AI workforce.

Greater Manchester's success in attracting talent is due to a combination of factors, including its lower cost of living compared to London and its reputation as a city region that promotes cutting-edge research and development.

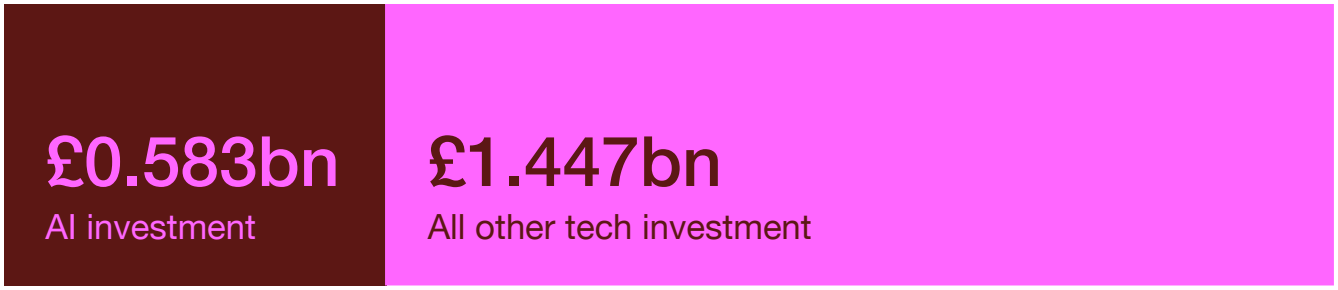
It has also been successful in creating an environment in which global AI talent feels welcomed, further strengthening its talent pipeline.

Greater Manchester's collaboration with academic institutions like the University of Manchester, the University of Salford, and Manchester Metropolitan University has played a critical role in producing skilled AI professionals.

The city region's emphasis on developing a diverse and inclusive talent pool is ensuring that Greater Manchester remains a leader in both AI innovation and equity.

AI companies in Greater Manchester have raised a total of $583 million in funding in recent years, driving the development of AI products and services that are impacting multiple industries.

Figure 7: Investment into AI and all other tech companies from 2021-2023 in Greater Manchester



Greater Manchester's AI investment total of over half a billion dollars between 2021 and 2023 represents a significant proportion (28%) of the total funding raised by tech startups and scaleups over the same period.

The regional AI ecosystem is not only generating innovation but also creating significant economic value. This substantial financial backing underscores the region's status as a leading hub for AI innovation, with its companies contributing to both the local economy and the UK's overall tech sector.

The tangible impact of AI is being felt across industries such as healthcare, where AI technologies are improving patient outcomes, and in financial services, where AI is enhancing the likes of fraud detection and customer personalisation.

These successes have helped to solidify Greater Manchester's reputation as a centre for AI-driven innovation and economic growth.

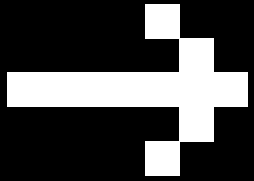
04

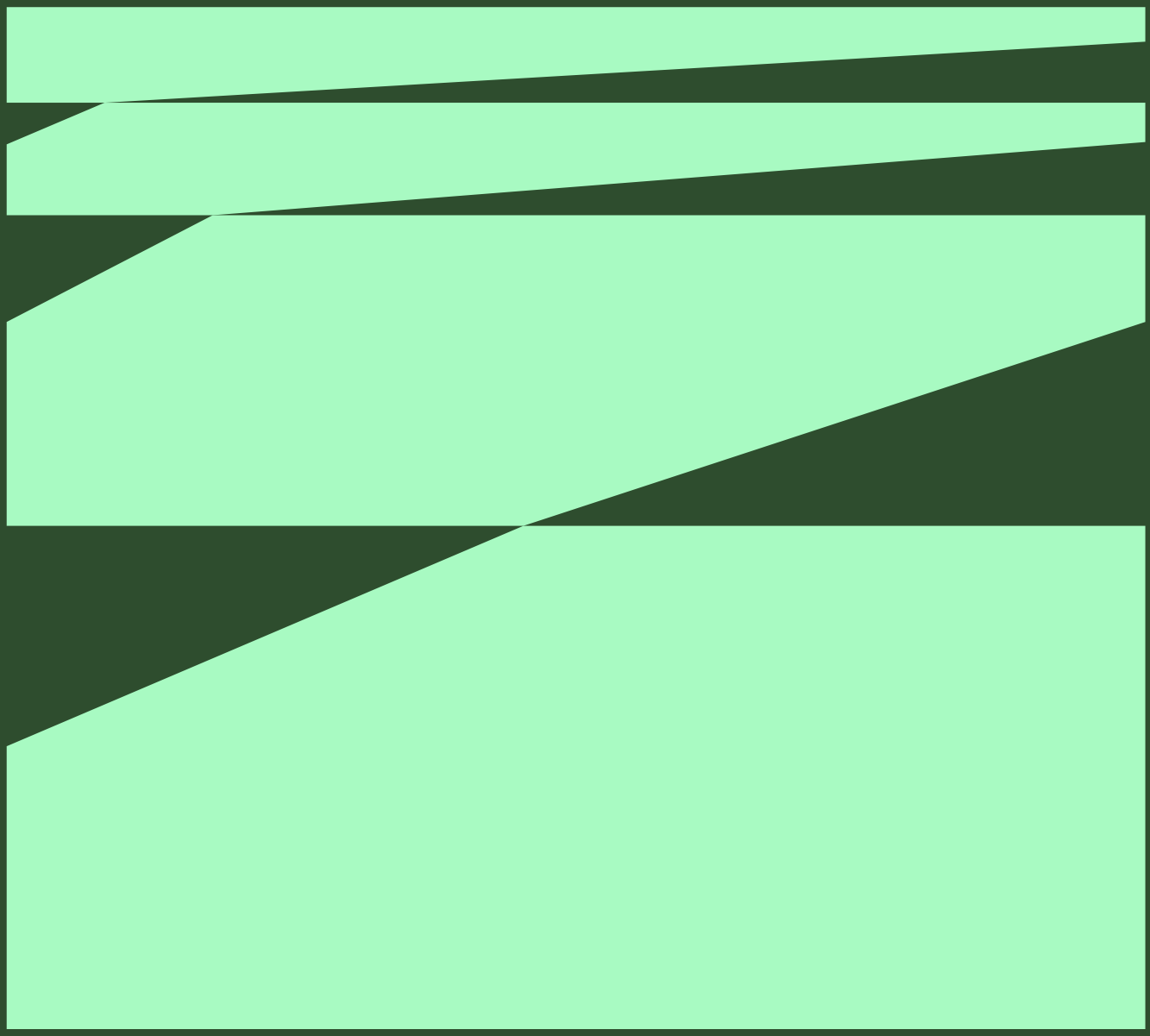
THE TURING INNOVATION CATALYST IN ACTION

