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## **NEW STUDY SAYS REDUCING PC SOFTWARE PIRACY WILL GENERATE BILLIONS IN ADDED ECONOMIC ACTIVITY IN INDIA**

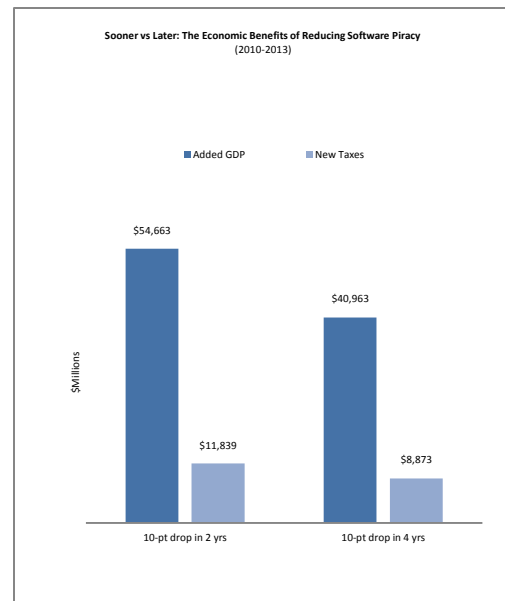
*Benefits of 10 point drop in India over four years include over 59,728 new jobs, \$4.6 billion in addition to GDP and \$512 million in new government tax revenues; gains would increase as pace of progress against piracy quickens*

**New Delhi, October 1 2010:** According to the new study titled “The Economic Benefits of Reducing Software Piracy” from Business Software Alliance and the leading global market research firm IDC, reducing the 65 percent software piracy rate in India by 10 percentage points over four years would create over 59,728 high-tech jobs, \$4.6 billion in new economic activity, and close to \$512 million in new taxes by 2013, with 76 percent of those benefits expected to remain in the local economy.

The study also found that if India were to reduce piracy by 10 points over the next two years instead of four, it would boost the economic activity and tax gains by a further 32 percent. India would then produce \$6,132 million in new economic activity by 2013 instead of \$4,662 million and generate \$676 million in new tax revenues instead of \$512 million.

Therefore, It is clearly in the economic interest for India to focus on reducing software piracy in a systematic way.

“*The Economic Benefits of Reducing Software Piracy*” is based on IDC’s Piracy Impact Model, which incorporates market research on IT spending, loss of revenue from software piracy around the world by software publishers, IT service firms and distributors etc., along with information on software related employment creation and IT-related taxes. The study also takes into account the ratio between spending on legal software and spending on related IT services and distribution in each market.



“Reducing software piracy is an opportunity to inject much-needed stimulus into Asia Pacific economies.” said **Mr. Roland Chan, Senior Director- Marketing, Asia-Pacific, BSA**. “This study clearly shows that aggressively fighting software piracy today means greater economic benefits tomorrow — for the region’s economy, not just the software industry.”

“This study clearly demonstrates that a slow pace in piracy reduction affects the overall economic growth of the IT industry in India, de-incentivizes local product companies’ innovation efforts, undermines Government’s ability to collect legitimate taxes from legitimate software sales and fuels organized criminal activity linked with piracy. In terms of direct threats, it impacts users, including individuals, small and medium businesses, corporates and governments who face a serious threat to their PC security, besides financial and legal liability, and ensuing mitigating costs and the software manufacturers who lose their valuable and multi-billion R&D investments every year. This also reduces the ability of the software product industry to generate more local jobs and foster local business opportunities in the areas of sales, distribution, service, maintenance, advisory, training and application development, which depend upon the genuine software product eco-system. Needless to say, use of genuine software is in the benefit of all and there must be a concentrated effort by Government, Consumers and the Industry to reject, prevent and attack piracy”, said **Mr Keshav S Dhakad, Chair of the India BSA Committee**.

The study covered 42 countries but in Asia Pacific, it looked at 13 economies, namely: Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

Globally, the data show that reducing software piracy by 10 points over the next four years would produce US\$142 billion in new economic activity in the 42 countries studied, with more than 80 percent accruing to local industries. The reduction would also create nearly 500,000 high-tech jobs and generate roughly US\$32 billion in new tax revenues worldwide. Frontloading the gain by reducing piracy 10 points in two years compounds the economic benefits by 36 percent, producing US\$193 billion in new economic activity and generating US\$43 billion in new tax revenues by 2013.

“Because of the size of the Asia Pacific market, more than three-fifths of the 500,000 high-tech jobs predicted to be gained from lowering software piracy will be added to the economies in this region, underlining the scale of the economic benefits that can accrue to the region when software piracy is actively reduced,” **said Chan**.

**Victor Lim, Vice President, Asia/Pacific Consulting Operations, IDC**, said, “Because IT distribution and services are local and specific to each economy, much of the revenue generated through reductions in software piracy would be captured at the local level. In fact, the study has found that 76 percent of the added GDP in the Asia-Pacific from a four-year, 10-point drop in piracy would remain in the region.”

BSA recommends the following actions to effectively reduce software theft around the world:

- Promote education about the value of intellectual property (IP) and the business practice of managing and optimizing software assets through software asset management (SAM).
- Implement the World Intellectual Property Organization's Copyright Treaty to create an effective legislative environment for copyright protection, online and offline.
- Create strong and workable IP enforcement mechanisms, as required by the World Trade Organization's Trade-Related Aspects of Intellectual Property Rights Agreement, including providing for vigorous enforcement of misappropriation and infringement of new software innovations such as cloud computing technologies.
- Dedicate resources for enforcement of IP laws, including specialized IP enforcement units, and improved cross-border cooperation among law enforcement agencies.
- Commit government to legal software use through active SAM policies and promote legal software use by all government agencies, state-owned enterprises, contractors and suppliers.

The 42 countries studied represent 93 percent of the total packaged software market. The 13 Asia Pacific economies surveyed represent 98 percent of the total packaged software market in the region. For more information and a full description of the methodology, view the full report at [www.bsa.org/piracyimpact](http://www.bsa.org/piracyimpact).

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### **About BSA**

The Business Software Alliance ([www.bsa.org](http://www.bsa.org)) is the foremost organization dedicated to promoting a safe and legal digital world. BSA is the voice of the world's commercial software industry and its hardware partners before governments and in the international marketplace. Its members represent one of the fastest growing industries in the world. BSA programs foster technology innovation through education and policy initiatives that promote copyright protection, cyber security, trade and e-commerce. BSA members include Adobe, Agilent Technologies, Altium, Apple, Aquafold, ARM, Arphic Technology, Astro-Vision Futuretech, Autodesk, Autoform, AVEVA, Bentley Systems, CNC/Mastercam, Corel, Dassault Systèmes SolidWorks Corporation, Embarcadero, Frontline PCB Solutions - An Orbotech Valor Company, Microsoft, Minitab, NedGraphics, Parametric Technology Corporation, Pitney Bowes Software India, Progress, Quest Software, Scalable Software, Siemens, Sybase, Symantec, Tekla, and The MathWorks

### **About IDC**

IDC is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,000 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. For more than 46 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting [www.idc.com](http://www.idc.com).

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