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BSA Survey Finds Unlicensed Software Use In APAC at 62 Percent, Despite Security Concerns

SINGAPORE — June 24, 2014 — Computer users cite the risk of security threats from malware as the top reason not to use unlicensed software. Among their specific concerns are intrusions by hackers and loss of data. Yet a striking 62 percent of the software installed on personal computers in Asia Pacific in 2013 was not properly licensed — the highest level of unlicensed software use of any region in the world, and the highest commercial value of unlicensed installations globally at US$21 billion.

These and other findings released today in the BSA Global Software Survey underscore the need for effective software management practices, especially in business settings.

“Most people don’t know what is installed on their systems. That needs to change,” said BSA President & CEO Victoria Espinel. “There are common-sense steps managers and administrators can take to make sure their organizations are using genuine, properly licensed software.”

The BSA Global Software Survey is conducted every other year for BSA by IDC, which this year polled computer users in 34 markets including nearly 22,000 consumer and business PC users and more than 2,000 IT managers. Among the findings:

- The rate at which PC software was installed without proper licensing in Asia Pacific was 62 percent in 2013, a 2 percentage increase over 2011. The commercial value of that unlicensed software totaled US$21 billion.

- The chief reason computer users around the world cite for not using unlicensed software is avoiding security threats from malware. Among the risks associated with unlicensed software, 64 percent of users globally cited unauthorized access by hackers as a top concern and 59 percent cited loss of data.
IT managers around the world express understandable concern that unlicensed software may cause harm, yet less than half say they are very confident that their company’s software is properly licensed.

Only 35 percent of companies have written policies in place requiring use of properly licensed software.

“Unlicensed software use is an organizational governance issue — and this study shows there is a clear need for improvement,” said Espinel. “There are basic steps any company can take to ensure it is fully compliant, like establishing a formal policy on licensed software use and maintaining careful records. Companies should also consider implementing more robust software asset management (SAM) programs that follow internationally accepted guidelines. These SAM programs can deliver substantial value by ensuring adequate controls are in place to provide a full view into what is installed on a network. That helps organizations avoid security and operational risks, and it ensures they have the right number of licenses for their users.”

According to a recent report from the Economist Intelligence Unit, more than 75 percent of organizations suffered a security incident in the past two years that caused major system disruptions or resulted in loss or theft of sensitive data.1 BSA member Symantec labeled 2013 the “Year of the Mega Breach” and noted that there was a 62 percent increase in the total number of data breaches from the previous year, with eight of the breaches that occurred exposing more than 10 million identities each.2

“There is a disturbing disconnect between awareness of the dangers of unlicensed software usage and actual steps taken to address the problem. Users realize that unlicensed software can introduce malware and leave them vulnerable to hacker intrusion and data loss, yet many fail to do anything to protect themselves or their organizations. Given that the global cybersecurity threat environment has been worsening, this lack of attention to software compliance is deeply worrying,” said Roland Chan, BSA Senior Director of Compliance Programs, Asia Pacific.

“Additionally, businesses need to be reminded that software is a strategic asset of any organization — helping them make products, deliver services, run internal operations and do business in the global marketplace. To prevail, organizations must manage and optimize their software assets properly to derive the greatest possible value from them,” added Chan.

Among the other findings in BSA’s Global Software Survey:

- The global rate at which PC software was installed without proper licensing rose from 42 percent in 2011 to 43 percent in 2013 as emerging economies where unlicensed software use is most prevalent continued to account for a growing majority of all PCs in service.

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• The commercial value of unlicensed PC software installations totaled US$62.7 billion globally in 2013.

• Most economies in the Asia Pacific region made modest progress, including the biggest market in the region, China, where 74 percent of PC software was installed without proper licensing in 2013, down 3 percentage points from 77 percent in 2011.

• The aggregate rate of unlicensed installations in the region rose, as the biggest and fastest-growing markets were those where the rates of unlicensed software use were significantly above the regional mean; their size drove an increase in the average for the region as a whole.

A full copy of BSA’s Global Software Survey, including country-specific data, is available for download on BSA’s website: www.bsa.org/globalstudy.

About BSA

BSA | The Software Alliance (www.bsa.org) is the leading advocate for the global software industry before governments and in the international marketplace. Its members are among the world’s most innovative companies, creating software solutions that spark the economy and improve modern life. With headquarters in Washington, DC and operations in more than 60 countries around the world, BSA pioneers compliance programs that promote legal software use and advocates for public policies that foster technology innovation and drive growth in the digital economy.