Greater Manchester is not just adapting to the future of AI, it's actively shaping it - and since September 2023, when TIC launched, it has been committed to delivering unique programmes, underpinned by collaborations with a wide range of partners, to drive forward the advancement of AI.

Spanning startup and scaleup support, talent and skills programmes, and collaborative R&D opportunities for researchers and businesses, TIC has built and delivered an industry-first approach to ecosystem development.

- STARTUPS AND SCALEUPS
- TALENT AND SKILLS
- RESEARCH AND INDUSTRY COLLABORATION





04 → THE TURING INNOVATION CATALYST IN ACTION

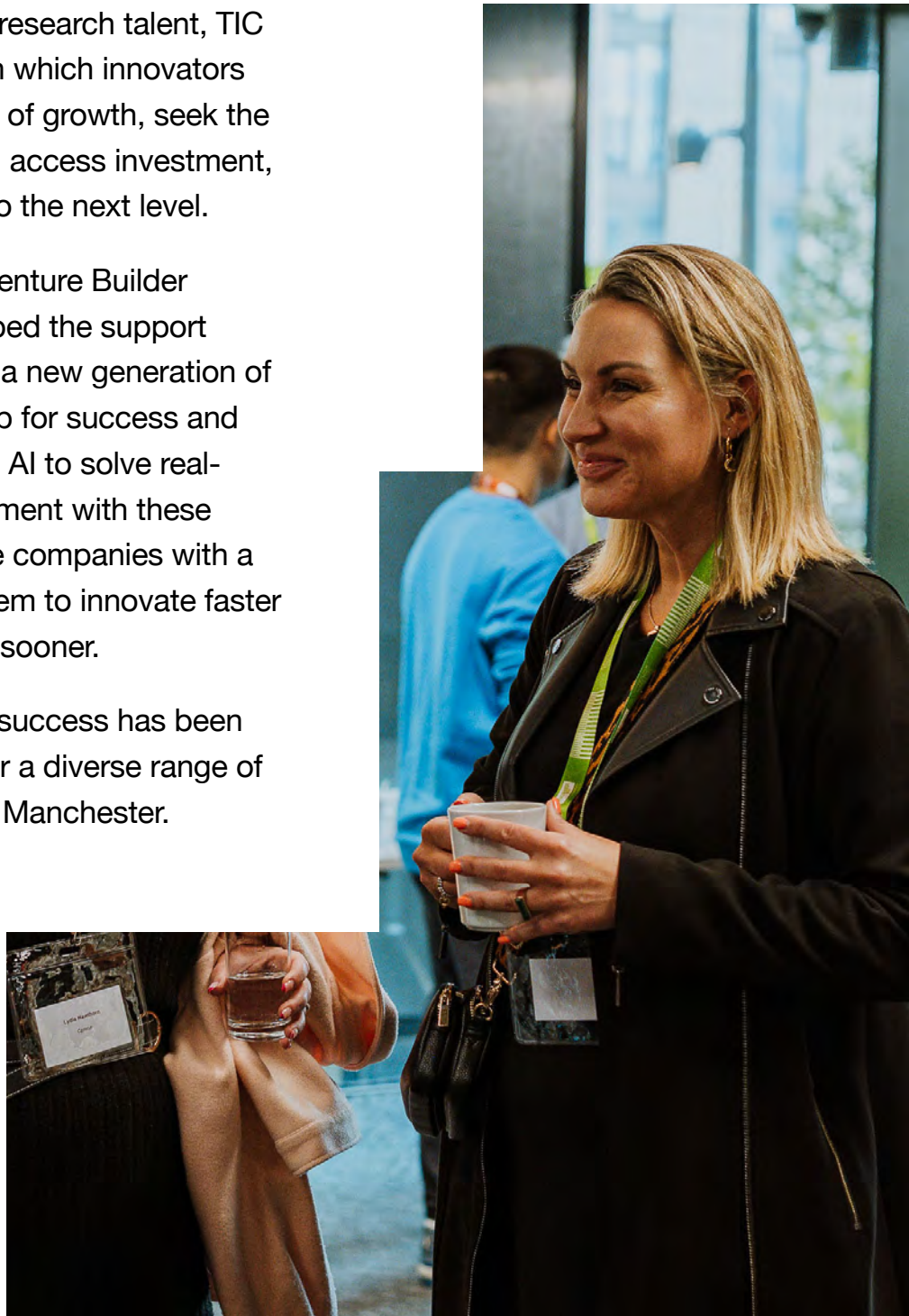
STARTUPS & SCALEUPS

Greater Manchester's AI ecosystem is becoming a launchpad for transformative startups, driven by programmes delivered by TIC and its partners.

From early-stage founders to research talent, TIC has created an environment in which innovators can navigate the complexities of growth, seek the advice they need to scale and access investment, and truly take their business to the next level.

Through its Accelerator and Venture Builder programmes, TIC has developed the support mechanisms to bring forward a new generation of entrepreneurs, setting them up for success and empowering them to leverage AI to solve real-world problems. Their involvement with these programmes has provided the companies with a competitive edge, allowing them to innovate faster and bring products to market sooner.

One of the hallmarks of TIC's success has been its ability to attract and mentor a diverse range of founders from across Greater Manchester.



Since launching in September 2023, TIC has supported...

56 Innovators

55 Startups

74 SMEs

These businesses are developing AI across a variety of sectors, including healthcare, climate efforts, and advanced materials.

The Accelerator has already supported two cohorts, guiding entrepreneurs to build the foundations for sustainable growth.

The Venture Builder programme has also produced 11 new startups, having provided participants with the resources and mentorship needed to bring their research to market, turning academic ideas into practical, real-world solutions.

This programme has proven to be a powerful tool for encouraging innovation at the intersection of academia and entrepreneurship, ensuring that AI advancements are not confined to theoretical research but have tangible societal impacts.

TIC has also welcomed a diverse cohort, with 35% of founders identifying as female and 27.5% originating from diverse ethnic backgrounds. This focus on inclusivity is not only critical in reshaping the AI landscape but also in fostering new ideas that may not have emerged in more traditional environments.

From revolutionising health diagnostics through AI-powered imaging technology, significantly speeding up the time it takes to detect critical health issues, to developing AI solutions to reduce energy consumption in buildings, and contributing to net-zero emissions targets - the startups supported by TIC represent the cutting edge of innovation.

Being part of TIC's Accelerator has undoubtedly played a key role in our growth as a business. We entered with around 100,000 users and have now tripled that to 300,000. The mentorship and guidance we received, particularly around scaling and growth strategies, have proven to be invaluable. It's been fantastic to work with mentors who asked tough questions, guiding us through the process and connecting us with the right people to build our platform for future growth.

Dr Jon Chippindall
CEO and Co-founder, TeachMateAI

AI Accelerator

The Venture Builder programme from TIC has been incredibly valuable in shaping the direction of our business. Before, we were targeting all small and medium enterprises, but the guidance and mentorship we received has helped us to refine our focus to the food service industry. Now, we are developing AI-driven solutions to help these businesses achieve their sustainability goals, using generative AI and machine learning to create personalised decarbonisation plans. The support we've received has been instrumental in connecting us with the right opportunities.

Dr Zainab Bibi
Founder & CEO, RTN Zero Consulting

Venture Builder

The ongoing support from the Conception X programme with TIC has been transformative for our business, especially in navigating the challenges of securing early-stage investment. Their support in setting up our data room, preparing our pitch, and facilitating connections was very helpful in ensuring that we were well-positioned for success. It turned out to be the smoothest investment process we've encountered, and it's rare to have such comprehensive guidance, especially in a pre-seed scenario. After participating in other accelerators, I can say that TIC offers a uniquely valuable approach.

