

UK economy surprisingly grows in July on AI boost

Britain's economy grew unexpectedly in July, official data showed Friday, driven higher by the artificial intelligence sector.

Gross domestic product expanded 0.4 percent in the month, building on growth of 0.3 percent in June, the Office for National Statistics said.

A consensus of analyst forecasts had been for zero growth in July.

GDP output in the three months to the end of July also grew by 0.4 percent, the ONS said.

The data hands a boost to UK Prime Minister Andy Burnham and his finance minister John Healey ahead of the Labour government's budget update next month.

"Ongoing strength in the services sector was only partially offset by falls in both production and construction" in the three months to end-July, Liz McKeown, director of economic statistics at the ONS, said in a statement.

"Within services, computer programming was the largest contributor, continuing the strong growth seen throughout the year, with evidence that businesses involved with AI and related technologies helped to boost this sector," she added.