

# The role of modern competition policy in an uncertain world

26.2.2026 - | Her Majesty's Revenue and Customs

**A speech by Sarah Cardell, the CMA's Chief Executive, delivered at The Economist's Antitrust Summit 2026.**

I'm delighted to return to The Economist's Antitrust Summit for a second year.

12 months on, it seems we are operating in an ever more uncertain, volatile and fragmented world. The historic economic paradigm - both globally and within nations - can no longer be taken for granted.

That shift has implications across many aspects of the policy and regulatory landscape, as countries adopt new forms of economic statecraft - each with their own visions of national interest and risk appetite.

Economic growth remains a central priority, alongside heightened concerns about affordability for households and businesses. At the same time, questions of security and sovereignty have moved to the foreground, prompting a reassessment of what it means to be a resilient economy. What dependencies can be tolerated? What strategic assets should, or should not, be relied on for others to provide?

And while industrial, trade and competition policy have always interacted, the obvious fact that markets do not sit apart from geopolitics means they are now more intertwined than at any point in recent memory - a trend that shows every sign of intensifying rather than receding.

## Role of competition

Unsurprisingly, I have spent a lot of time over the last year reflecting on the role of competition - and competition agencies - against this backdrop.

Some commentators have expressed concerns about the diminished role of competition agencies and the risks of politicisation. But, speaking for the CMA, I think we have an opportunity.

An opportunity to promote the value of competition whilst at the same time, bringing competition thinking - confidently and transparently - into the wider policy debate. To explicitly recognise that the real-world context, and the policy priorities of our government, matter. And to become a respected expert advisor across key policy areas - like industrial strategy and affordability - even where competition may not always be the only, or pre-eminent, policy consideration.

Working in a policy-informed way should not be confused with improper political influence.

The CMA's mandate to promote competition, and our independence to take decisions which support this goal, is - as ever - enshrined in statute. Doug and I remain fully committed to the CMA's operational independence as we discharge that mandate - for which we are accountable to Parliament.

But, as I have said before, operational independence does not mean we exist in a political vacuum. Equally, it does not require us to take an overly narrow, ideological stance in defence of competition.

In the current economic, political and geopolitical context, that would not, in my view, discharge our mandate in the UK's best interests.

What is required, I believe, is a change of mindset to lean into that context. That is part of the purposeful and pragmatic approach set out in the CMA's new 3 year Strategy. Not competition for its own sake, but in service of national priorities – specifically driving economic growth and improving household prosperity. Not competition above all else, but as a powerful tool to deploy alongside other levers – like tax, subsidy, investment, or regulation. Because we know competition is a force for good and it is our job to ensure it is considered and leveraged as such. And we can do that most effectively not by taking a defensive stance, but by being smart, agile and willing to help tackle the hard problems facing our country.

## **Doing the day job, differently**

Our new strategy makes clear that we remain as committed as ever to our 'day job' as a strong, independent enforcer of effective competition and a consumer champion. But we will also do things differently as we go about that work. In particular, we will prioritise outcomes that benefit the UK interest, ensuring that every action we take is unequivocally in service of a clear end goal: to drive economic growth and improve household prosperity. Equally, being clear that effective enforcement should not sit in tension with a UK regulatory environment that supports the business and investor confidence we know is critical for economic growth. And finally, maintaining a relentless focus on outcomes but with a keener eye on speed to impact and opportunity cost.

This approach will not always please everyone – but then that is not our job - even if it were possible. What it will do, is strengthen our economy and support a more prosperous, stable future for the UK.

In the remainder of this speech, I will give some examples of what all this looks like in practice.

In merger control, for example, only a tiny handful of truly anti-competitive deals which cannot be effectively remedied operate as a blocker to growth or household prosperity. That is why we say that every deal which can be cleared, either unconditionally or with effective remedies, should be. So, we will continue to take robust action here - but applying a scalpel not a sledgehammer. Being laser focused on deals where the CMA actually needs to step in. Identifying whether there is a real UK impact and whether other agencies will tackle a global concern effectively. We remain sharp-eyed about issues of concern, open to exploring effective remedies, and moving through our processes as quickly and effectively as possible.

That way of working sits at the heart of the 4Ps - our organisation-wide transformation programme around 'pace, predictability, proportionality and process'. But be in no doubt: truly anti-competitive mergers do not operate in the interests of economic growth or household prosperity and we will remain resolute in these cases.