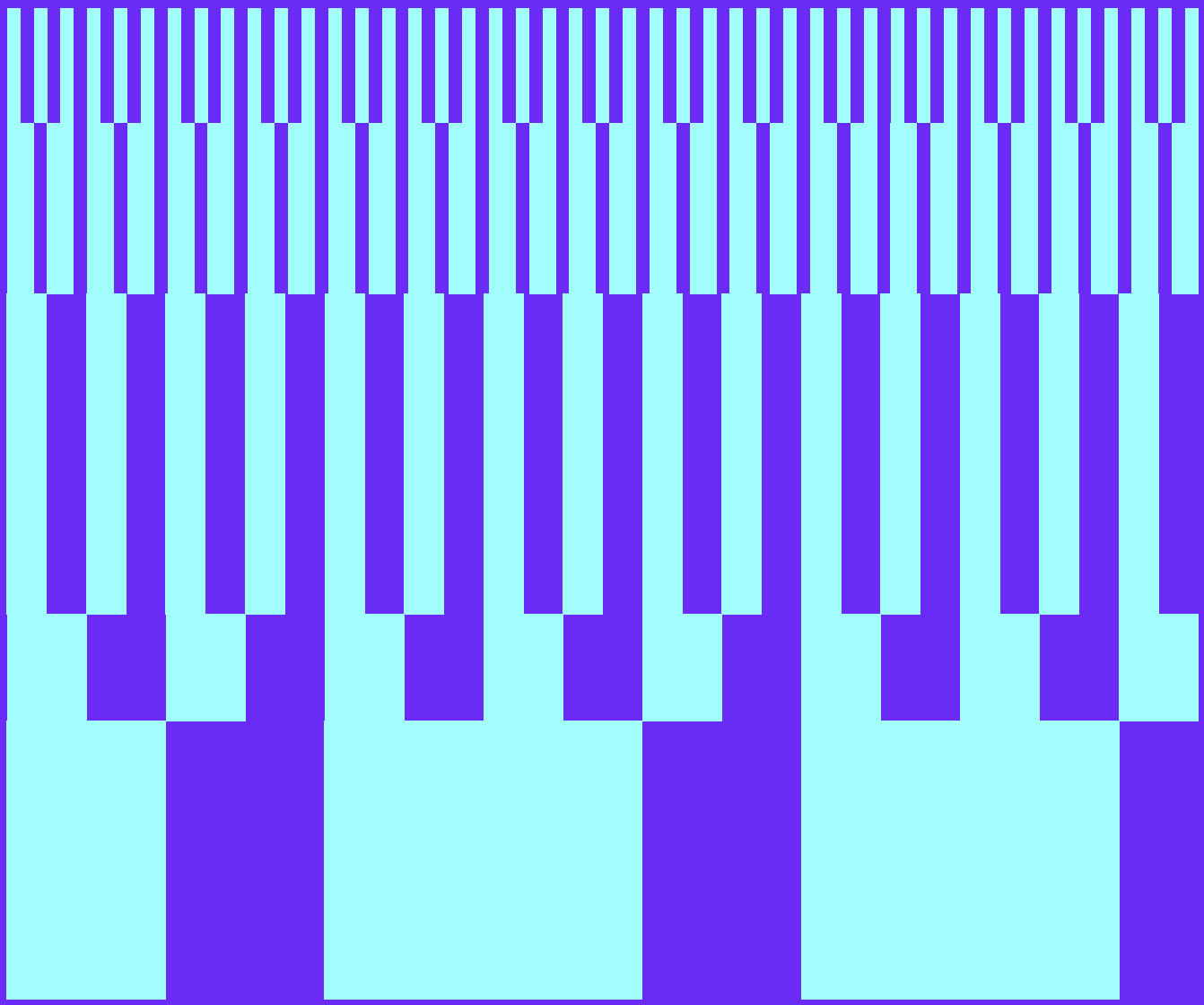
Jana Stella
Founder, NeuWave Technologies

Venture Builder

Our involvement with TIC has been an incredibly positive experience for us. The programme has significantly enhanced our visibility, both personally and professionally. From networking events to the publicity we received, TIC has played a vital role in expanding our network and building our reputation. This prominence has opened doors to new opportunities, including acceptance into other accelerators, and we're incredibly grateful for the platform it provided to showcase our work and vision.

Markella Mikkelsen
Founder, Molmart

AI Accelerator



04 → THE TURING INNOVATION CATALYST IN ACTION

TALENT AND SKILLS

TIC's commitment to developing the next generation of the AI workforce is just as important as its work with startups and scaleups.

With the ever-growing demand for AI-savvy professionals, ensuring a skilled and diverse talent pipeline is coming forward is crucial to positioning Greater Manchester at the forefront of AI innovation.

A report by the UK Department for Digital, Culture, Media & Sport revealed that 40% of firms employing artificial intelligence specialists had no staff from ethnic minority backgrounds in AI roles. Additionally, 53% of these firms did not employ any women in AI positions.

These statistics highlight significant diversity challenges within the UK's AI sector, and highlight the need for more inclusive hiring practices.

