

The stock market is failing according to the CBI. So wh...

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I posted this on Twitter this morning:

<https://twitter.com/RichardJMurphy/status/1942861045426516103>

My point is serious. The CBI is saying that the situation with regard to the UK stock exchange is getting desperate, because it is losing out to overseas markets and not attracting sufficient business.

The question that needs to be asked is, why is that? The CBI believes it is due to short-term regulatory and tax issues, but the truth is that the market has been failing for decades.

If the stock market worked, we would not have a crisis of investment in the UK, with a massive shortfall compared to other countries.

Similarly, if the stock market really worked, there would be no productivity crisis in the UK.

And likewise, if the market functioned properly, we would have decent pension returns in this country, and our pension funds would want to invest in companies listed on our stock market; however, neither is true.

The London Stock Exchange is, instead, just a gambling den. The odds are stacked against the investor, as they always are in such places. The return is small, at best.

And let's not pretend that the stock market is a source of funding for businesses: it has not played that role for decades. Businesses are not funded by shareholders now and have not been for a very long time.

Why doesn't the CBI recognise the call for fundamental reform of the stock market in that case?

And why does it have the temerity to ask that we subsidise something that is so

obviously failing, when it supposedly hates everything to do with state interference, let alone state support for failing industries?

The CBI needs to get its act together. It is, as usual, showing that it only acts on behalf of vested interests, and not on behalf of real business, the national interest, or the economy.

I guess there's no surprise there then.