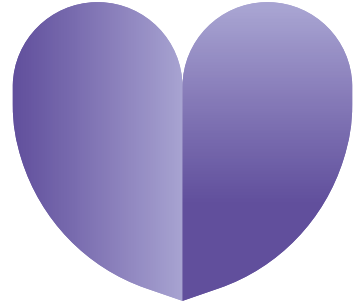# STAND WITH CRYPTO

PUTTING BLOCKCHAIN TECHNOLOGY AT THE HEART

OF THE UK'S MODERN INDUSTRIAL STRATEGY

INVEST

2035

ABOUT STAND WITH CRYPTO IN THE UK

Stand with Crypto in the UK rallies Web3 builders and crypto advocates across the UK.

Stand With Crypto in the UK champions emerging use cases, supports innovative businesses and promotes a flourishing blockchain ecosystem that drives growth across the UK economy. Through Stand with Crypto, advocates are pressing for the UK to be a world leader in fintech, digital assets and tokenisation to generate investment, foster innovation, and create a more digital economy.

1   INTRODUCTION

Over the last decade, technological changes have transformed the way we transact, do business and live. Every interaction with our smartphones or an online purchase is testament to the remarkable impact of technology.

The rise of crypto-assets and blockchain technology opens a new chapter for the digitisation of the UK economy, offering unparalleled opportunities for innovation, investment and inclusive growth.

We stand at a pivotal moment in the evolution of digital assets and crypto technology. Adoption is increasing globally, and growing year-on-year in the UK, as recent FCA reports have evidenced; now 1 in 8 Britons own crypto, and 93% of adults are aware of the technology.

Furthermore, there is a deeper appreciation now of the transformative potential of the technology not only to update payments and capital markets via tokenisation, but also to provide a new infrastructure layer for a future Internet that empowers users through data ownership and agency. We also increasingly recognise the powerful and synergistic role that blockchains can play in the rollout of AI to both authenticate AI content and also provide the wallets and payment rails to underpin the development of agentic AI in which bots will execute tasks based on users' expressed intent.

Finally, but importantly, the recent election in the largest economy in the world will result in the US now moving quickly and assertively to drive innovation in this space and to attract investment.

For all these reasons and more, we believe the UK can no longer stand on the sidelines and must not get left behind. We must prioritise bold and timely political and regulatory action to develop a world-leading environment for digital assets that attracts investment, and fosters innovation, in order to drive the Government's vital growth agenda.

Digital assets and crypto are essential components of the fintech pillar within the overall industrial strategy, and we stand ready to support the Government as it drives its growth agenda forward.
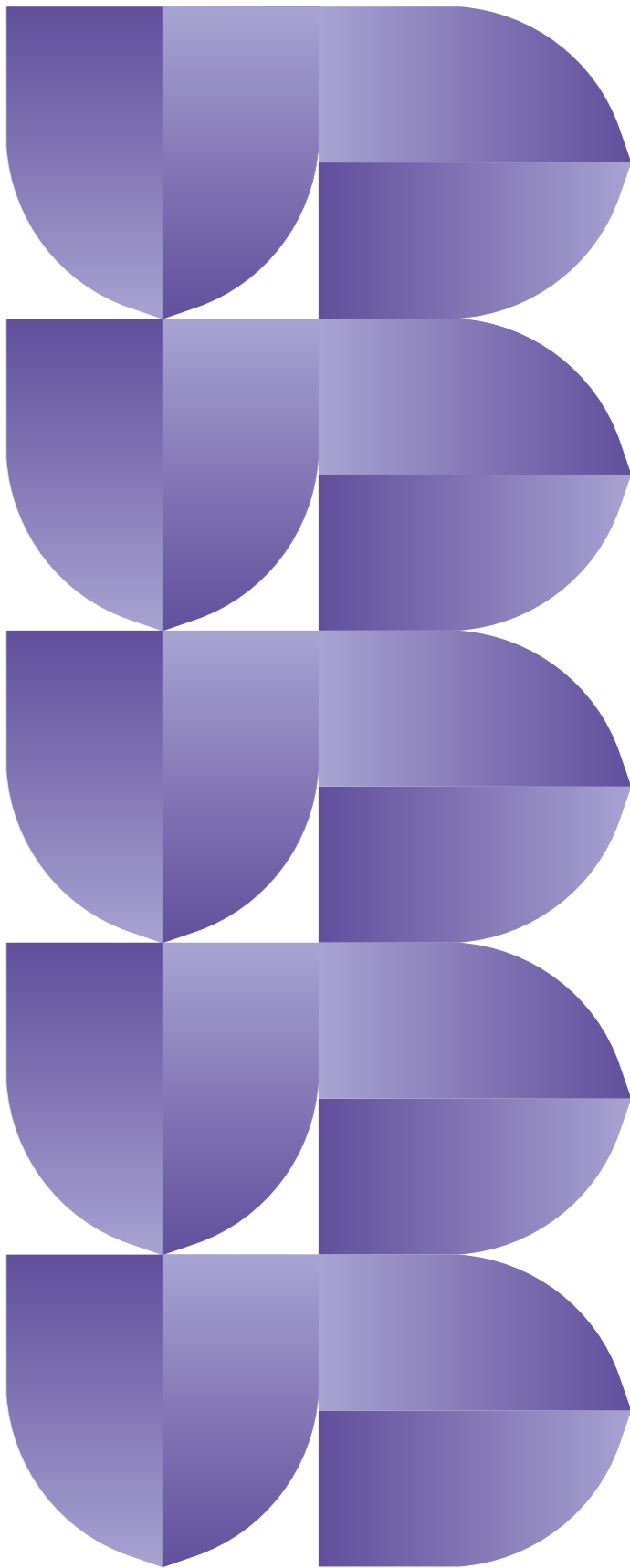
2 FRONTIER TECHNOLOGY: THE BLOCKCHAIN