With this in mind, through partnerships with a variety of skills providers and a focus on engaging with those from underrepresented backgrounds, TIC has supported...

1,000+
individuals to gain vital AI skills

67%
of whom are from ethnic minority backgrounds

23%
of whom are from challenging socio-economic backgrounds

These figures demonstrate TIC's fierce dedication to breaking down barriers and opening up opportunities to individuals who have previously been underrepresented in tech fields.

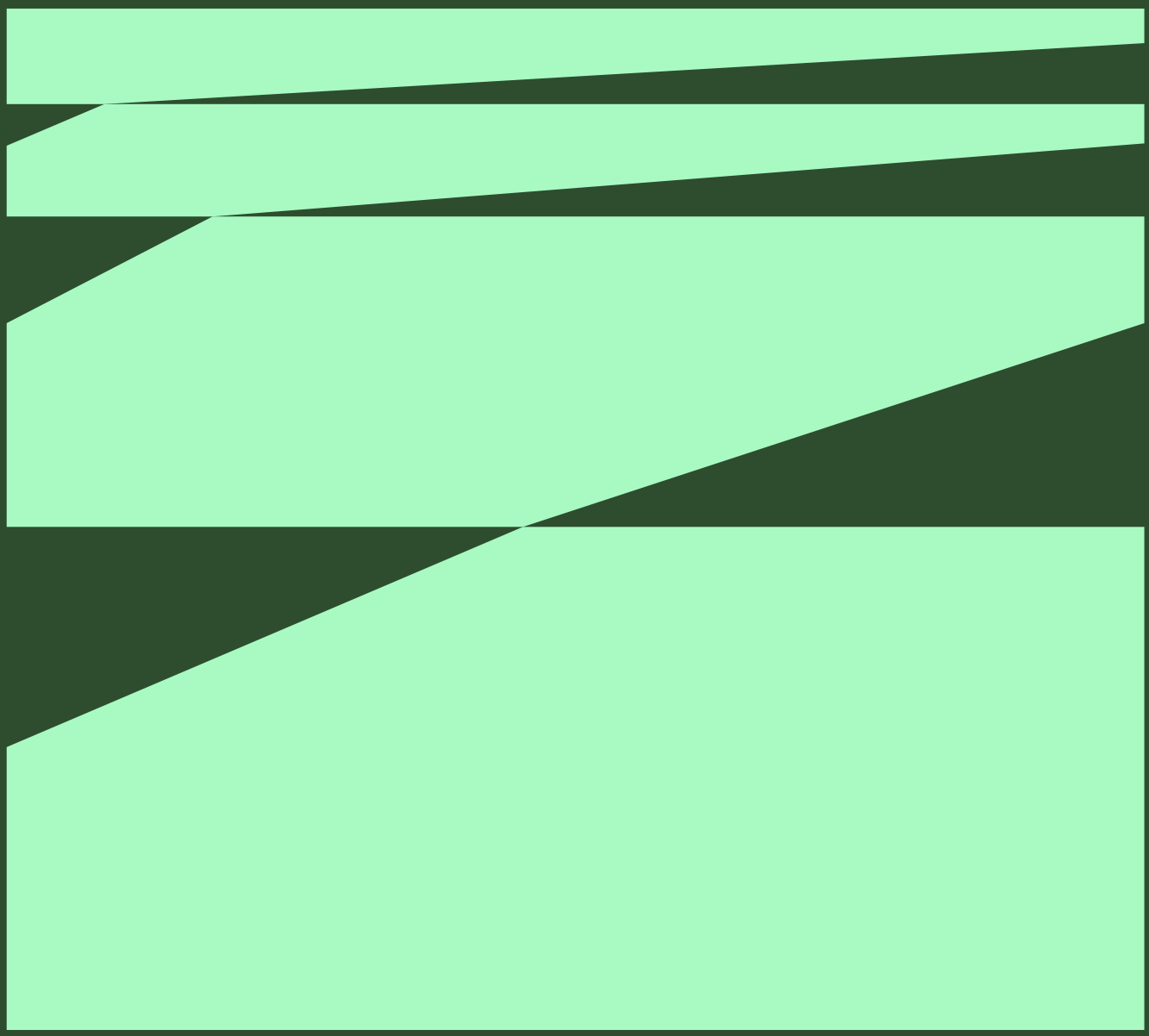
Additionally, the establishment of new hubs in Rochdale, Stockport and Wigan has ensured that the benefits of TIC's talent and skills opportunities have been felt more widely across Greater Manchester, promoting inclusion and reaching communities that might not have otherwise had access to such programmes.

With a background in PE teaching, I'm not someone who is your typical AI or technology professional. However, my journey through this programme was truly eye-opening. The support and sense of community were incredibly valuable, especially for someone coming from a different field. This process has been about more than just learning; it's provided a supportive network that's been a huge boost as I explore new career paths.

