



## NEWS RELEASE

**For Immediate Release**

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### **Illegal PC software use down 2% in RP but industry losses up**

**Manila (Wednesday, May 14)** – The rate of PC software piracy in the Philippines fell by 2 percentage points from 71% in 2006 to 69% in 2007, amid a global trend in which piracy rates dropped in most countries. The PC software piracy rate in the Philippines has gone down from 72% in 2003 to 71% in 2004 but remained at the same rate until 2006. Despite the drop in rate in 2007, industry losses due to software piracy in the Philippines rose from US\$119 million to US\$147 million.

Among the 108 countries studied, personal computer or PC software piracy dropped in sixty-seven countries, and increased in only eight. However, because the worldwide PC market grew fastest in high-piracy countries, the worldwide piracy rate increased by three percentage points from 35% to 38% in 2007. In the Asia Pacific region, the countries with the highest rate of software piracy were Bangladesh with 92% followed by Sri Lanka 90% and Vietnam 85% while the ones with the lowest were New Zealand 22%, Japan 23%, and Australia 28%.

These were among the findings of the fifth annual global PC software piracy study released today by the Business Software Alliance (BSA), an international association representing the global software industry. The study covers 108 countries and was conducted independently by IDC, the information technology (IT) industry's leading global market research and forecasting firm.

"This report shows that we are making some progress in the Philippines in the battle against software piracy. But the fight continues as the rate remains high and the losses from the IT industry have risen due to the exchange rate and growth in PC sales. Much remains to be done if the country is to derive maximum benefits from a lower piracy rate that would have a positive impact for local consumers, local software and services firms, small businesses, and the economy as a whole in terms of encouraging more investments in the IT and other industries," said Celina Conti, Chair of the BSA Philippines Committee.

"The Philippines is among the countries in the world with a projected fast-growing IT sector. The eradication of software piracy and the growth and development of the local software industry will pave the way in boosting the local ICT industry.

But software piracy affects much more than just industry revenues. An IDC study on the economic impact of software piracy released in January this year had found that reducing the PC software piracy could generate hundreds of thousands of new jobs and billions of dollars in economic growth, while increasing tax revenues to support local programs and services globally," Conti added.

Conti cited the important role played by the Pilipinas Anti-Piracy Team (PAPT) -- a government-led initiative composed of the National Bureau of Investigation Intellectual Property Rights Division (NBI-IPRD), the Philippine National Police Criminal Investigation and Detection Group - Anti-Fraud and Commercial Crimes Division (PNP CIDG-AFCCD) and the Optical Media Board (OMB) -- as a contributing factor to the drop in the software piracy rate.

"This study shows that government and industry anti-piracy efforts are delivering software piracy reductions in many countries; however, rapid PC growth in higher-piracy emerging markets translates into an overall increase in global piracy," said John Gantz, chief research officer at IDC. "We expect this trend to continue, meaning industry and government must increasingly focus their efforts on combating piracy in these emerging economies."

BSA advocated a five-point "blueprint" for reducing software piracy and reaping the economic benefits that includes:

- Increasing public education and awareness of the value of intellectual property and the risks of using unlicensed software;
- Updating national copyright laws to implement World Intellectual Property Organization (WIPO) obligations in order to enable better and more effective enforcement against digital and online piracy;
- Creating strong enforcement mechanisms as required by the World Trade Organization (WTO) Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPS), including tough anti-piracy laws;
- Dedicating significant government resources to the problem, including national IP enforcement units, cross-border cooperation, and training for local officers and judiciary officials; and
- Leading by example by implementing software management policies and requiring the public sector to use only legitimate software.

For more details or a copy of the complete study, visit [www.bsa.org/globalstudy](http://www.bsa.org/globalstudy).

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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 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, Autodesk, Avid, Bentley Systems, Borland, CA, Cadence Design Systems, Cisco Systems, CNC Software/Mastercam, Corel, Dell, EMC, Frontline PCB Solutions - An Orbotech Valor Company, HP, IBM, Intel, INUS Technology, McAfee, Microsoft, Mindjet, Minitab, Monotype Imaging, PTC, Quark, Quest Software, SAP, SAS Institute, Siemens PLM Software, SolidWorks, SPSS, Sybase, Symantec, Synopsys, Tekla, The MathWorks and Trend Micro.

In the Philippines, the BSA maintains a Memorandum of Understanding with the Philippine Software Industry Association, Philippine Internet Services Organization, the Institute of Internal Auditors, the Association of Government Internal Auditors and the Intellectual Property Office of the Philippines.

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