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New Delhi, May 12, 2011 – With rising usage of computers and Internet in emerging economies year-on-year, and ICT taking center stage in being a business enabler plus a driver of innovation and governance, those Governments face an urgent need to drive down software piracy levels in order to harness the economic benefits of a domestic genuine and legal software product eco-system and respect for Intellectual Property Rights.

Keeping in line with these trends and realization, India witnessed a single percentage drop in piracy rate for PC software in 2010 down to **64 percent**, as compared to 2009, a rate slightly higher than the Asia Pacific rate of 60 percent. With that rate, the commercial value of unlicensed software installed on personal computers in India touched **\$2.739 billion** in 2010, whereas the global losses stood at \$59 billion. These are among the findings of the 8th Annual IDC-Business Software Alliance (BSA) 2010 Global Software Piracy Study (Piracy Study), which researches and evaluates the state of software piracy around the world. In total, India's piracy rate has dropped 10% points since the year 2004, where it stood at 74%, and thus, a continuous drop but a very slow one.

"These findings show that there has been a gradual progress in reducing the software piracy rate in India, but what is needed is a speedier drop as India's PC market grows in size. The further we reduce software piracy and grow the legitimate software product market, the greater the benefits to the Indian economy in terms of added new jobs, increase in Government's legitimate tax collections, contribution to GDP, respect for intellectual property, growth of the domestic IT product industry and PC/IT security to the nation as a whole. India is the second fastest growing economy in the world with a high growth PC market, whereas the software product market is lagging behind. Although Government and industry must be commended for the efforts that are underway to tackle this menace, India requires an accelerated and focused programs and initiatives to educate PC users and companies on the benefits of legal and licensed software and how it causes economic losses to the local industry and creates serious cyber security vulnerabilities." said **Keshav S Dhakad, Chair - BSA India**.

The study also indicates that while the number of PCs shipped to emerging economies like India in 2010 accounted to more than 50 percent of the world total, paid software licenses accounted for less than 20 percent of global sales in 2010.

This Piracy Study, conducted by BSA in partnership with IDC, the IT industry's leading market research and forecasting firm, using a methodology that incorporates 182 discrete data inputs for 116 countries and regions around the world. This year's study also includes a new dimension: a public-opinion survey of PC users on key social attitudes and behaviors related to software piracy, conducted by Ipsos Public Affairs.

The opinion survey found strong support for intellectual property rights especially in developing economies to promote more technology advances. Majority of the respondents from developing markets say inventors should be rewarded and intellectual property development benefits the local economy.

The survey also found widespread recognition that licensed software is better than pirated software, because it is understood to be more secure and more reliable. The problem is many PC users especially in developing economies lack a clear understanding of whether common ways of acquiring software, such as buying a single PC software license and installing it on multiple computers or downloading a program from a peer-to-peer network, are legal copies or if they are illegal.

“Software Piracy has broader implications which transcends beyond the realm of software industry and it impacts the health of Nation’s economy, Business risks for Industry, Opportunity losses for Small Business/Service firms/ Consumers, reduces government tax revenues. Coordinated action, Constant education and awareness is the need of the hour”said **Mr. Anjan Das, Executive Director, Technology, Confederation of Indian Industry (CII).**

While Government of India, industry bodies and software companies continue to take initiatives to curb piracy and educate end-users, challenges at various fronts still remain including that of a robust national IPR enforcement ecosystem, creation of dedicated IPR adjudication judicial system and continued capacity building of all stakeholders including Government decision makers, judiciary, public prosecution department, law enforcement agencies, Corporate CIOs, CFOs, channel partners, and end-users.

The Business Software Alliance has run several small and medium enterprise outreach and capacity building programs on Software Asset Management (SAM) since 2008 with the State Governments of Karnataka, Maharashtra and Andhra Pradesh as well as capacity building for Government officers in partnership with Department of IT, Government of India. BSA is committed to this endeavour and welcomes Industry and Government partners to continue to increase its focus on this momentum .

Additional findings from the study include:

- The commercial value of stolen software in India totaled \$2,739 million. Globally, the value of software theft grew to a record \$59 billion — nearly double that when the study began in 2003.
- Half of the 116 geographies studied in 2010 had piracy rates of 62 percent or higher, with the global average piracy rate at 42 percent.
- Emerging economies have become a driving force behind PC software piracy. Piracy rates in the developing world are 2.5 times higher than those in the developed world, and the commercial value of pirated software (\$31.9 billion) accounts for more than half of the world total.
- The most cited advantages of licensed software globally are access to technical assistance (88 percent) and protection from hackers and malware (81 percent).
- Among the common ways people engage in piracy is to buy a single copy of software and install it on multiple computers.
- Strong majorities of PC users around the world believe intellectual property rights and protections produce tangible economic benefits: 59 percent globally say IP rights benefit local economies, while 61 percent globally say IP rights create jobs.

Speaking on behalf of **IDC, Victor Lim, Vice President, Asia/Pacific Consulting Operations**, said, "Under-licensing – installing one single, legal copy of a program on numerous computers – remains the biggest contributor to software piracy. This has broad implications beyond just the software sector, because software is a productivity tool in every sector of the economy. Companies that do not pay for the programs they use to run their operations have, to an extent, an unfair cost advantage over companies that do, and this skews competition. IDC believes that it is imperative that governments take action, through education and enforcement mechanisms, to ensure that IP ownership and rights are properly respected, thus ensuring continued enhancements and development of business critical software and solutions."

"Today's study shows that while piracy continues to threaten the global economy, people clearly understand and appreciate the value of intellectual property, especially its role in driving economic growth," said Robert Holleyman, BSA president and CEO. "Software theft continues to stifle IT innovation, job creation, and economic growth around the world. This report clearly shows the importance of educating businesses, government officials, and end users about the risks of software theft — and what they can do to stop it."

About the Study

The 2010 BSA Global Software Piracy Study covers piracy of all software that runs on PCs, including desktops, laptops, and ultra-portables, including netbooks. This includes operating systems, systems software, such as databases and security packages, and applications software, with legitimate free software and open source software covered by the scope of the study.

New this year, BSA retained Ipsos Public Affairs to survey more than 15,000 business and consumer PC users in order to provide more insight into key social attitudes and behaviors related to intellectual property and the use of licensed versus unlicensed software. The surveys were conducted, online or in-person, in 32 markets that make up a globally representative sample of geographies, levels of IT sophistication, and cultural diversity.

For more details on the methodology and a copy of the complete study, visit www.bsa.org/globalstudy.

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About BSA

The Business Software Alliance (www.bsa.org) is the world's foremost advocate for the software industry, working in 80 countries to expand software markets and create conditions for innovation and growth. Governments and industry partners look to BSA for thoughtful approaches to key policy and legal issues, recognizing that software plays a critical role in driving economic and social progress in all nations. BSA's member companies invest billions of dollars a year in local economies, good jobs, and next-generation solutions that will help people around the world be more productive, connected, and secure. BSA members include Adobe, Agilent Technologies, Apple, Aquafold, ARM, Arphic Technology, Autodesk, Bentley Systems, CNC/Mastercam, Corel, Dassault Systèmes SolidWorks Corporation, Mentor Graphics Corporation, Microsoft, Minitab, NedGraphics, Orbotech, PTC, Progress Software, Quest Software, Rosetta Stone, Siemens, Sybase, Symantec, Tekla, and The MathWorks. BSA members in India include Ansys India, Astro-Vision Futuretech, HP, Pitney Bowes Software and Sarin Technologies.

For more information about IDC, visit www.idc.com

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