Susie Walker
Code First Girls course participant

I applied for the Code First Girls micro degree in data analytics, which was funded by TIC, and a follow-up micro masters in AI machine learning. The courses were brilliant and helped me on my step towards a career transition, having previously worked as a psychologist. Through networking at TIC events like the Demo Day, I connected with a health-tech business that had been on the Accelerator programme and I've been working with them on a project recently, applying my knowledge of both healthcare and machine learning.

Sarah Price
Code First Girls course participant



04 → THE TURING INNOVATION CATALYST IN ACTION

RESEARCH AND INDUSTRY COLLABORATION

TIC's ability to drive collaboration between academia and industry is enabling innovation in ways that benefit not just businesses - but the future of the entire region.

Partnerships between universities and industry have been essential in developing AI solutions that are not only cutting-edge but also commercially viable.

In 2023 alone, one third of new patents in Greater Manchester were driven by these partnerships, particularly in areas such as net zero, healthcare, and advanced materials. The results of these collaborations are already being seen across sectors, with innovations such as AI-powered materials for more sustainable manufacturing and AI tools that can personalise healthcare and have a tangible, positive impact on the local economy.

One of the most significant aspects of TIC's Collaborative R&D programme is the keen focus on the commercialisation of AI research, turning ideas into fully fledged businesses. This approach addresses one of the country's largest untapped resources in commercial innovation—a critical area in which the UK has historically lagged behind other global innovation hubs. By providing the support necessary to translate cutting-edge research into globally competitive products, TIC is positioning Greater Manchester a step ahead, setting a benchmark for how the UK can lead in bringing research-driven innovations to market.

Through its Collaborative R&D programme, TIC has supported...

54
businesses

63%
of which are working in critical sectors, including net zero, healthcare and life sciences, and creative and media

27%
of which have ethnically diverse leadership

Working with TIC has supported us to enhance our semantic technology and integrate advanced AI capabilities. Their guidance connected us to crucial resources, enabling us to integrate our offering as a cognitive engine and progress the democratisation of our technologies for diverse applications. Through the Collaborative R&D programme, we've embraced a manageable, iterative approach to AI implementation.