More broadly, in our competition and consumer enforcement work, we are consciously building a portfolio of cases around clear strategic priorities: from anti-competitive bid rigging, and algorithmic collusion to drip pricing and fake reviews. And we are unapologetic about taking the most effective route to achieve meaningful impact as quickly as possible - deploying options from the full range of our toolkit and making a rational consideration of opportunity cost.

In some cases, that means pursuing the full legal process - whether to punish bad actors, deter others or set an important legal precedent. That is why, for example, we have been to court numerous times over drug manufacturers that charge excessive prices to the NHS. And to those concerned we may be retrenching in this area, it is worth noting that 2025 was the second highest

year of fines for breach of competition law in the CMA's history.

In other cases, the most effective route may be guidance, warning letters, commitments or settlements – like the £100 million we secured from housebuilders last year, delivering an immediate contribution to affordable housing for low-income households across the UK. This may not satisfy those who wish to see every case fought to the bitter end on principle. But principle alone doesn't put money back in people's pockets. Nor does it free up CMA resources to move on to the next area of need.

Our implementation of the digital markets competition regime is another example of this strategic approach. The CMA remains committed to deploying a pro-competition lens to unlock opportunities for investment, innovation and growth across the UK's digital economy. And the design of the UK regime means we can take a genuinely bespoke approach. Targeted action in areas where we are best placed to act. Pragmatic, effective solutions that best serve the interests of UK businesses and consumers. All delivered while staying laser-focused on speed to impact.

Just over a year into the new regime, the early results are clear. We have delivered 3 uncontested SMS designations and are moving at pace to drive meaningful improvements in high-impact areas.

Take Search, where our first set of draft conduct requirements include measures to improve choice, transparency and attribution for publishers in Google's use of AI overviews and AI mode – proposals which have received positive endorsements around the world.

And mobile, where we secured meaningful commitments from Google and Apple to deliver improved certainty, transparency and fairness for thousands of UK businesses, dependent on app stores to access their customers. Those commitments – which include rigorous monitoring and reporting requirements – create immediate benefits without necessitating a lengthy formal process. That enables us to move on quickly to other important matters – like unleashing fintech innovation in digital wallets, and considering the next candidates for potential SMS designation.

This is not the CMA going 'soft' on enforcement. It is a purposeful and pragmatic strategy which I am confident will deliver results, and build trust and confidence in the UK's competition regime.

## **The CMA as an enabler of competition**

But the CMA's new strategy is not limited to enforcement. It also includes challenging ourselves, and government, to reimagine the role of the CMA as an enabler of competition in service of national policy goals.

Those national policy goals bring us back to the UK's clear and urgent need for economic growth, security and resilience in an uncertain world. As the government implements its Modern Industrial Strategy, a more muscular role for the state creates new opportunities to shape markets in support of those objectives. As I have said before, competition may not always be the primary goal in that context. But whether the task is diversifying supply chains, securing critical infrastructure, scaling homegrown firms into global champions, or building world-leading capability in strategic sectors, we should always ask can competitive market dynamics help us deliver this more effectively, with better outcomes for the UK?

That is why we are applying a powerful combination of policy, microeconomics and markets expertise to advise government on where competition can be leveraged to achieve national economic goals. Let me illustrate using some of our current work in 3 areas: scaleups, public procurement, and regulation.

Let's start with scaleups.

Scaleups are the lifeblood of a dynamic economy and a critical part of building international competitiveness. Our discussion paper last year started to explore the role of competition policy in supporting UK scaleups, including the direct impact of the CMA's own tools on the incentives of firms to scale here. We have since met with firms across several of the IS8 sectors and we are engaging with government departments focused on this challenge. We will publish an update paper in the Spring, but here are some early insights.

First, firms told us that the CMA's enforcement activity, including merger control, is not a significant factor in their decisions to grow in - or leave - the UK. They did, however, endorse the importance of a broader '4Ps' approach in supporting the UK's attractiveness to potential future superstars.

Second, we heard consistently that effective competition matters. That procompetitive interventions (alongside well-established levers like tax and skills) can meaningfully support the scaleup journey. Firms repeatedly highlighted 2 tools where targeted, procompetitive action could make a tangible difference: procurement and regulation. I'll come back to these shortly.

