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Value of PC Software Theft in the European Union Over €10 Billion in 2010

Study finds stagnating software piracy rates across Europe, despite survey results that show computer users overwhelmingly value legal software

Brussels, 12 May, 2011 – The value of unlicensed software installed on personal computers in the European Union (EU) reached €10 billion in 2010 as 35 percent of software deployed on PCs in the EU was again pirated. Piracy rates ranging from 65 percent in Bulgaria to 20 percent in Luxembourg were registered throughout the single market. These are among the findings of the Business Software Alliance (BSA) [2010 Global Software Piracy Study](#), which evaluates the state of software piracy around the world.

“The study finds software piracy rates at a standstill in the EU, and particularly in the larger, western European Member States where little progress has been made in the past 5 years even as the value of stolen software compounds year-on-year,” said Thomas Boué, BSA Government Affairs manager for Europe. “There have been few strides in recent years in addressing intellectual property protections, and with momentum building, the time is now to take steps to protect Europe’s €715 billion¹ ICT industry and its contributions to the European economy.”

The BSA study comes in the wake of the European Commission’s consultation on the Report on the IPR Enforcement Directive, in which BSA called for stronger deterrence mechanisms, such as expanding the toolbox of measures to tackle internet piracy, reviewing rules on damages, and making Europe’s enforcement regime more effective. The study is also timely in light of the Commission’s Strategy on Intellectual Property Rights (IPR), aimed at modernising the current IPR framework and enhancing enforcement throughout the EU. It demonstrates the sheer volume and financial value of piracy in Europe remains alarming, bearing a harmful impact on Europe’s economy, ICT sector, and European citizens.

A public opinion survey released as part of the report finds support for IPR among European PC users, albeit below the global average. About half of European respondents believe IPR creates jobs (53 percent vs. 61 percent globally) and benefits local economies (51 percent vs 59 percent globally). Strikingly, support for IPR is strongest in markets with higher piracy rates. The survey also finds widespread recognition among European PC users that licensed software is superior to pirated software when it comes to technical support (85%), security (76%) and reliability (75%).

¹ EITO 2010

However, confusion exists about whether various channels of acquisition are legal, with more than one in four Europeans believing it is legal to download software from peer-to-peer networks and even more saying it is legal to buy software for one computer and install it on more than one PC in the office (43%) or in the home (63%).

Additional findings from the study include:

- Globally, the value of software theft grew to a record \$59 billion — nearly double that when the study began in 2003.
- Four major European economies, France, Germany, Italy and the United Kingdom figure among the top ten countries with the highest value of pirated software worldwide.
- Emerging economies have become a driving force behind PC software piracy. Piracy rates in the developing world are 2.5 times higher than those in the developed world, and the commercial value of pirated software (\$31.9 billion) accounts for more than half of the world total.
- Half of the 116 geographies studied in 2010 had piracy rates of 62 percent or higher, with the global average piracy rate at 42 percent.

“The cost of software piracy in the EU grew to €10 billion worth in 2010,” said Robert Holleyman, President and CEO of BSA. “Software theft damages the software industry, harms EU economies and stymies EU job creation. We are confident that the European Commission can help address this growing problem through aggressive public education and helping to ensure effective enforcement of the legal framework throughout the European single market.”

About the Study

The 2010 BSA Global Software Piracy Study covers piracy of all software that runs on PCs, including desktops, laptops, and ultra-portables, including netbooks. This includes operating systems, systems software, such as databases and security packages, and applications software, with legitimate free software and open source software covered by the scope of the study.

New this year, BSA retained Ipsos Public Affairs to survey more than 15,000 business and consumer PC users in order to provide more insight into key social attitudes and behaviors related to intellectual property and the use of licensed versus unlicensed software. The surveys were conducted, online or in-person, in 32 markets that make up a globally representative sample of geographies, levels of IT sophistication, and cultural diversity.

For more details on the methodology and a copy of the complete study, visit www.bsa.org/globalstudy.

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About BSA

The Business Software Alliance (www.bsa.org) is the world's foremost advocate for the software industry, working in 80 countries to expand software markets and create conditions for innovation and growth. Governments and industry partners look to BSA for thoughtful approaches to key policy and legal issues, recognizing that software plays a critical role in driving economic and social progress in all nations. BSA's member companies invest billions of dollars a year in local economies, good jobs, and next-generation solutions that will help people around the world be more productive, connected, and secure. BSA members include Adobe, Acronis, Apple, Asseco Poland S.A., Autodesk, AVG, Bentley Systems, CA Technologies, Cadence, CNC/Mastercam, Compuware, Corel, Dassault Systèmes SolidWorks Corporation, DBA Lab S.p.A., Dell, Intel, Intuit, Kaspersky Lab, McAfee, Microsoft, Minitab,

NedGraphics, PTC, Progress Software, Quark, Quest, Rosetta Stone, SAP, Siemens, Sybase, Symantec, Tekla, and The MathWorks.

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