Access Partnership

Impact of Google's investment in cloud region in the UK on the US economy

A quick thought experiment

September 2025

Context

Over the past few years, strong demand for cloud and digital services, including artificial intelligence (AI), from businesses, governments, and policymakers worldwide has sparked a global surge in investment in cloud infrastructure. Such infrastructure developments are significant in scale and require specialist capital inputs and unique technical expertise to implement, which has often meant that such projects involve collaboration and co-investment at a global level. This wave of cooperation and cross-border investment has recently been met with heightened geopolitical and economic uncertainty, as well as increased pressure from policymakers who argue that international trade and foreign investment should generate acceptable returns for their domestic businesses and economies.

To contribute to the understanding of how cross-border collaboration and investment can generate returns for overseas investors and economies, we undertook a quick thought experiment based on a stylized example of a phased 81 MW investment in a cloud region in the United Kingdom (UK). The thought experiment provides insight into the potential channels through which returns to overseas investors and economies could flow. However, the estimated impacts produced through this thought experiment rely on publicly available stylized facts and generic assumptions, which may not be fully applicable to the specific circumstances of this project. This means the estimates should be interpreted as scenarios and cautiously used.

Scenario

This assumes an investment of **81 MW** of data center capacity in the UK over a four-year horizon, which will enable companies in the United States (US) to generate revenue related to cloud and digital solutions (such as AI).

Disclaimer: The assessments in this report are based on publicly available information or industry benchmarks estimated by Access Partnership. Inputs from Google are indicated, wherever used.

Channels of impact

The value to the US economy is expected to be derived through 2 channels of impact:

1. **The infrastructure investment in data centers**, assuming that 53% of the machine and IT provisioning costs come from the US.
2. **The ongoing repatriation of profits to the US** from the provision of capacity through the UK data center to local and regional customers, of which these repatriated profits are entirely reinvested in the US to generate additional economic activity.

Scenario estimates

The period captured under this scenario is 2023 to 2026. Our employment estimates represent the total number of full-time equivalent (FTE) jobs supported in the final year (i.e., 2026).[1]

Channel	Estimates by scenario (GVA, FTE)	Assumption
1. Impact due to the investment in data centers	**Lower-end scenario** *1 percent increase in exports leads to a 0.15 percent increase in GDP (Source: Effects of export and technology on economic growth: Selected emerging Asian economies)* **GVA: USD 592.3 million** **1,300 FTE jobs in 2026**	• Assume an 81 MW data center is built from 2023 to 2025 and operationalizes at the beginning of 2026. • Assume total IT spending of USD 0.8 billion based on estimates provided by Google from 2023 to 2026. • For these IT costs, we assume 53% of content from the US (Source: Which Companies Add The Most Value In The Semiconductor Industry? (Part 1)). • We assume that no replacement of IT equipment occurs in this scenario. • Assumes the relationship between export and GDP is that a 1 percent increase in exports leads to a 0.15 to 0.17 percent increase in GDP. • Job estimates are derived based on the relationship between the economy-wide value added and full-time employment in the manufacturing sector. The ratio of sector employment to the Gross Value Added (GVA) of the manufacturing sector is 4.6, based on US employment and value added data for 2023. These job estimates represent average annual employment supported across the time period.
	Upper-end scenario *1 percent increase in exports leads to 0.17 percent increase in GDP (Source: Impact of Exports on Economic Growth: A case of Luxemburg)* **GVA: USD 671.3 million** **1,500 FTE jobs in 2026**	
2. Reinvestment of repatriated profits	**Lower-end scenario** *Net Present Value of 2 years of revenues/profits based on a discount rate of 2.33% (Source: Alphabet's 10-K report)*	• Vacancy rates of data centers (30%) remain constant throughout the period of operation. • Assumption of average annual revenue based on our benchmarks from other global data center builds of USD 3.3

[1] All job estimates have been rounded down to the nearest 100 for ease of reporting. Estimates may not sum due to rounding.

	GVA: USD 32.7 million **100 FTE jobs in 2026[2]** **Upper-end scenario** *Net Present Value of 2 years of revenues/profits based on a discount rate of 0.57% (Source: Alphabet's 10-K report)* **GVA: USD 33.3 million** **100 FTE jobs in 2026**	million / MW. (Source: Economic costs of data-centers? - Thunder Said Energy) • Assumes ratio of profit to revenue of 16% based on UK Input-Output table (i.e., *Gross Operating Surplus* divided by *Total Inputs for the ICT sector*). (Source: Input-output supply and use tables – summary tables - Office for National Statistics) • Assumes 46% of profits in the UK are repatriated to the US (Source: The effect of foreign dividend exemption on profit repatriation through dividends, royalties, and interest: evidence from Japan | International Tax and Public Finance) • Assumes 100% of the repatriated profit is reinvested in the US economy. • Job estimates are derived by applying employment multipliers from the US input-output tables to the value of reinvested profits. The estimates capture direct, indirect, and induced employment impacts.
Total	**GVA: USD 625 million to USD 705 million** **1,400 to 1,600 FTE jobs in 2026[3]**	

[2] Our estimate for the number of FTE jobs supported is identical in the lower-end and upper-end scenarios for the reinvestment of repatriated profits. This is because the profits in a given year are multiplied directly by employment multipliers to calculate total job benefits, without applying a net present value adjustment.
[3] Note that estimates may not sum due to rounding.

Access Partnership

Follow us

Our offices

Europe

London

The Tower, Buckingham Green
Buckingham Gate
London, SW1E 6AS
United Kingdom

+44 20 3143 4900
london@accesspartnership.com

Brussels

8th Floor, Silversquare Europe
Square de Meeûs 35
Bruxelles, 1000
Belgium

brussels@accesspartnership.com

North America

Washington DC

1300 Connecticut Avenue NW
Suite 250
Washington, DC 20036
USA

+1 202 503 1570
washingtondc@accesspartnership.com

Asia

Singapore

Asia Square, Tower 2
#11-20
12 Marina View
Singapore 018961

+65 8323 7855
singapore@accesspartnership.com

Jakarta

Revenue Tower 21st Floor
Unit 104 SCBD Lot 13,
Jl. Jend. Sudirman Kav. 52-53
Provinsi DKI Jakarta, 12190
Jakarta, Indonesia

+62 21 5020 0949

Kuala Lumpur

Common Ground Q Sentral
Level 39, Unit 39-02 (East Wing), 2A,
Jalan Stesen Sentral 2, Kuala Lumpur
Sentral, 50470
Kuala Lumpur, Malaysia

Bangkok

188 Spring Tower
11th Floor, Unit 106, Phayathai
Road, Thung Phayathai,
Ratchathewi, 10400
Bangkok, Thailand

+ 66 (2)-8216148

Hanoi

19th floor, Tower 1
Capital Place Building
No 29 Lieu Giai Street
Ngoc Khanh Ward, Ba Dinh Diítrict
Hanoi, Vietnam

Manila

28F & Penthouse
World Plaza
5th Ave
Bonifacio Global City
Manila, 1634
Philippines

Middle East and Africa

Abu Dhabi

Al Wahda City Tower, 20th Floor
Hazaa Bin Zayed The First Street
PO Box 127432
Abu Dhabi, UAE

abudhabi@accesspartnership.com

Johannesburg

119 Witch-Hazel Avenue
Highveld Technopark
Johannesburg
Gauteng, South Africa