Edy W. Heng
Founder and CEO, Mindcubes

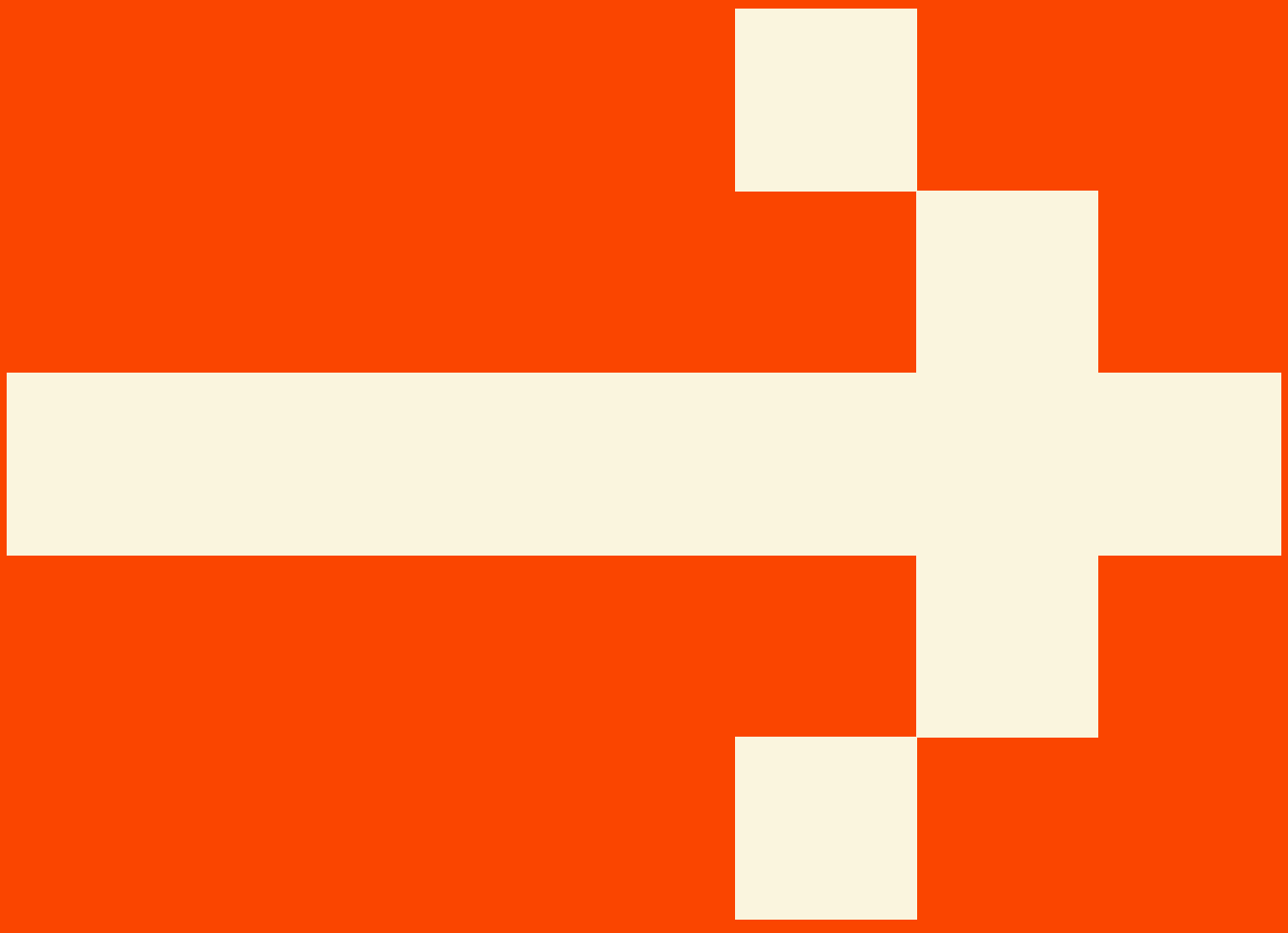
Collaborative R&D programme

AI has the potential to revolutionise healthcare by addressing critical resource shortages, particularly in radiology, where demand far exceeds available specialists. Patients often face long waits for scan results, with some assessments outsourced to other countries. Our collaboration with TIC has focused on developing transparent, explainable AI tools. By involving researchers and healthcare professionals in their design, we're ensuring these tools are trustworthy, safe, and easily integrated into clinical practice, ultimately benefiting patients on a large scale.

Hojjat Azadbakht
CEO, Ainostics

Collaborative R&D programme

05
OUR COLLECTIVE VISION



Imagine a city region where AI drives exponential growth - not just for businesses, but for every individual within the ecosystem, from founders to skill-seekers and research talent.

This is the vision that TIC is bringing to life, transforming the city region into a model for sustainable, technology-driven economic development

Greater Manchester is already recognised as one of the fastest-growing tech city regions in Europe, and the most AI-ready city in the UK, and TIC is building on that reputation with a strategically planned programme that helps to bolster other growth strategies and efforts taking place within the region. First, by nurturing founders, TIC strengthens the foundation of local innovation and entrepreneurship. Next, by creating clear pathways to funding and growth support, it accelerates business scalability within the region. Additionally, TIC prioritises improved access to AI careers for underrepresented groups, ensuring inclusivity in line with Greater Manchester's commitment to equitable growth. Finally, by equipping researchers with the tools to collaborate with private companies and commercialise their innovations, TIC is building a robust pipeline of commercially viable research that drives sustainable economic growth.

"Greater Manchester is ready to lead the way on AI innovation, leveraging our strengths in research and development and industry, as well as the strong partnerships between our public and private sectors. Our ambition is to be the UK's AI demonstrator city-region, pioneering innovative AI use-cases that have the potential to improve the efficiency and effectiveness of public services, putting Greater Manchester at the forefront of AI-driven transformation and stimulating the market to drive wider innovation and growth. Greater Manchester is home to a strong and growing AI ecosystem, but we're also determined to see the sector grown in a safe and sustainable way."

