UK Unlicensed Software Rate Drops to 24 Percent

London, UK — 24 June, 2014 — Twenty-four percent of software installed on personal computers in the UK in 2013 was not properly licensed, a drop of three percentage points in five years. This bucks the global average trend, where the percentage of unlicensed software has increased by seven points in the same time period. These and other findings are released today in the BSA Global Software Survey.

The study indicates that two large-scale market trends are colliding: The growing popularity of tablet computers is eating into new PC shipments, while emerging economies account for an increasing majority of the still-vast global market for desktops and laptops. In the UK, the installed base of tablets is now nearly half the size of the installed base of PCs. In the long-term, this trend will continue to reshape the software landscape and could continue to push rates of unlicensed software installations down.

"We are extremely pleased with the progress seen in the UK over the past two years, particularly as the UK rate had been stagnant for some time before," said Alyna Cope, chair of the BSA UK Committee. "However, there are still 50.5 million PCs in use in the UK and nearly a quarter of the programmes installed on these PCs last year were unlicensed with a commercial value of £1.2 billion. This indicates that computer users shouldn’t be complacent about software licensing, and underscores the need for effective software management practices, especially in business settings."

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:

- 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. Their concerns aren’t unfounded as recent research from IDC shows that consumers and enterprises have a 33% chance of encountering malware when they obtain and install a counterfeit software package or buy a PC with improperly licensed software on it.

- 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 37 percent of companies in the UK have written policies in place requiring use of properly licensed software.

“Unlicensed software use is an organisational 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 organisations 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 two 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.

- Over two-thirds (67%) of software installed in BRIC countries is unlicensed.

- 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.

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