

Amazon to invest £8 bln in UK in boost for new Labour govt

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US tech giant Amazon is to invest £8 billion (\$10.5 billion) in Britain over the next five years, creating thousands of jobs via its web services arm, the company and UK government announced Wednesday.

The announcement is a welcome boon for Britain's recently elected Labour government, which has put firing [economic growth](#) at the heart of its pledge to "rebuild" the country.

The [investment](#)—to build, operate and maintain [data centers](#) in the UK—could contribute £14 billion to the country's gross domestic product (GDP) and "support" more than 14,000 jobs annually across the [supply chain](#), Amazon said.

It is the firm's latest announcement of a large investment in a European country by its AWS cloud computing division, and comes amid debate within the European Union about "cloud" computing services.

"This £8 billion investment marks the start of the economic revival and shows Britain is a place to do business," UK finance minister Rachel Reeves said in a statement.

"I am determined to go further so we can deliver on our mandate to create jobs, unlock investment and make every part of Britain better off.

"The hard work to fix the foundations of our economy has only just begun."

Amazon said the money will be spent expanding the operations of its Amazon Web Services (AWS) subsidiary.

The e-commerce behemoth is seeking to capitalize on the rising demand for cloud computing capacity such as server space.

'Pivotal'

UK government agencies and companies such as airline easyJet, bank Natwest and Sainsbury's supermarket already use AWS data centers, like

many of the world's top companies.

"The next few years could be among the most pivotal for the UK's digital and economic future," said Tanuja Randery, AWS Vice President and Managing Director, Europe, Middle East & Africa.

He added AWS' expansion would help "organizations of all sizes across the country increasingly embrace technologies like [cloud computing](#) and AI to help them accelerate innovation, increase productivity, and compete on the global stage".

In recent months, the subsidiary has announced it is set to invest tens of billion of euros in Germany, Spain and France.

It comes amid discussions in the EU about a "European sovereign cloud" which would allow the storage and processing of data online without going through American technology giants.

Amazon employs 75,000 people in Britain, at more than 100 sites. It said in its press release that it has invested £56 billion in the country between 2010 and 2022.

The company announced last month that it had doubled its quarterly profits, driven by the cloud and AI.

AWS revenue grew 19 percent to \$26.3 billion in the second quarter.

Amazon is the world's number one cloud provider but has fallen behind the two other giants in the sector, Microsoft and Google, in generative AI.

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