As I see it ...

by Michael Mainelli, LCCI president

"It AIn't over-regulated till AI say so"

To paraphrase Robert Solow's 1987 paradox about computers: you see AI everywhere except in the productivity statistics. Solow was highlighting the discrepancy between the widespread adoption of information technology and its perceived lack of impact on productivity growth.

Bubbles cause troubles

Widespread Generative AI isn't three years old, so it may seem a bit unfair to shout 'bubble!' this early. However, bubbles cause troubles. AI might become a bubble comparable to the 2000 dot-com era. In 2025 the broad tech sector accounts for 34 per cent of the S&P 500's market cap, exceeding the previous record of 33 per cent set in March 2000. On the other hand, rising forward earnings valuation multiples still remain lower, around 30, compared with 50 during the dot.com era.

Disruption

According to Bill Janeway, founder of Warburg Pincus' High Tech Investment team, 'productive bubbles', where money is thrown at ideas with little caution, are essential to realising huge, market-transforming, disruption. These productive bubbles emerge from irrational decisions, whether irrational investments or, sadly, war.

Equally, bubbles lead to calls for regulation, and AI is no different. The EU and many US states are well down paths to regulation. They define a wide-variety of techniques from expert systems to large-language models to machine learning as AI, and even throw in 'logic programming' i.e. all of computing. In the UK, with service exports being nearly 60 per cent of total exports, the regulation of all of computing cross-border should terrify us. Yet we need to respond to society's desire to have AI regulated. We need to secure a stable, international approach to regulating AI or we risk losing huge markets.

Regulation

Fortunately, we have some good examples of inter-operable international regulation to call upon, community-enforced standards markets via the International Standards Organisation (ISO). ISO standards enforced by accreditation and certification are at the heart of food safety, aviation safety, or maritime safety. Why not AI safety?

Lucky guess, yes, AI experts saw regulation coming and began developing the ISO/IEC 42001:2023 'Artificial Intelligence Management Standard' some years ago for just this purpose. ISO 42001 is an international standard for responsible management of AI systems – specifying requirements for establishing, implementing, maintaining, and upgrading AI within organisations, including managing AI risks such as bias, data security, privacy, IP, energy use, and lack of accountability. Firms can be certified to be compliant with the standard, and use those certifications in tenders or supply chain regulation.

Collaboration

In the UK we should welcome an open standards approach to regulation that shares its structure with the familiar ISO 9000, 14000, 27000, 65000, and others, providing us with an international passport to provide cross-border computing services with embedded AI.

The UK-inspired AIQI Consortium aims to promote open dialogue and collaboration, supporting global quality infrastructure bodies such as BSI and UKAS, in ensuring the safe, secure, and ethical development of AI technologies. Find out more at **www.aiqi.org.**

Professor Michael Mainelli **served as Lord Mayor of London 2023-24 and remains an international ambassador for the City. He is chair of Z/Yen, the City of London's leading commercial think-tank, known for its work in economics and finance, and science & technology.**

The air that London breathes

Three new air quality monitors have been installed across London Heritage Quarter – LHQ – which brings together the business improvement districts of Victoria, Victoria Westminster, Whitehall and Northbank.

Insight

The project will provide greater insight into the air taken in by Londoners every day. Tracking levels of fine particulate matter and nitrogen dioxide, two of the most harmful pollutants in city environments, the monitors provide live data through the Breathe London Communities platform and appear on Westminster City Council's near real-time air quality map.

Commitment

The monitors have been installed in Parliament Square, Northumberland Avenue, and Bridge Street through a collaboration between LHQ, Imperial College London's Environmental Research Group, and Westminster City Council. The project is part of a wider commitment to create healthier public spaces and support behaviour change that reduces emissions

The LHQ area covers a 193-hectare stretch from Victoria to Aldwych. It's an area rich in London icons – from theatres and galleries to restaurants, museums, and historic landmarks.

Public engagement

The monitoring programme supports LHQ's recently launched Sustainability Action Plan, developed with consultancy Bioregional, which calls for greater public engagement with local air quality data. The findings will help shape future projects across LHQ – from street redesigns to smarter freight and delivery systems – that reduce congestion and support cleaner air.

This work also feeds directly into Westminster City Council's new Air Quality Action Plan 2025–2040, contributing to a broader strategy for tackling pollution and protecting public health across central London.

Roadmap

Cllr Ryan Jude, Westminster City Council Cabinet Member for Climate Action, Ecology, Culture and Air Quality, commented: "Air pollution is one of the greatest threats to public health. In Westminster, we have launched a new Air Quality Action Plan, which is backed by comprehensive analysis of air pollution data and provides a clear roadmap to reducing air pollution level to WHO guidelines by 2040.

"Through close collaborations with our partners and a focus on collecting better and more accurate data, we are committed to cleaning up our air and creating a fairer environment for everyone in Westminster."

https://london-hq.co.uk