Blockchain technology is a digital ledger system that records transactions. Instead of one entity managing this database, it is spread across multiple - millions - of computers that maintain the ledger on a real-time basis.

Together this is called the consensus mechanism i.e. the means by which all the computers at the same time say "we agree", for example, that Bitcoin was sent from one address and received by another. This decentralised consensus mechanism makes it nearly impossible to alter past records - ensuring transparency, security, immutability and permanence of the ledger. This is the innovation of blockchain technology.

TOKENS ARE ESSENTIAL TO THE OPERATION OF BLOCKCHAIN TECHNOLOGY; THEY ARE INEXTRICABLY LINKED.

TRUSTLESS   DECENTRALISED   PERMISSIONLESS   LEDGER

There are many tokens with different characteristics and functionality; one such category of tokens - which can be referred to as "technology-backed tokens" - incentivises individuals to play a role in the consensus mechanism, i.e. to validate transactions and earn rewards in the native tokens in return.

> Validators on the **Ethereum** blockchain earn ETH
> Validators on the **Solana** blockchain earn SOL
> Validators on **Polygon** earn POL

Similarly, these tokens are used to pay "gas fees" for transfers, for example if an individual wants to mint an NFT and send it to someone else's wallet; these gas fees go to the validators, as the fee associated with processing and securing transactions on a blockchain network. In this way, blockchain technology depends on tokens.
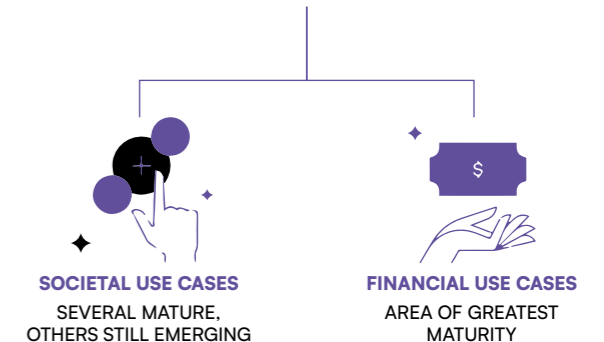
In this way, blockchain technology depends on tokens. Moreover, through such tokens, value can be transferred as quickly and as easily as sending a text message; whether that be through paying gas fees, by sending Bitcoin (known as digital gold) or through utilising tokens on decentralised applications (e.g. rewarding a content producer on Farcaster, an on-chain social media platform).

While nascent, blockchain technology and digital assets are bringing efficiency, transparency, and resiliency to the financial systems, and other sectors of the UK economy. Blockchain applications enable individuals to transfer value quickly and at lower cost, particularly for cross-border transfers. Stablecoins that put fiat currencies on digital rails will drive competitionin the payments space.

Decentralised finance, smart contracts, and related new technologies will drive further innovation and exponentially expand opportunities for the financial system. Today's Internet is dominated by a handful of companies that profit from monetising their users' personal data; the next phase of the Internet's development, Web3, will be owned by builders and users and will be driven by tokens, creating a more decentralised and community-governed version of the Internet. And blockchain technology has the potential to transform every sector of the economy. Small business founders up and down the country are building businesses on the blockchain and driving real world use cases across all industries. This report will explore the opportunities afforded by blockchain technology for the UK economy.

CRYPTO AND BLOCKCHAIN TECHNOLOGY HAVE TREMENDOUS POTENTIAL TO IMPROVE TRANSPARENCY, SECURITY, AND PRIVACY ACROSS COUNTLESS INDUSTRIES AND SERVICES

SOCIETAL USE CASES
SEVERAL MATURE, OTHERS STILL EMERGING

FINANCIAL USE CASES
AREA OF GREATEST MATURITY

3 EMBRACING BLOCKCHAIN:
AS A FOUNDATIONAL TECHNOLOGY

The Government recognises, in its consultation on the modern industrial strategy, that the UK has historically seen "weak diffusion and adoption of technologies"[1] in the economy. Increasingly, because of the novel features of the technology, founders are building businesses on the blockchain, driving real world use cases. Blockchain technology is an underlying technology that can drive innovations across all sectors of the economy.

We are seeing blockchain based innovations in the fields of telecommunications, supply chain tracking, transport, event ticketing and many more. Greater adoption of the technology by businesses will drive high productivity and growth for the economy, and create an innovative business ecosystem.

