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UK Strikes AI Deal with OpenAI to Boost Public Sector Innovation

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The UK has signed a new agreement with artificial intelligence (AI) firm OpenAI, aiming to harness advanced technology to increase efficiency and productivity across public services. The deal, formalised through a memorandum of understanding, signals growing confidence in AI's potential to drive economic growth and modernise government functions ranging from education to justice.

OpenAI, the US-based company behind the generative AI platform ChatGPT (Chat Generative Pre-trained Transformer), has committed to collaborating with the UK's

Department for Science, Innovation and Technology. The agreement outlines a shared intention to better understand the capabilities and security implications of AI tools, while also developing safeguards that protect the public and uphold democratic values. This could include OpenAI gaining access to selected government data, allowing it to develop models tailored for public sector use.

Technology Secretary Peter Kyle described the partnership as a strategic move to strengthen the UK's competitive edge, stating that "AI will be fundamental in driving change" and in "driving economic growth." His remarks reflect a broader push to revitalise the UK's sluggish economy, which has shown minimal growth, estimated between 0.1% and 0.2% for the April to June quarter.

OpenAI's Chief Executive Officer, Sam Altman, welcomed the agreement, calling AI "a core technology for nation building that will transform economies and deliver growth." He added that the collaboration aims to deliver "prosperity for all", positioning AI as a tool to advance national interests and technological leadership.

The UK has been actively pursuing AI partnerships this year, including similar arrangements with American AI firms Google DeepMind and Anthropic. These moves suggest a clear openness to overseas investment and a desire to establish Britain as a hub for advanced technology development.

However, the government's rapid adoption of AI has not been without criticism. Campaigners, particularly within the creative industries, have voiced concern over how generative AI platforms use data, such as music, images, and literary work, without explicit permission. This raises ongoing questions about copyright and intellectual property rights, especially given that AI systems are trained on vast datasets, some of which may include protected material.

Generative AI tools like ChatGPT can create human-like responses, images, video, and music based on simple user prompts. While the technology offers substantial promise, it has also faced scrutiny for occasionally generating false or misleading outputs, underscoring the importance of safeguards and oversight.

Despite these concerns, the government sees AI as a key pillar of its long-term strategy to streamline services and revitalise the economy. By aligning with major tech firms like OpenAI, the UK is betting on innovation to deliver both public sector reform and private

sector growth. The success of this approach will depend not just on technological capabilities but on maintaining public trust and ensuring that AI is deployed responsibly.