

1.2 Million Jobs will be lost to Piracy by 2015 in Europe's Creative Industries if Current Trends Continue

Trade unions across Europe's creative industries endorse new EU-wide study that reveals the dramatic impact of piracy on jobs loss figures.

Strong EU legislation is required to tackle the problem of digital piracy and reverse current trends.

BRUSSELS, 17 March 2009, 09:45 CET

A new study entitled "**Building a Digital Economy: The Importance of Saving Jobs in the EU's Creative Industries**" released today predicts losses due to piracy to reach as much as **1.2 million jobs** and **€240 billion** in retail revenue **by 2015** in the creative industries most impacted, based on current trends and assuming no significant policy changes.

The study shows that this sector is already experiencing substantial losses. In 2008 the creative industries most impacted by piracy (film, TV series, recorded music and software) experienced retail revenue **losses of €10 billion** and losses of more than **185,000 jobs** due to piracy.

Major trade unions representing workers in the creative industries, including **Union Network International-Media Entertainment Industries – UNI-MEI** – (representing unions and guilds in media, entertainment and arts) and **the International Actors Federation – FIA** – and **their national affiliates in all European countries**, support this study, which reveals the dramatic effects of illegal file-sharing on employment in the creative sectors. Major employer organisations representing the creative industries are also supporting this study, including the **International Federation of Film Producers' Associations – FIAPF** – and **the European Coordination of Independent TV Producers – CEPI.**"

"The results of the study stress that the growth of unauthorised file sharing, downloading and streaming of copyrighted works and recorded performances is a major threat to the creative industries in terms of loss of employment and revenues. UNI-MEI is concerned that creative industries, as they suffer larger and larger loss of revenues, will in turn be forced to reduce their investment in the production of creative content and with that vanishes work opportunities for creators, technicians and all other workers now and permanently into the future. UNI-MEI underlines the urgency of the need for national and European authorities to adopt Internet policies that will better protect creative content against unauthorised file sharing of protected works and performances." **William Maunier, President of EURO-MEI (European Region of UNI Global Union-Media Entertainment & Arts)**

"The International Federation of Actors (FIA) represents hundreds of thousands of professional performers in the audiovisual industry around the world, including 25 countries in the European Union. We share the concerns outlined in the study, especially where it shows the impact of piracy on investment and jobs for our members. The conservative nature of the study points towards the fact that the unauthorised file sharing of protected works and performances is a

growing threat to the industry as a whole and has an impact on the employment of our members, which is likely to get much worse if not properly tackled" said **Agnete Haaland, President of FIA (International Actors Federation)**.

A crucial source of jobs and growth under threat

The study was presented by independent Paris-based economics firm TERA Consultants, who conducted the study, at a press conference in Brussels. This is the first EU-wide study to provide an accurate and comprehensive view of Europe's creative industries and of their crucial contribution to the European economy and workforce.

The study shows that Europe's creative industries employ 6.5% of the total European workforce, or approximately **14 million workers**, and contribute 6.9%, or approximately **€860 billion**, to total European GDP.

"14 million people work in the creative industries in Europe and at a time of economic and financial crisis it offers growth potential. We have a responsibility to ensure we safeguard jobs and stand up for this workforce." said **Arlene McCarthy MEP**.

Unions call on European legislators to act

The study shows the need for action to reverse the current alarming piracy trends and save jobs in Europe's creative sector.

This strong message comes in the context of the upcoming vote on the "Gallo report" on the Enforcement of Intellectual Property Rights in the Internal Market in the European Parliament.

William Maunier, President of EURO-MEI (European Region of UNI Global Union-Media Entertainment & Arts) said "We support the Gallo report in its original form and call the MEPs to reject all amendments that try to legalize file-sharing or negate piracy as a problem. We welcome the initiatives taken by the European Commission and in particular the creation of the EU Observatory on Piracy and Counterfeiting and the Stakeholder Dialogue on illegal up and downloading. We call on the European Commission to develop a comprehensive strategy and legislation against the growing piracy problem."

As rapporteur **Marielle Gallo MEP** emphasises: "Behind the report on Enforcement of Intellectual Property Rights currently under discussion in the European Parliament is the crucial question of protecting European jobs from the threat of digital piracy. Piracy should be recognised as a problem."

"The mobilisation of key trade unions representing workers in Europe's creative industries shows the gravity of the threat. I encourage my fellow parliamentarians to acknowledge piracy as a problem and to work towards strong IP enforcement to preserve European jobs." said **Stephen Hughes MEP**

Agnete Haaland, President of FIA said: "It is vital that performers can bargain to derive tangible benefits from secondary exploitations of their work and they need policies and contractual practices in the industry to properly reflect this. Audiovisual performers need proper protection of their intellectual property rights and, to this end, we also call on the Commission to continue

its work and support towards an international treaty at WIPO on the recognition and protection of the Intellectual Property Rights of audiovisual performers. However most of all they need to work and for investment to continue to fuel new productions. The study indicates that piracy has a direct negative effect on this as well as the ability for all right holders to derive tangible benefits from the exploitation of their work. This is an important issue that needs to be better recognised by the European Commission and other EU institutions.

