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Letter from Minister of Innovation, Science and Economic Development to the Commissioner of Competition

Mr. Matthew Boswell

Commissioner of Competition

Competition Bureau

Place du Portage I

50 Victoria Street

Gatineau, QC K1A 0C9

Dear Commissioner Boswell:

I would first like to congratulate you formally on your appointment as Commissioner of Competition. I have full confidence in your ability to lead this important institution, which is vital in ensuring the Canadian marketplace is competitive and innovative, driving positive outcomes for Canadian businesses and consumers. The Competition Bureau has a proud and long history, positioning itself as a leading competition agency in the world, and I look forward to the continued success of the Bureau as it fulfills its important role.

You begin this role at an important time for Canada, when our increasingly data-driven economy is unlocking critical innovations and unparalleled opportunities for inclusive growth. The Government of Canada is committed to making Canada a world-leading country for innovation. Digital innovation is essential to growing the economy, attracting investment, reducing consumer costs and creating well-paying jobs. At a time when many Canadians are concerned about the rising

costs of goods and services, I have no doubt about the importance of competition in fuelling innovative industries and growth, and I recognize and appreciate the Competition Bureau's critical role in this pursuit.

By vigorously enforcing Canada's competition laws, the Bureau promotes a marketplace where innovative new business models, spurred by disruptive ideas and technologies, flourish unimpeded by anti-competitive forces, and in so doing drive even further innovation. The Bureau's action against deceptive marketing likewise promotes trust in the digital marketplace so that Canadians can embrace these new technologies with confidence and make advancements in the marketplace a reality. Finally, as an advisor and advocate for competition, the Bureau helps ensure that government policies and regulations support competition and nurture innovation as much as possible.

During your term, as we face unprecedented challenges arising from new technologies and the digitalization of the economy, I am confident that your wealth of experience and knowledge will be indispensable.

I recognize the importance of the Competition Bureau's independence, while also acknowledging that its work advances key Government of Canada objectives, including the promotion of a competitive and innovative economy. With fidelity to our respective roles and responsibilities, I believe that we can work together on our shared objective of promoting a competitive and innovative economy that serves the interests of all Canadians. In this respect, I would like to take this opportunity to raise some of the most pressing issues to address – in my view – during your mandate.

Technological advancement and digitalization will bring new opportunities and challenges for all marketplace participants. I note that the Competition Bureau has already been very active in this space, from

advocacy with respect to transportation platforms to enforcement against deceptive online pricing. This continued work on pro-competitive and pro-consumer regulatory approaches is welcome and essential.

As you know, we have seen much commentary across the world, from observations to expressions of alarm, about what an evolving economy means for competition law and policy and the enforcement activities of competition authorities. Some analysts have suggested that the emerging digital economy harkens back to previous eras where concerns about market dominance brought about break-up antitrust actions by regulators. Others have questioned whether the ease of data accumulation in the digital environment requires new tools or mechanisms to avoid abuse. Further still, some have wondered about whether traditional tests of harm still apply in an era of algorithms and digital advertising. There is no consensus about what should be done in response, but it is certain that the issues raised are some of the most interesting and important of our time.

I would be remiss in my role as Minister if I were not to consider how well suited our system is to the present and the future marketplace, with a view to ensure that our competition infrastructure is fit for this purpose and able to remain responsive to a modern and changing economy.

The welfare of Canadian citizens must remain at the core of all of our programs and policies. Moreover, as we continue on a path to build a more innovative, data-driven economy, we must carefully examine how we can promote competition and create a healthy environment, especially for our small and medium-sized enterprises, to thrive and innovate. As data and its uses increasingly becomes the means by which companies seek to establish a competitive advantage, we must review how to continue to manage the risks and ill effects of data abuse and of the potentially emerging data monopolies. While there has been considerable focus on privacy and on digital infrastructure, we must also

reflect upon the potential for market distortions, and for unforeseen disruptions where abuses of market power can occur in the collection, processing, and use of data.

The growing accumulation of data has rightly raised a desire for heightened transparency and control for citizens in the use, processing, and portability of their information. It will be important to understand the role that competition policy and law can play in fuelling trust, innovation, and competitiveness.

To this end, I think it is critical that we review recent trends and emerging market practices and international approaches with an eye to ensuring our own law, policy, and practice is keeping pace with the dynamism of the marketplace. This is critical to maintaining the confidence and trust of citizens as these disruptions unfold. I would ask that the Competition Bureau work with the policy leads in the Strategy and Innovation Policy Sector in my Department, to consider critical issues such as:

- the impact of digital transformation on competition;
- the emerging issues for competition in data accumulation, transparency, and control;
- the effectiveness of current competition policy tools and marketplace frameworks; and
- the effectiveness of current investigative and judicial processes.

I think this analytical work to consider the Competition Act and related activities will be an important input to our broader data and digital strategy, as we seek to review our marketplace frameworks to build a foundation of trust for citizens, and respond to the significant changes underway.

My Department has maintained a symbiotic, productive relationship with the Competition Bureau over the years, and I have no doubt this will continue throughout your term as our officials consider these and other

pressing matters.

I wish you all the best as you assume these new responsibilities.

Yours sincerely,

The Honourable Navdeep Bains, PC, MP

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