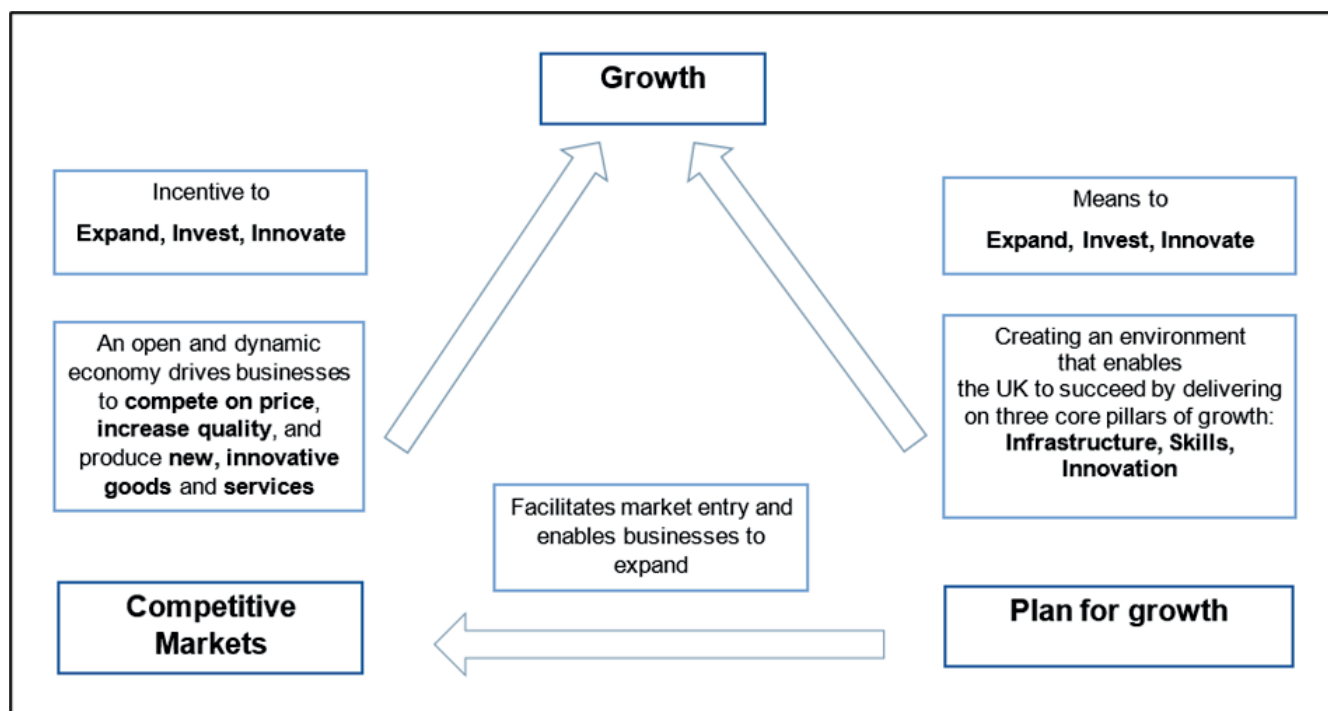


these changes alone, but it has a central role in promoting a sustainable, dynamic, and innovation-led economy.

Figure 1: How *Building Back Better: our plan for growth and competition policy* complement each other



- 1.7. The UK needs a commercial and regulatory environment that supports businesses to innovate, grow and compete on their merits. Unfortunately, there is growing evidence, including the CMA’s own State of Competition report, that competition in the UK may have weakened over the last 20 years.^{12 13} There appears to be an overall trend towards less competitive, more concentrated markets. The global financial crisis accelerated this trend and the COVID-19 pandemic is likely to have compounded these challenges. There remains a public perception that our competition law can be slow and unresponsive to the needs of businesses and consumers. It is becoming increasingly clear that business as usual is not delivering the open, dynamic, and sustainable economy the UK needs to drive the UK’s longer-term prosperity.
- 1.8. **The first step to delivering this is a more active pro-competition strategy** to deliver more targeted and effective pro-competitive interventions capable of driving new growth and innovation in key UK markets. This includes:
- Adopting the advice of John Penrose’s report to use the CMA as a micro-economic sibling for the Bank of England to better monitor the state of competition in key UK markets.

¹² See the evidence cited in paragraphs 1.1.23 to 1.1.29 below.

¹³ [November 2020 State of UK Competition Report.](#)