

1.2m jobs to be lost to piracy

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A new study released today by the International Chamber of Commerce's BASCAP (Business Action to Stop Counterfeiting and Piracy) initiative projects an alarming rise in piracy-driven job loss figures in Europe's creative industries.

The study aims to advance the development of methodologies and better understand the vitality of Europe's creative industries – and what is at risk. It predicts job losses due to piracy to from 185,000 in 2008 to 1.2 million by 2015.

"The research shows that the illicit use of the Internet has contributed to massive piracy of Europe's creative works studied in the report," said Jeffrey Hardy, ICC BASCAP Coordinator.

"Digital piracy is sweeping through global markets for music, motion pictures and video, television programming, literature and software. In its wake, these creative industries suffer devastating economic losses and an assault on their ability to compensate artists and furnish legitimate employment opportunities. "These dire consequences call for an urgent response by policymakers, consumers and the creative industry itself," he said.

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 organizations 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).

William Maunier, President of the European Region of UNI Global Union-Media Entertainment & Arts said: "The results of the study stress that the growth of unauthorized 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 unauthorized file-sharing of protected works and performances."

Agnete Haaland, President of FIA said: "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 unauthorized 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."

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 €360 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 Enforcement of Intellectual Property Rights in the Internal Market in the European Parliament.

William Maunier, President of the 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 emphasised: "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 recognized as a problem."

"The mobilization 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 recognized 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 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 welcomes the study, 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, CEPI President.

John Kennedy, Chairman and Chief Executive of the International Federation of the Phonographic Industry concluded: "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."

For further information please contact:

impactofpiracy@ipluseurope.com

+32 2 282 96 33

You can also find the study and executive summary on:

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