TELECOMMUNICATIONS	TRANSPORTATION	AGRICULTURE
Weaver Labs	JURNYON	agridex

HEALTHCARE	SUPPLY CHAIN TRACKING	CREATIVE INDUSTRIES
ATMPS	CIRCULARISE	alkimi

CASE STUDY 2
HEALTHCARE

ATMPS is using the blockchain to bring revolutionary advanced therapy medicinal products (ATMPs) like cell and gene treatments to patients. The nature of the ATMPs treatments means that certain stages have to be completed within specific timescales and treatments are developed for the individual patient.

As a result, efficient coordination between all the parties, including hospitals, labs, manufacturing facilities, and specialist couriers is necessary which ATMPS facilitates through a blockchain-based ledger[3]. The company integrates with healthcare regulators (e.g. MHRA/FDA/EMA which approve treatments), hospitals or clinics (which treat the patients), logistics providers (which transport samples and treatments) and the manufacturers or labs (which actually manufacture or produce the treatment), to track and monitor medicines. This clear and standardised set of information on the blockchain, allows all the different participants in the production of ATMPs to communicate, coordinate, and streamline the process of ensuring patients get the treatment they need within the timeframes they need them.

Similarly, DeHealth uses the blockchain and tokens to improve medical data storage and safety while facilitating data sharing across healthcare providers. DeHealth's platform is a secure, patient-centred ecosystem for managing and monetising medical data that allows individuals to grant access to selected institutions across medical systems, revoke that access when desired, and monetise their participation in research and clinical trials. By creating incentives that connect typically siloed patient healthcare data safely while retaining privacy, AI models can identify trends and shift the focus from reactive treatments to proactive health management. More than 90,000 patients hold their data on DeHealth's platform globally.

CASE STUDY 1
TELECOMMUNICATIONS

Weaver Labs uses the blockchain and tokens to incentivise users to release excess capacity for telecommunications bandwidth back to the network. Weaver Labs, born out of the King's College London Innovation Lab, addresses a key problem in the telecommunications industry. The current infrastructure ownership model is unprofitable for 5G investment, therefore limiting its adoption.

Weaver Labs has built a software platform that allows ecosystem participants to become profitable by connecting individual broadband services together and collectively managing them, alleviating the investment required by the incumbents and opening up the supply chain to more players. Blockchain orchestrates the platform's infrastructure such as deploying, sharing, monitoring, and governing broadband service collaboration through an open, and automated, marketplace as well as via the

yyecosystem's native token. The company has partnered with the University of Liverpool, Qualcomm, Radisys, and others following £9 million of funding from the Department of Science, Innovation and Technology to produce the Liverpool City Region High Demand Density project to tackle poor digital connectivity where there is high user demand such as busy railway stations, football matches or concert venues[2].

In Manchester, in 2022, Weaver Labs collaborated with the Department of Digital, Culture, Media and Sports and Transport for Greater Manchester to build the Smart Junctions 5G project which stands up private 5G networks to enhance an AI-based traffic signal optimisation system. Furthermore, the company has contributed significantly to the UK Future Telecommunications strategy, and the OpenRAN, Open Networks, and Diversification agenda.

CASE STUDY 3
TRANSPORTATION

JurnyOn uses the blockchain and NFTs to aid public transportation operators in combating ticket fraud and ensuring secure, collaborative data management. JurnyOn provides riders a simple and easy-to-use application to book public transit journeys with the help of an AI chatbot. Once on the journey, the application encourages riders to self-certify their departure and arrival, assisting in locations without barriers or fewer conductors. Behind the interface, tickets are secured on the blockchain and riders receive discounts and loyalty rewards for their participation. Supported by an Innovate UK grant, JurnyOn is currently in trials with the Transport for Wales network, where thousands of riders have piloted booking trains using their process[4].

1. Invest 2035: the UK's modern industrial strategy - Gov.uk
2. £9M project to enhance digital connectivity in high density areas - News - University of Liverpool

3. The Future Open Networks Research Challenge Winners - Gov.uk
4. Blockchain in Practice: Transport for Wales | RailBusinessDaily

CASE STUDY 4
AGRICULTURE

Agridex records and validates essential data on origin, sustainability, and regulatory compliance of agricultural products, allowing smaller players primarily in emerging economies to enter the global market. The company offers consumers greater visibility into product sourcing and origin, verifying labels such as organic, or free trade. Simultaneously, Agridex's platform helps small producers meet and authenticate to international export standards, which historically have limited their access to global markets. The company is focused on high-impact goods such as cocoa in West Africa (especially Ghana and Nigeria), grains in Ukraine and South Africa, and global sugar where they have local partnerships assisting expansion.

CASE STUDY 5
SUPPLY CHAIN TRACKING

Circularise uses blockchains to build their product traceability platform for supply chain compliance. The company helps manufacturers understand the origin and provenance of goods using digital product passports that trace material to their source and ensure compliance with global regulations and standards. Driven by UK and EU sustainability and authenticity requirements, Circularise uses blockchains to store data privately for suppliers, manufacturers, OEMs, brands and consumers. Companies further benefit from bringing transparency to consumers regarding their products. Circularise works with Porsche and Audi to document and track the component parts of their vehicles, Philips to understand the sourcing of battery and electronic parts, and metal manufacturers to assess rare-earth elements with the Circular System for Assessing Rare Earth Sustainability standards.

