

OPPORTUNITIES AND CHALLENGES

*João Torres**

Dear President of the Board of the Competition Authority, Madam Margarida Matos Rosa;

Distinguished guests;

Ladies and gentlemen;

It is with great honour that I deliver the closing speech of this year's "W@CompetitionIberia" conference. I would like to thank the team that coordinates this project for the opportunity to address a topic that is of the greatest relevance to our collective future.

Let me likewise greet all those who participated in the different debates during the day, that, through their contribution in the field of competition, strengthen the dynamics that give vitality to our economy and make the relations between the different economic agents fairer.

I would also like to address a special greeting to all those present who, because of their interest and work in this topic, contribute to make our economy more modern, more dynamic and stronger.

Throughout this conference, the digital economy was addressed several times. The digital economy represents an immensity of opportunities for the construction of our common destiny. An immensity of opportunities in economic terms, but also in other aspects of our communitarian existence.

The digital economy fosters innovation and stimulates the creation and development of different goods and services. It thus instigates investment

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and widens the productivity frontier, creating the necessary conditions for economic growth. Consumers also benefit from the digital economy as they enjoy a broader range of choices as well as convenience-based solutions.

However, to point just economic benefits is simplistic. The digital economy and the use of technology contribute to the improvement of people's lives and their well-being in extremely short time intervals. It is either because they facilitate access to public services or because they promote greater civic involvement.

The great challenge that we, agents of public service, must address, is the ability to shape digital transformation so that it benefits society. Digital transformation is disruptive and we must assure that in this disruptiveness we leave no one behind.

The ongoing technological revolution needs to be followed by the transformation of public and private institutions. It is a responsibility of the XXI Constitutional Government to develop an integrated and coherent political response, transversal to the different domains of action.

For such an answer, it is necessary to understand the different dimensions of the digital economy, from the "5G networks", to which we pay close attention, to the Internet of Things. Also, not forgetting the solutions that are based on artificial intelligence, the "Blockchain" technology or the challenges that emerge from Big Data.

Access by companies to information about their current or potential customers translates into productivity gains. Studies point to a 5 to 10% increase in productivity, which will mean that, in 2020, the European Union's economy will grow 1.9% due to just this single factor.

The benefits of Big Data extend equally to consumers, who can benefit from reduced pricing, product and service customization, targeted recommendations or real-time delivery.

However, if the benefits of data gathering are immense, for both businesses and consumers, it is important not to overlook the challenges that come ahead, where privacy is a major one. But besides that, there are also other issues that can come from concentrating information on a limited set of economic agents.

Information is power. And companies with a significant amount of information, once they have a high market power, can set higher prices, lower their production levels, as well as reduce the quality from the products and services they offer.

Privacy challenges are a top concern. In the theoretical field of economics, the emergence of a new domain, “The Economics of Privacy”, is debated. On the other hand, the impact of Big Data on privacy can be analysed according to four distinct branches of Law. Data Protection Law, Media Law, Competition Law and Consumer Law, which is of concern to me.

The close relationship between Competition Law and Consumer Law is mirrored in cases that have recently occurred in other European countries, where the Competition Authority has sanctioned companies for the improper sharing of data. Article 102 of the Treaty on the Functioning of the European Union also provides for the possibility of using consumer protection instruments in cases which concern competition matters.

The digital economy represents a tremendous opportunity for Portugal, being at the same time a cause of the future and a reality of the present. It is therefore vital that we take full advantage of its potential, ensuring the right balance between the needs of the different economic agents. We are all called to fulfil this purpose. We have to be all aboard to answer the history call.

Thank you very much. It was a huge pleasure.