Andy Burnham
Mayor of Greater Manchester

"We're on a clear path of growth and our ambition is for the city region to be a leading destination for AI innovation globally, but collaboration will be critical to unlocking that opportunity. The work we're doing at the Turing Innovation Catalyst, in partnership with organisations across the public and private sectors, is about making purposeful investments that create the right conditions for innovation to thrive in all corners of society."

Liz Scott MBE
Executive Director, Turing Innovation Catalyst Manchester

"When we started to look at an alternative location to London for our next large-scale data centre, all roads led to Greater Manchester. The city region's abundant power, connectivity, land and tech ecosystem profile, as well as the welcoming local government, were all reasons behind us committing £350m into developing what will become the North of England's largest data centre in Stockport. Two years on and the case for Greater Manchester has only grown stronger – fuelled by an AI and high-tech talent pool like no other."

Doug Loewe
CEO, Kao Data

"Alan Turing's paper "Computing machinery and intelligence", written in 1950 at the University of Manchester, introduced the concept of a Turing Test ("the imitation game") - evaluating whether a machine can exhibit human-like intelligence. The detail in his prediction of today's generative AI is uncanny. Today, Greater Manchester has access to a vast talent pool, advanced government research facilities, and local business taxes which are half of those in London. It's no surprise, then, that Greater Manchester's tech sector is flourishing."

Professor Alex Creswell OBE
VP Public Policy and Government Affairs, Graphcore

"We're extremely proud to have founded and built Peak in Greater Manchester. Starting and scaling an AI business - especially back before GPTs and LLMs were common parlance - was a long, hard journey. What makes the difference is the support you receive along the way. The AI ecosystem is hugely exciting and showing great promise. It is still young, yet we can see that there's tremendous potential for it to become one of the leading AI hubs globally."

