BSA Survey Finds Unlicensed Software Use in Hong Kong at 43 Percent, Despite Security Concerns

Hong Kong — 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 43% percent of the software installed on personal computers in Hong Kong 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.

“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 Hong Kong was 43% percent in 2013, indicating no change over 2011. The commercial value of that unlicensed software totaled approximately HK$2.45 billion (US$316 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.

- Only 35 percent of companies globally have written policies in place requiring use of properly licensed software.
“While the global unlicensed software rate may have increased in 2013, the unlicensed software rate in Hong Kong did not change over the last 2 years. IDC also believes that the changing PC market dynamics in Hong Kong led to a situation where, in the absence of effective anti-piracy efforts, the country rate would have actually increased by 3 percentage points from 2011 to 2013. The maintenance of the rate of 43% indicates that local initiatives to educate and enforce intellectual property rights remain effective and valuable to the local Hong Kong economy,” said Eimund Loo, Vice-Chair of the BSA Hong Kong and Macau committee.

“That being said, it does highlight the need to remain diligent and increase our intellectual property protection efforts to drive the rate of unlicensed software usage down in the future through our continued collaboration with various government departments, industry associations and the Hong Kong business community as a whole,” added Loo.

Since 2011, BSA has continued with local initiatives aimed at combating the use of unlicensed software. The Bounty Hunter Campaign, which incentivized the general public to report to BSA any organization suspected of using unauthorized software. On top of an on-the-spot reward, there was also the chance to receive a final lead reward of up to HK$500,000 or up to 10% of the actual damages of settlement payment received by the BSA from the reported organization.

On the education front, the BSA has collaborated with the Hong Kong Customs and Excise Department (“C&ED”) and the Intellectual Property Department of the Hong Kong SAR Government (“IPD”) on several programs such as the “MyGame Design Competition” in 2012 where students participated in a mobile game application development competition to learn about the value of intellectual property first hand and the need to protect it. More recently, the BSA, IPD and C&ED jointly coordinated with HKCERT and the Hong Kong Liberal Studies Organization to hold a competition aimed at raising awareness within all secondary students that using unlicensed software significantly increases the risk of malware infection.

“Unlicensed software use is an organizational governance issue — and this study shows there is a clear need for improvement,” Espinel added. “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 US$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 US$21 billion.

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

About BSA

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