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STUDY FINDS THE ECONOMIC BENEFITS OF REDUCING SOFTWARE PIRACY COMPOUNDS AS THE PACE OF PROGRESS QUICKENS

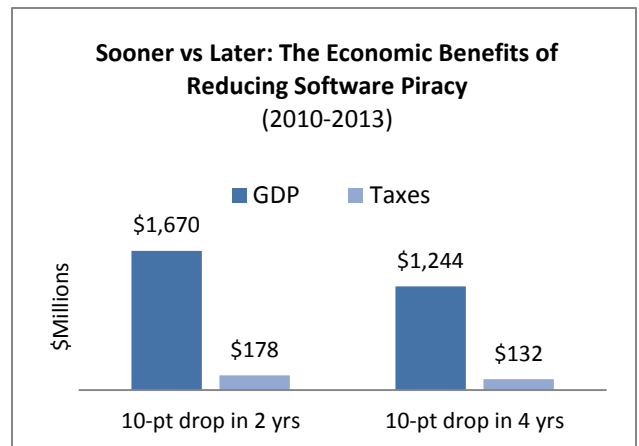
Reducing South Africa's piracy rate by 10 percentage points in two years instead of four would boost the economic impact by as much as 34%

Johannesburg, 15 September 2010: Reducing software piracy creates a ripple effect throughout the economy, generating new spending on related information technology (IT) services and distribution. That spending, in turn, creates jobs and delivers new tax revenues — and the faster the reduction in software piracy, the greater the returns.

These are among the findings of a new study produced by the Business Software Alliance (BSA) and IDC, the leading global IT market research and forecasting firm, which documents the impact of reducing PC software piracy rates by 10 percentage points in 42 countries.

“The Economic Benefits of Reducing Software Piracy” finds that reducing the 35 percent personal computer (PC) software piracy rate in South Africa by 10 percentage points over four years would create 1,650 high-tech jobs, R 9,091 (\$ 1,244) million in new economic activity, and R 967 (\$ 132) million in new taxes by 2013, with 68 percent of those benefits expected to remain in the local economy.

In addition, the study finds that the benefits are compounded by reducing software theft at a faster rate: If South Africa 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 34 percent.



“Reducing software piracy is an opportunity to inject much-needed stimulus into the economy,” said Marc Ashwell, vice chairperson for the BSA in South Africa. “Because selling, servicing and supporting software creates demand for related distribution and services, the impact of software piracy reaches beyond software publishers, starving local distributors and service providers of spending that creates jobs and generates more tax revenues, boosting the local economy.”

“This study shows that the entire economy can benefit from lowering software piracy in South Africa as proactively and as quickly as possible,” Ashwell added.

“A real catalyst to the current piracy scenario could come from our corporate and government IT departments.” says Ashwell. “They hold the key to implementing successful and effective software asset management programmes that only have an impact on the level and extent legitimate use of software but encourage a morally appropriate protection of the vendor’s intellectual property.”

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 Economic Benefits of Reducing Software Piracy” is based on IDC’s Piracy Impact Model, which incorporates market research on IT spending and software piracy around the world, along with information on IT employment and IT-related taxes.

Globally, the data show that reducing software piracy by 10 points over the next four years would produce \$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 \$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 \$193 billion in new economic activity and generating \$43 billion in new tax revenues by 2013.

For more information and a full description of the methodology, view the full report at www.bsa.org/piracyimpact.

About BSA

The Business Software Alliance (www.bsa.org) is the foremost organisation 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 programmes foster technology innovation through education and policy initiatives that promote copyright protection, cyber security, trade and e-commerce. BSA members include: Adobe, Altium, Apple, Assec Poland S.A., Attachmate, Autodesk, Bentley Systems, CNC, Corel, Dassault Systèmes SolidWorks Corporation, DBA Lab S.p.A., Embarcadero, Mamut, Map License, Microsoft, NedGraphics, O&O Software, Scalable Software, Siemens, 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.

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