In the short term, **we urge MEPs to support the Gallo report in its original form and to reject all amendments that try to legalize file-sharing or negate piracy as a problem.** In the long-term, we call for a pan-European approach to this matter, aiming at preserving jobs and supporting income for all and contributing to the diversity and success of European audiovisual content. FIA calls on the Commission to ensure the full involvement of all relevant stakeholders in its initiatives, including performers' unions as such initiatives can only be successful with the full engagement of all stakeholders."

Employers in the sector also endorse the study.

"FIAPF - the International Federation of Film Producers' Associations welcomes the study as further confirmation of the contribution of the creative sector to Europe's cultural and economic vitality and jobs and is calling on EU and national authorities around the world to take concrete actions to tackle online piracy." said **Benoit Ginisty, General Delegate of FIAPF (International Federation of Film Producers Associations).**

"CEPI – the European Coordination of Independent Producers, welcomes the study "Building a digital economy: the need to protect jobs in the EU's creative industries", which provides a valuable and timely reminder of the creative sector's considerable economic contribution throughout Europe, while also highlighting the grave consequences for jobs in this sector should digital piracy be allowed to persist. CEPI calls on the EU and national governments therefore to consider this report and take the necessary measures to safeguard Europe's creative industries." said **Klaus Hansen, President of CEPI (European Coordination of Independent Producers).**

"This study is a new and important indicator of the scope and impact of the piracy problem for Europe. The European Union urgently needs to create the legal framework that will properly address infringement of intellectual property, both offline and online." said **John Kennedy, Chairman and Chief Executive of IFPI (International Federation of the Phonographic Industry).**

Note to Editors

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You can also find the study and executive summary on:

<http://www.iccwbo.org/bascap/id35360/index.html>

About TERA Consultants

The "Building a Digital Economy: The Importance of Saving Jobs in the EU's Creative Industries" study was conducted by TERA Consultants. TERA Consultants is an independent consultancy firm providing services in the field of ICT and combining the expertise of economists and engineers. Patrice Geoffron, Professor of economics at Paris-Dauphine University, has been the director of the study.

About International Chamber of Commerce/BASCAP

Recognising that the protection of intellectual property rights is vital to sound economies, the International Chamber of Commerce (ICC) established BASCAP - Business Action to Stop Counterfeiting and Piracy - to increase awareness of counterfeiting and piracy activities and the associated economic and social harm and call for greater commitments by governments in the enforcement and protection of IPR. The study was commissioned by the BASCAP initiative with the aim to advance the development of methodologies to better understand the vitality of Europe's creative industries – and what is at risk.

Visit: www.iccwbo.org/bascap

Quotes from Members of the European Parliament:

"Piracy is costing our economies over 10 billion Euros each year and hundreds of thousands of jobs. This is not only lost revenue for countries across Europe, but a substantial burden to overcoming the economic crisis." Raffaele Baldassare MEP (Italy, EPP)

"We can't ignore the damage piracy is doing to our economy and our society. Behind the report on Enforcement of Intellectual Property Rights currently under discussion in the European Parliament is the crucial question of protecting European jobs from the threat of digital piracy. Piracy should be recognised as a problem." Marielle Gallo MEP (France, EPP)

"We cannot ignore the damages caused by piracy to our economy and our workforce. This study shows us just how much inaction will cost us. More needs to be done to protect intellectual property online. The EU needs to lay down a proper legal framework to tackle the piracy problem." Edit Herczog MEP (Hungary, S&D)

"It's not just about the creative sector, it's about the European economy as a whole: the creative industries employ approximately 14 million workers in Europe and account for nearly 7% of European GDP. Digital piracy destroys jobs: hundreds of thousands of European jobs have already been lost to piracy and, if policy-makers don't address the problem, one in ten current jobs in the creative sector will be lost by 2015. The mobilisation of key trade unions representing workers in Europe's creative industries shows the gravity of the threat. I encourage my fellow

PRESS RELEASE - "Building a Digital Economy: The Importance of Saving Jobs in the EU's Creative Industries"

parliamentarians to acknowledge piracy as a problem and to work towards strong IP enforcement to preserve European jobs." **Stephen Hughes MEP (UK, S&D)**

"We need to educate European consumers to appreciate that intellectual property rights should not be infringed." **Toine Manders MEP (Netherlands, ALDE)**

"14 million people work in the creative industries in Europe and at a time of economic and financial crisis it offers growth potential. We have a responsibility to ensure we safeguard jobs and stand up for this workforce." **Arlene McCarthy MEP (UK, S&D)**

"This study shows us that millions of jobs in Europe are at risk due to piracy. We need to tackle the digital piracy problem, or risk losing these jobs." **Bill Newton Dunn MEP (UK, ALDE)**

"Piracy is losing us jobs and investment. We need to create a digital environment where creators and those who depend on them are compensated for their hard work and creativity. The Parliament has a crucial opportunity to make a strong statement against digital piracy." **Andreas Schwab MEP (Germany, EPP)**