Richard Potter
Co-founder and CEO, Peak

"We're now seeing the full extent of the UK government's AI ambition, as defined in the AI Opportunities Action Plan and emerging national Industrial Strategy. Greater Manchester is already home to the largest AI cluster outside of London, and TIC's work has provided invaluable stimulus for our AI community. As the region's largest innovation asset, the University of Manchester recently launched Unit M, integrating TIC, and our focus now needs to be on continuing to grow the AI economy for the benefit of the city region."

Professor Lou Cordwell OBE
CEO, Unit M

"AI represents a foundational change for large swathes of society that will profoundly shape our futures. Greater Manchester is well placed to be a strong player, possessing all the necessary ingredients, including universities with strengths in science and engineering, a tech-savvy workforce, and valuable datasets within its borders, such as the UK Biobank and GCHQ. The city region's technology ecosystem, particularly its startups, have matured rapidly over the past 15 years. This should set it up well to seize the many opportunities that AI will open up."

Volker Hirsch
Director, Blue Beck

To establish meaningful targets for the value of Greater Manchester's AI ecosystem by 2035, our approach must integrate factors such as job creation, spillovers into the broader economy, and AI adoption uplift across the city region.

In doing so, our methodology attempts to capture ecosystem characteristics, as well as outcomes that contribute to the sustainable and integrated growth of AI for all. The figures presented here are high level and indicative - serving as a target for growth, rather than a projection.

Crucially, these targets can only be reached in partnership with the public, private and higher education sectors in Greater Manchester. As one part of a broad and diverse ecosystem, our programmes alone will not be enough to drive forward growth at this level. Rather, concerted efforts from multiple stakeholders and continued investment in skills development, the right policies and the appropriate infrastructure will enable the transformation we need to see.

Our ambition for the 2035 Greater Manchester AI ecosystem

Ecosystem valuation target:

$15 billion

Adoption uplift target:

75% of businesses in Greater Manchester adopting AI

leading to productivity improvements of 20-30% in key sectors like health tech, manufacturing, and fintech.

Employment impact target:

25,000 AI jobs

with broader employment spillovers creating an additional 50,000 jobs in adjacent sectors.

Regional economic contribution target:

$25bn gross value added

(GVA) annually from direct, indirect, and induced effects.

06

REFERENCES AND APPENDICES

The key factors underpinning our 2035 targets

1

JOB CREATION AND MULTIPLIERS

- Current employment in Greater Manchester's AI ecosystem is 13,500 professionals. A compound annual growth rate (CAGR) of 15% aligns with the growth trajectory of AI hubs globally.
- Employment multipliers suggest that each AI job creates an additional 2 jobs in supporting sectors, such as IT services, manufacturing, and logistics.
- By 2035, this could result in 75,000 jobs across Greater Manchester, directly or indirectly driven by AI.

2

COMPANY GROWTH

- The ecosystem valuation has grown over 5x since 2020, currently at $3.8 billion.
- Assuming a CAGR of 10-12%, this valuation could exceed $15 billion by 2035, driven by:
  - Growth-stage companies scaling globally.
  - Increased public and private investment targeting later-stage companies.
  - A robust pipeline of startups transitioning to scaleups, sustaining the "flywheel effect."

3 SPILLOVERS INTO THE BROADER ECONOMY

- AI's transformative role will drive productivity gains, particularly in priority sectors like healthcare, advanced manufacturing, and climate tech.
- Spillover effects could amplify AI's contribution to regional GVA, with an expected contribution of $25 billion annually through:
  - Enhanced efficiencies in traditional industries adopting AI.
  - Increased competitiveness of businesses integrating AI solutions.

4 ADOPTION UPLIFT

- Current programmes (e.g. TIC initiatives) are building strong foundations for regional adoption.
- By scaling training and support initiatives, the goal is to have three-quarters of Greater Manchester's businesses adopting AI technologies by 2035.
- Adoption could drive 20-30% productivity gains for adopters, leading to significant competitive advantages.

5 POLICY AND INFRASTRUCTURE ENABLERS

- Continued investment through devolved powers and public-private partnerships will support this growth.
- Expanding TIC's programmes, especially in underserved geographies, will ensure broad-based development across Greater Manchester.

DATA

This report principally used data from Dealroom.

Dealroom provides comprehensive global data on start-ups, investors, and funding rounds, drawing on public disclosures, proprietary research, and user-generated inputs.

For this report, we utilised Dealroom's database to identify AI companies - those that leverage artificial intelligence as a core driver of their business value - and to track their funding histories alongside key performance metrics.

Our analysis focused on the Greater Manchester region, while also incorporating insights from other metropolitan areas for comparative purposes.

In addition to Dealroom data, we drew on Sequoia's Atlas, which include comprehensive data through an interactive guide on European technical talent to gain an indicative understanding of AI ecosystem readiness.

By combining these sources, we aimed to build a more comprehensive picture of how AI-driven businesses operate, scale, and attract specialised talent across various regions.

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THE AI CATALYST REPORT

GREATER MANCHESTER