CASE STUDY 6
CREATIVE INDUSTRIES

Alkimi is a decentralised programmatic ad exchange bringing transparency and efficiency to the funding of the Internet. By hosting all ad transactions on an immutable blockchain ledger, Alkimi ensures that every transaction is validated by a distributed network of validators, providing a secure and transparent infrastructure for facilitating direct ad transactions between advertisers and publishers.

Alkimi is able to track the effectiveness of each ad dollar and match ad sellers to ad buyers at a lower cost due to the efficiency of a blockchain-based exchange market. Alkimi's platform also addresses challenges in programmatic advertising, such as reducing energy consumption and combating fraudulent practices. Through these initiatives, Alkimi is restoring the value exchange between advertisers, publishers, and users, creating a more efficient and trustworthy digital advertising ecosystem. Alkimi is partnered with global brands including Coca-Cola, PG, Publicis, News UK, Group M, and Conde Nast.

CASE STUDY 7
PUBLIC SERVICES

With its inherent characteristics of transparency, security, and efficiency, blockchain technology can revolutionize public service delivery, elevating the user experience and delivering operational efficacy.
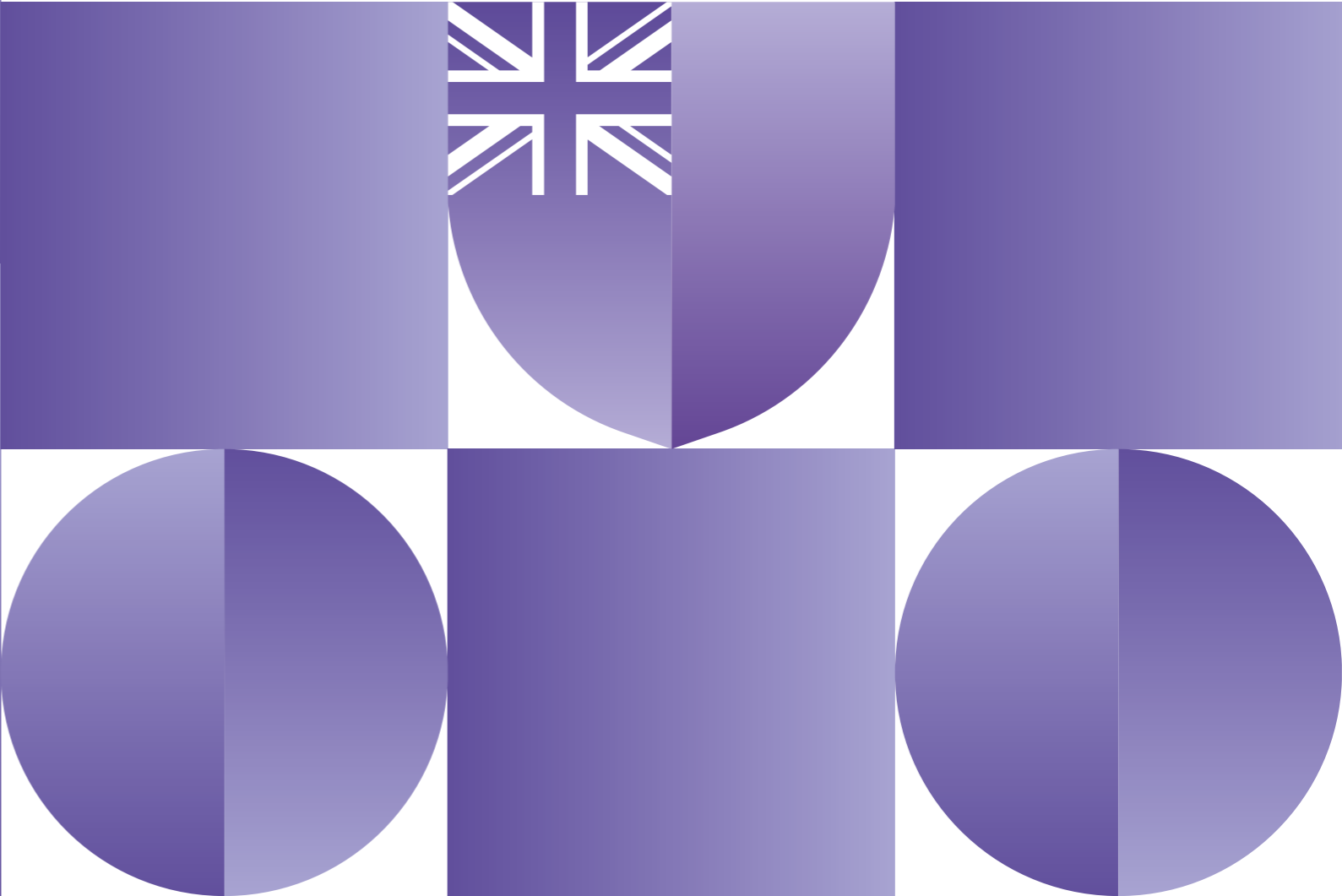
One compelling application of blockchain technology is enhancing the security and accessibility of citizen data across government departments. Whether for health records or land registries, data can be decentralized and encrypted, significantly reducing vulnerability to cyber-attacks whilst ensuring easy access by authorised entities and across departments, enhancing public service delivery.