Third, we heard that design choices around targeted support are important. For example, the best returns are likely to be achieved where support is targeted toward dynamic, high-growth firms. But how to identify them, or the extent to which they are anchored in the UK (and thus unlikely to leave, taking the benefit of that support with them)? And how might we ensure that support reinforces competitive dynamics, rather than creating or further embedding incumbency? The CMA's Microeconomics and Public Policy teams are actively helping several departments consider these questions, building on our work last year around the characteristics of high-growth firms.

Turning now, to public procurement - a £360 billion annual opportunity for the UK government to shape markets to the country's advantage. But this requires moving beyond traditional value-for-money trade-offs, to consider broader strategic objectives. Competition has a key enabling role here:

- surfacing innovative suppliers
- reducing overreliance on single firms or geographies
- spurring productivity and dynamism

By designing procurements frameworks differently, government can use its purchasing power not just to buy well, but to foster markets that are more dynamic, secure, and globally competitive.

Our ongoing civil engineering market study suggests that public authorities often choose low risk, low cost options and can miss opportunities to use competitive processes to enable entry, expansion, investment and innovation. Indeed, they may feel they have neither the incentives, nor sufficient certainty over political priorities, to do so effectively. It is important to underline that this is no-one's fault, but the overall result of a complex and unwieldy system. And we have every reason to believe these challenges extend beyond civil engineering.

We were commissioned by the Ministry of Defence (MoD) to support their thinking around driving greater value and business dynamism through defence procurement. Together, we are exploring some important questions:

- should defence procurement explicitly aim to supercharge certain types of firms?
- should more be done to identify and actively target SMEs with the strongest growth potential?
- can we reliably identify these firms?
- and if so, how would a more strategic approach maintain competitive pressure?

You will notice a strong link to the scaleups work I spoke about earlier.

A final word on procurement, and here I am speaking as an enforcer. We will only maximise these opportunities if we safeguard public procurement from collusion, which can inflate prices by up to 20% and stifle incentives to innovate. Leveraging the CMA's data science expertise, we can now screen procurement data for bidrigging risk. In the long run, the prize is a centralised, UK procurement dataset that can be routinely analysed, with the value to taxpayers and the public purse potentially in the billions. In the medium term, we are implementing department-by-department pilots (including with the Department for Work and Pensions, the Department for Education and the Ministry of Justice) based on data held today. Our work in this space has already been successfully trialled, with data analysis supporting the launch of enforcement activity. Countries like Spain are already ahead of us. The UK should move on this now.

I will finish with regulation. Our Strategy also sets out an offer to help government reform regulations that unduly restrict competition, investment and scaling. There is overlap with public procurement, where many frameworks are governed by regulation. But more broadly, how can we shape regulatory frameworks to reinforce pro-competitive dynamics in key sectors?

Evidence gathered so far in civil engineering, for example, suggests that overlapping, duplicative accreditations may particularly impose costs and deter innovation for SMEs seeking to grow. We are exploring recommendations to streamline and align these across the UK, reducing friction, accelerating adoption, and enabling market entry and expansion. And in defence, we will be working alongside the Regulatory Innovation Office, supporting a series of MoD 'regulatory sprints' - the first one on autonomous systems - with a particular focus on where regulatory change could help enable more effective competition.

I've focused this part of the speech on how we are applying a pro-competition lens to support aspects of the government's growth strategy. But the same is true when it comes to affordability. That's why we are working closely with government to pro-actively identify areas for future CMA reviews and inform government policy in markets like private dentistry and other key areas of household spend.

Again, this joined-up approach is not a symptom of inappropriate political influence, but the sign of a mature agency choosing carefully where to deploy scarce resource to maximum effect in the national interest.

## **Conclusion**

Let me leave you with one final thought. We are operating at a time when, almost day by day, global events - from geopolitical shocks to rapid technological change - can create uncertainty, or encourage retrenchment. I hope I have shown that, from the CMA's perspective, they can also be a powerful galvanising force - to develop bold new approaches and pragmatic solutions, re-imagining and re-committing to the impact we can deliver as the UK's competition agency.

<https://www.gov.uk/government/speeches/the-role-of-modern-competition-policy-in-an-uncertain-world>