For Immediate Release

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BSA Survey Finds Unlicensed Software Use at 47% Percent, Despite Security Concerns

Cyprus — 24 June, 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 47% percent of the software installed on personal computers in Cyprus in 2013 was not properly licensed.

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

“The use of properly licensed software not only ensures that software developers remain in business, but also that computer systems remain optimal, up to date and free from security threats” said Nicholas Ktenas of Andreas Neocleous & Co LLC, legal counsel of BSA in Cyprus. “By now, in a business world which is more dependent than ever on technology, it should be one of the main concerns of every organization to ensure the use of properly licensed software by all its members”.

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 Cyprus was 47 percent in 2013, a 1 percentage point drop over 2011. The commercial value of that unlicensed software totaled $19 Million.

- 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.

In Cyprus, BSA member companies have been active in reducing unlicensed software use, with specific initiatives including training the Police on the identification of counterfeit software and assisting them with expert evidence in Court proceedings. Furthermore, awareness campaigns are being carried out highlighting the benefits of using properly licensed software. Among these efforts, BSA and its members are also running a program to outreach local companies around the notion of SAM (Software Asset Management). SAM can help any organization control costs and business risks, optimize existing investments, and in parallel eliminate the legal risk arising by intellectual property rights violations. Also, mystery shopper campaigns are carried out towards the resellers of PCs and software across Cyprus, in order to identify dishonest partners, and protect the ones that play fair.

“Unlicensed software use is an organizational governance issue — and this study shows there is a clear need for improvement,” said BSA President and CEO Victoria 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 also should consider implementing more robust software asset management 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.”

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.

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

- The region with the highest overall rate of unlicensed PC software installations in 2013 was Asia-Pacific, at 62 percent. This represented a 2 percentage-point increase from 2011, with the commercial value of unlicensed installations reaching $21 billion.

- Central and Eastern Europe had the next-highest rate of unlicensed software installations at 61 percent, followed by Latin America at 59 percent and the Middle East and Africa, also at 59 percent.
• North America continues to have the lowest regional rate of unlicensed software installations at 19 percent, although this constitutes a significant commercial value of nearly $10.9 billion.

• In Western Europe, the rate dropped three points to 29 percent in 2013 with a commercial value of $12.8 billion.

• In the European Union, the rate dropped two points to 31 percent in 2013, with a commercial value of $13.5 billion.

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.