Blockchain technology can also improve financial transactions within the public sector. With its ability to automate and record transactions transparently, blockchain technology combined with digital identity wallets and stablecoins, can be used to manage public funds more efficiently, whereby financial flows are traceable and accountable, reducing administrative costs and maximizing efficiency savings.

The blockchain (alongside other advanced technologies, such as AI) can enhance the delivery of UK public services, through a more resilient, efficient and user-focused digital government.

Real innovation is taking place across the country, including outside of the City of London, and across all regions of the UK. We note the Manchester Blockchain Alliance, which brings together an inspiring and burgeoning community of blockchain entrepreneurs and Web3 enthusiasts from across the Manchester area.

It is important that the UK fosters these innovation hubs and unleashes the economic potential for regional growth.

4 SUPERCHARGING THE CITY: WITH TOKENISATION

$190B
TOTAL MARKET SIZE OF TOKENISED ASSETS (INCLUDING STABLECOINS)

131M
WALLETS HOLDING STABLECOINS

$14B
TOTAL MARKET SIZE OF TOKENISED ASSETS (EXCLUDING STABLECOINS)

60K
WALLETS HOLDING TOKENISED PRODUCT

151
ISSUERS

20+
PUBLIC BLOCKCHAINS

$9B
PRIVATE CREDIT & LENDING

$5B
GOV & CORP DEBT

$1B
COMMODITIES
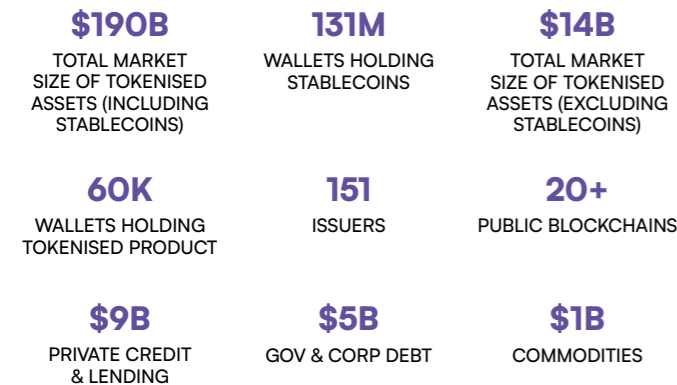
The City is critical to the UK's economic success, driving growth across the whole economy. As a world-leading global financial services centre, it is critical that the UK maintains its competitiveness vis-à-vis other global financial services centres, and key to this is digitalisation and digital innovation in financial markets.

Digital innovation was an essential part of a paradigm shift that drove the growth of the City in the 1980s. Today, the same technological catalyst is needed to drive the next phase of growth for the City of London. Capitalising on the potential of blockchain and crypto technologies could kickstart a new wave of growth and innovation for UK capital markets. The opportunities provided by tokenisation of traditional financial instruments are well documented, in terms of operational efficiencies, reduced costs (by reducing intermediaries), lower risk, and improved liquidity[5].

Furthermore, tokenisation has the potential to democratise access to typically hard-to-access markets and products and broaden investment opportunities through fractional ownership[6]. The UK's Digital Securities Sandbox[7] is an important initiative in this regard.

The trend towards tokenisation and the use of blockchain technology in capital markets is accelerating. We expect the next major technological catalyst in capital markets to be the tokenisation of funds, with a strong focus on tokenised money market funds (MMFs), particularly for liquidity management, payments, and yield generation.

In late 2024, tokenised funds had already garnered more than **$2 billion** in **assets under management (AUM)**[8].

According to a report by Boston Consulting Group, fund tokenisation could generate about $100 billion in additional annual investment return for mutual fund investors, while creating new revenue streams for financial institutions - by enabling near-instant transactions, unlocking liquidity, and reducing operational friction.

Mirroring the rise of **exchange-traded funds (ETFs)**, tokenised fund AUM could reach **1% of global mutual fund and ETF AUM** in just seven years. This would imply AUM of more than **$600 billion by 2030**[9].

Tokenisation is also shifting the landscape for **small and medium enterprises** ("SME"). It has lowered the cost of credit or equity issuance by an order of magnitude. It also enables distribution to a global market of new and traditional buyers, which are today already digitally enabled.

Some estimates suggest tokenisation is 99% cheaper to issue and distribute than traditional financial products. This impacts nearly every sector, large and small, seeking to raise and invest. We are seeing green shoots of underserved borrowers activating in sectors such as renewable energy, reinsurance, carbon markets, corporate finance, and real estate.

