NOT FOR IMMEDIATE RELEASE

Media Contacts:
Rochelle de Paiva
Text 100
011 803 2800

Software piracy costs the economy R2.4 billion amidst global recession

The Business Software Alliance and IDC release seminal software piracy study

South Africa, 11 May, 2010 – Today, the [Business Software Alliance](#) (BSA), an international association representing the global software industry, in partnership with market research firm IDC, announced its seventh annual global software piracy study, tracking PC software piracy rates in more than 100 economies. From 2008 to 2009, installations of unlicensed software on personal computers (PC) in South Africa remained static at 35% while the commercial value of this illegal software amounted to $324 million or R2.4 billion.

Despite the global economic recession, piracy of software on PCs declined in many markets, dropping in 54 economies and increasing in only 19, according to the 2009 BSA/IDC Global PC Software Piracy Study. However, the global piracy rate increased from 41 to 43 percent, largely the result of fast growing, higher piracy markets such as China, India, and Brazil increasing their share of the overall software market.

"This study makes it clear that BSA's efforts to reduce software theft in South Africa are still of vital importance. A piracy rate of 35% is far from acceptable," said Charl Everton, chairperson of the BSA committee in South Africa. "As we emerge from the most severe global economic recession in twenty years, it is essential that we continue to engage with government, businesses, and consumers about the risks of stealing software – and to educate the market on the true impact that software piracy has on the South African economy."

IDC finds that for every $100 (R738) worth of legitimate software sold in 2009, an additional $75 (R553) was pirated. But this is an issue that affects more than industry revenues, as lowering PC software piracy can have significant economic benefits. A 2008 BSA/IDC study on the economic impact of reducing software piracy[1] found that lowering the software piracy rate by ten points over four years could create a stronger local information technology (IT) sector, generate new high paying jobs and contribute to the country's economy. In fact, IDC estimates that for every dollar of legitimate software sold in a country, there are another $3 (R22) -$4 (R29) of revenue for local service and distribution firms. Piracy also puts consumers at risk by compromising their computer security, since pirated software often contains malware.

The fight against software piracy remains an urgent one. BSA and vendor efforts to educate government, business and end users have included the launch of a nationwide education programme. This consisting of seminars and conferences, which are supported by a study and white paper showing the benefits of legal software and ways to reduce piracy.

---

[1] The Economic Benefits of Reducing PC Software Piracy, January 2008, www.bsa.org/idcstudy

"The BSA/IDC Global Piracy Study shows there was some progress in the global fight against software piracy in 2009 – but incremental change is not enough," said Robert Holleyman, BSA president and CEO. "Piracy is limiting IT innovation, job creation, local economic growth and is robbing governments of vital tax revenues. Our report makes it very clear that governments around the world must redouble their efforts to combat software theft."

Additional key findings from the study include:

- PC software piracy dropped in 54 of the 111 countries studied; however the worldwide piracy rate rose from 41% in 2008 to 43% in 2009, due to exponential growth in PC software deployments in emerging economies.
- The commercial value of pirated software in 2009 was $51.4 billion.
- The United States, Japan, and Luxembourg continue to hold the lowest piracy rates of countries surveyed (20, 21, and 21 percent, respectively).
- Countries with the highest piracy rates include Georgia, Zimbabwe, and Moldova (all higher than 90 percent)
- Forces driving piracy down included vendor legalisation programmes, government and industry education campaigns, enforcement actions, and technology shifts, such as the increased deployment of digital rights management (DRM) and greater use of software asset management (SAM).
- Factors driving piracy rates up included rapid growth of the consumer PC market, and greater activity in the installed base of older computers where unlicensed software is more prevalent, and the increasing sophistication of software pirates and cyber criminals.

The 2009 BSA/IDC Global PC 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. It does not include software that runs on servers or mainframes. IDC used proprietary statistics for software and hardware shipments and enlisted IDC analysts in more than 60 countries to review local market conditions and estimate the rate of PC software piracy around the world.

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

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, Altium, Apple, Asseco Poland S.A., Attachmate, Autodesk, AVEVA, Bentley Systems, CNC, Corel, Dassault Systèmes SolidWorks Corporation, DBA Lab S.p.A., Mamut, Microsoft, NedGraphics, Progress Software, O&O Software, Scalable Software, Siemens, Symantec, Tekla, and The MathWorks.

About IDC
International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1000 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For more than 46 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting www.idc.com.