



# News Release

For Immediate Release

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## **BSA Survey: Unlicensed Software Use Still High Globally, Despite Costly Cybersecurity Threats**

*Asia-Pacific region records the highest rate of unlicensed software use*

**SINGAPORE — May 25, 2016** — Computer users in the Asia-Pacific region use unlicensed software at an alarming rate, despite being well aware of the associated cybersecurity dangers. The findings come from ***Seizing Opportunity Through License Compliance***, the new **2016 Global Software Survey** from BSA | The Software Alliance.

This year's study finds 39 percent of software installed on computers around the world in 2015 is not properly licensed, representing only a modest decrease from 43 percent in BSA's previous global study in 2013. In the Asia-Pacific (AP) region, 61 percent of software installed on computers in 2015 was unlicensed, while the commercial value of unlicensed software use was valued at US\$19.1 billion.

Even in certain critical industries, where much tighter control of the digital environment would be expected, unlicensed use was surprisingly high. The survey found the worldwide rate is 25 percent for the banking, insurance and securities industries.

"As the report underscores, it is critically important for a company to be aware of what software is on the company network," said BSA |The Software Alliance President and CEO Victoria A. Espinel. "Many CIOs don't know the full extent of software deployed on their systems or if that software is legitimate."

The survey, which canvassed consumers, IT managers and enterprise PC users, reinforces that use of unlicensed software is still high, and that individuals and companies are playing with fire

when they use unlicensed software. This is due to the strong connection between cyberattacks and the use of unlicensed software. Where unlicensed software is in use, the likelihood of encountering malware dramatically goes up. And the cost of dealing with malware incidents can be staggering. In 2015 alone, for example, cyberattacks cost businesses over \$400 billion.

“Cybersecurity is a top concern for businesses and organizations everywhere, but there is a disconnect in their attitudes towards the use of unlicensed software,” said Tarun Sawney, Senior Director, Asia-Pacific. “A separate report by BSA member company Symantec confirms that cybersecurity threats are on the rise. These attacks are costly, not just in terms of financial cost, but also the potential destructive and debilitating damage done to a company’s reputation. It is imperative that organizations address these risks and actively adopt policies that mandate the use of legal and licensed software.”

Key among the survey’s findings:

- CIOs said that avoiding security threats is a critical reason for ensuring the software running in their networks is genuine and fully licensed.
- CIOs also said their highest concern was loss of data associated with such a security incident.
- Some 49 percent of CIOs identified security threats from malware as a major threat posed by unlicensed software.
- CIOs estimate that 15 percent of their employees load software on the network without their knowledge. But they are significantly underestimating the problem; nearly double that amount—26 percent of employees—say they are loading unauthorized software on the network.
- In the broader survey of employees, 60 percent cited the security risk associated with unlicensed software as a critical reason to use legitimate, fully licensed software.

The BSA report adds that companies can mitigate cybersecurity risks associated with unlicensed software by purchasing it from legitimate sources, and establishing software asset management (SAM) programs. Organizations that effectively deploy SAM will know what’s on their network, and whether it is legitimate and licensed; will optimize their use of software by deploying software that’s the best fit for their businesses; will have policies and procedures in place that govern procurement, deployment, and retirement of software; and will have integrated SAM fully into their business.

By proactively combining effective SAM practices with increased employee education, companies can make themselves safer, more cost-effective and more efficient.

Some key Asia Pacific findings in this year’s survey show that:

- While China dropped by a commendable 4-points to 70%, Asia Pacific as a whole dropped only one-point to 61 percent. This is because China’s increased share of the PC market in the region pulled the overall average upwards, as China’s overall unlicensed rate is still higher than the region as a whole.
- Out of the 19 economies surveyed in AP, only Indonesia’s and Brunei’s unlicensed software rates stayed remained the same as 2013, at 84% and 66% respectively. All other APAC economies registered a reduction in their unlicensed software rates.
- China and Sri Lanka recorded the highest decreases in unlicensed software rates with four-point decreases.

- Japan recorded the second lowest unlicensed software rate in the world at 18%, beaten only by United States by one-point.

Among the highlights in this year's survey by region:

- The region with the highest overall rate of unlicensed software was Asia-Pacific at 61 percent, a one-point decline compared with the previous survey in 2013.
- The next-highest unlicensed software rate was in Central and Eastern Europe at 58 percent (a three-point decline), and then the Middle East-Africa at 57 percent (dropping two-points).
- North America continues to have the lowest regional rate at 17 percent, although this constitutes a significant commercial value of \$10 billion.
- In Western Europe, the overall rate dropped one point to 28 percent.

**Seizing Opportunity Through License Compliance, BSA's Global Software Survey** which includes a breakdown of country-specific data, is available at [www.bsa.org/globalstudy](http://www.bsa.org/globalstudy).

**About BSA | The Software Alliance**

*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, 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.*

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