For tokenisation, a model with a permissionless base layer of public infrastructure and a permissioned layer on top (app layer) would offer market participants the transparency, security, and innovation potential of public blockchains, alongside the control and privacy of permissioned systems.

However, the adoption and commercial viability of permissionless base layer financial market infrastructure is being endangered by the prudential treatment of digital assets transacted on permissionless systems[10].

The BCBS rules assign a punitive risk weight of 1250% to all blockchain-based securities transactions on permissionless blockchains, even when the assets meet the classification criteria of tokenised traditional assets[11].

The punitive prudential treatment is expected to restrict banks' investment and participation in capital market transactions on permissionless systems, given the outsize balance sheet impact such participation would have. Instead, the prudential treatment for blockchain-based securities traded on permissionless systems should in principle be the same as for traditional securities[12].

Creating the right conditions for tokenisation will fundamentally transform the UK's capital markets and put the City on a strong competitive footing vis-à-vis other global financial services centres.

5. The Financial Stability Implications of Tokenisation
6. Coinbase Institute: Tokenizing assets
7. Digital Securities Sandbox (DSS) | Bank of England
8. Fund Tokenization: How Close To The Next Financial Revolution?
9. Tokenized Funds: The Third Revolution in Asset Management Decoded

10. Understanding Hybrid Blockchain: A Beginner's Guide
11. Prudential treatment of cryptoasset exposures
12. BCBS Consultation - Prudential Treatment of Bank Cryptoasset Exposures | Coinbase Response

5 FASTER, CHEAPER: PAYMENTS REVOLUTIONISING PAYMENTS

OLD MONEY VS. NEW MONEY		
	TRADITIONAL FINANCE	FINANCE 2.0 CRYPTO
Fees	2%+ credit card 5-10% remittance	A few cents to a few dollars
Speed	Multiple days	Minutes
Reach	Country-specific	Global
Access	~1.78 B people without a bank	Anyone with a smartphone
Store of Value	Inflationary & loses value over time	Either inflationary / deflationary

Digitally native money that can travel peer-to-peer has the potential to revolutionise payments. The underlying blockchain technology enables the interoperability of **payments systems,** removes layers of **costly intermediaries,** and creates an entirely new **competitive landscape,** one which can strengthen and limit dependencies on existing banking infrastructure[13]. Critically, within this new payment architecture, the atomistic nature of settlement can materially de-risk the global financial system, removing complicated netting processes, as well as unnecessary financing and credit risk[14].

Stablecoin payments are faster, cheaper, and can operate with greater efficiency with **24/7 availability.** The programmability of digitally native money creates scope to automate not only regulatory requirements (e.g. compliance checks) but also how and when transactions are made and settled (e.g. micropayments, salaries, subscriptions, trading, insurance, prediction markets, lending etc). This will give commercial enterprises particularly small and medium-size businesses — important alternatives to existing payment networks.

More broadly, with the accelerating digitalisation of commerce globally, a mechanism to transact and exchange value peer-to-peer on the Internet is needed; stablecoins could make it possible to send money to anyone, anywhere in the world as easily as sending a text message. The lack of interoperability among payment rails in traditional markets is an additional constraint to both individuals and commercial enterprises. Separate from high fees and lengthy delays, restricted and exclusive access to payment rails represents a significant disadvantage to consumers making payments and transfers. In contrast, stablecoins are **not exclusive to a single blockchain,** giving users competitive options for making and receiving payments and transfers. For example, credit card processing fees typically range from 1.5% to 3.5% of the value of each transaction, with the vast majority of transactions processed on one of only four large networks, each with a walled garden of users[15].

Of course, these networks offer tremendous value to consumers today, which is why high fees are possible, but increasing adoption and permissibility of stablecoins as an alternative will create competitive pressures that could lead to lower costs for merchants to receive payment for goods and services using incumbent services. The same is true for wire transfers and other traditional payment systems.

CASE STUDY 8
INTERNATIONAL PAYMENTS

Stablecoins give users alternatives to incumbent payment systems that can be slow and more costly, particularly for cross-border transfers. For example, current payment and remittance platforms require multiple intermediaries to execute a transaction, often resulting in longer transaction and settlement times and additional fees, such as foreign transaction fees[16]. Stablecoin transfers settle as fast as the underlying blockchain, which is typically measured in minutes, whereas international transfers can take multiple business days. In some instances, a cross-border payment can take several days and can cost up to ten times more than a domestic payment, a lag that can significantly stress cash flow and cause downstream effects. People spend $647 billion on remittances every year[17], with an average cost of 6.35%[18] - stablecoins can remove unnecessary middlemen and eliminate more than $40bn in international transaction fees.

13. How blockchain technology is fixing payments and what's next
14. Removing risk and inefficiency from clearing and settlement
15. Credit card processing fees: all you need to know as a merchant | GR4VY
16. Stuck in the Middle: Observations from intermediaries in cross-border payments for CBDC design
17. Remittances Remain Resilient but Likely to Slow
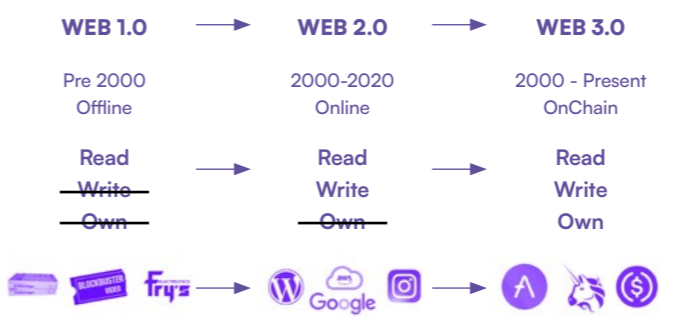18. Remittance Prices Worldwide - Issue 49, March 2024

6 THE FUTURE OF THE INTERNET: WEB3

Progressive economies should strive for an Internet that fosters competition and mitigates the dominance of large technology companies, unlocks opportunities in the innovation economy, and enables people to take control of their digital information.

Web1 was the first iteration of the Internet, largely read-only with simple web pages.

It was followed by **Web2,** or the "read-write" era, which drove easy Internet access through widespread fast Internet and smartphones. Here, we've seen commercialised user-generated content networks and the dominance of a few big centralised platforms, particularly in social media.

The third generation of the Internet, **Web3,** is the solution to these issues, built on a group of technologies that encompasses blockchains, digital assets, decentralised applications and finance, and decentralised autonomous organisations (DAOs). It makes the Internet truly decentralised so that no single entity is dominant, and gives individuals power over their data and content (addressing the failings of the current system)[19].

WEB 1.0	WEB 2.0	WEB 3.0
Pre 2000 Offline	2000-2020 Online	2000 - Present OnChain
Read ~~Write~~ ~~Own~~	Read Write ~~Own~~	Read Write Own

Web3 is already coming to life when it comes to social media. With nearly **5 billion** users, social media platforms are some of the largest companies in the world, but they also charge high take rates (the proportion of revenue big tech takes from online activity). Nearly all major social networks have take rates of 100%, or close to it i.e. they take 100% of the revenue generated by users' content[20].

CASE STUDY 9
SOCIAL MEDIA

To provide users with the benefits of social media, while ameliorating these problems, Farcaster offers a blockchain-based social media platform built on the Ethereum blockchain[21].

Akin to X and Reddit, Farcaster enables users to create profiles, post, and subscribe to feeds. Unlike traditional social networks, however, Farcaster empowers users to own their accounts. By issuing verifiable decentralised digital identities owned and controlled by users, Farcaster allows individuals to freely use the platform without relying on a centralised intermediary. This in turn, enables individuals to control their data, and receive effectively all of the revenue generated by their posts. The impact of this paradigm shift is vast. Consider a photographer who is dependent on social media incumbents to access their fans. On traditional social networks, the artist does not own their data, meaning that they face extractive rents and cannot port their data to another network. On Farcaster, the same creator could ensure that the revenue generated by their work accrues to them—not the platform—and that they truly own their data and content[22]. Due to these benefits, Farcaster is growing quickly.

Since **October 2023,** Farcaster has received **350,000 paid sign-ups** and witnessed a **50x increase** in network activity[23].

The UK missed out on the first wave of technological innovation in the development of the Internet (Web1 and Web2), to the US. Web3 is still in its infancy, but the opportunities are clear and the UK should strategically pursue Web3, and all the associated innovation and jobs that will come with it.

19. Difference Between Web 1.0, Web 2.0, and Web 3.0 - GeeksforGeeks
20. What Social Media Platform Pays the Highest Revenue Share to Creators?
21. Farcaster
22. Coinbase Institute: Decentralized Social Media
23. Farcaster secures $150M to grow users, add tools for decentralized social media protocol - Blockworks

7 CREATING SUPERCLUSTERS: OF COMPLEMENTARY TECHNOLOGIES

We see many examples of where blockchain technology and AI intersect to deliver each other's full potential and mitigate associated risks.

First, public blockchain networks will enhance AI-driven automation by allowing autonomous agents to hold assets and initiate transactions on those networks. For example, an AI agent managing inventory could autonomously reorder supplies when stock runs low, executing a payment automatically once the delivery is confirmed.

Second, AI analysis will be improved by standardised and uniform data generated through blockchain protocols. For example, a global supply chain that relies on a blockchain network to track the movement of goods can produce standardised data on the location, temperature, time.

Third, the blockchain will help distinguish between authentic and AI-created content.

For example, journalists and news platforms can create verifiable digital identities on the blockchain, confirming that any articles or photographs they publish are authentic. In contrast, the blockchain can encode metadata identifying AI-generated content as artificial, allowing consumers to quickly confirm whether content is authentic or AI-created by checking its data and authorship on the blockchain[24].

Blockchain technology and AI are a powerful combination that should be nurtured. The UK should pursue superclusters of high-impact, complementary technologies (e.g. blockchain, crypto, decentralised applications, AI, quantum) as a driver of innovation and growth for the UK economy.

8 NATIONAL SECURITY: ECONOMIC AND TECH SECURITY

Economic and tech security are fundamental to national security. The UK needs to embrace crypto assets and blockchain technology to achieve global leadership in technology and financial services. If the UK falls behind in this emerging sector, it could undermine national security and economic prosperity.

To be a force in the world, countries need a currency that is used. To secure their position, major currencies must be accessible and cheap to use in payments and international transfers. The UK should pursue digital money as a way to secure its economic position in the world. A **GBP stablecoin** would deliver on these objectives.

24. Blockchain and Artificial Intelligence (AI): Complementary Technologies That Can Make Each Other Better

9 CONCLUSION
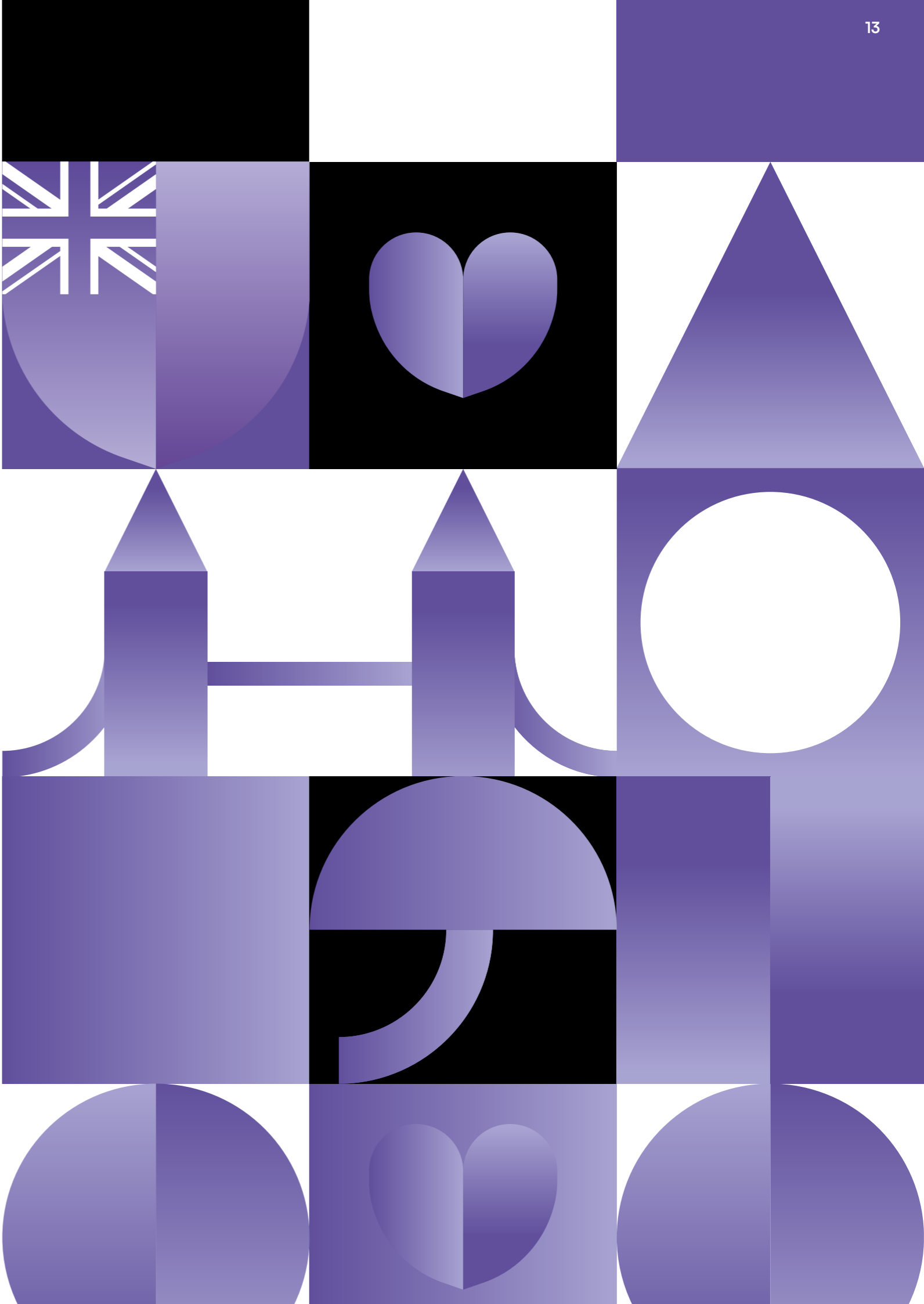
To become or remain a global hub of innovation, governments must create an environment conducive to nurturing and attracting top talent and transformative ideas. With strong talent and capital, sophisticated regulators, leading academic institutions, and a robust entrepreneurial culture, the UK is well-positioned to capitalise on the opportunities of a new wave of technological innovation, driven by blockchain technology and digital assets.

There is much to gain for the UK if it can position itself competitively through its modern industrial strategy for the next phase of digital transformation, in the global race for blockchain technology and digital assets. Promoting blockchain technology as a strategic and disruptive technology will drive outsized growth for the economy, across all the regions of the UK, unlock investment, raise living standards, and secure the UK's economic and technological security.