

# Study finds PC Software Piracy declined in Australia while worldwide rates remain stable

Australia's rate of illegal software use reduced one point to 31 percent in 2005, while its global ranking remained at 14th, well behind the US, New Zealand, UK and Scandinavia. Illegal software use also cost Australia A\$446 million in 2005.

These are among the findings of an annual global PC software piracy study released today by the Business Software Alliance (BSA), the international association of the world's leading software developers. The independent study was conducted by IDC, the information technology (IT) industry's leading global market research and forecasting firm.

By contrast, 35 percent of the packaged software installed on personal computers (PC) worldwide in 2005 was illegal, amounting to \$34 billion in global losses due to software piracy. However, positive movement in a number of markets indicates education and enforcement efforts are paying off in emerging economies such as China, Russia and India and in Central/Eastern Europe and the Middle East & Africa.

A one point reduction is not significant enough to bring us within reach of our economic peers whose rates are up to ten points lower than Australia, said BSAA Chairman, Jim Macnamara. Much more needs to be done to tackle software piracy in Australia, and we are hopeful that the changes in Copyright Law will continue to have some positive affect as business users realize the risks of the criminal penalties for unlicensed software use.

Many factors contribute to regional differences in piracy the strength of intellectual property protection, the availability of pirated software, cultural differences and IT-related market trends, said John Gantz, chief research officer at IDC. There's no doubt that lowering software piracy takes constant work and investment, but those investments can unlock enormous benefits for the industry and local economies.

The BSA-IDC Global Software Piracy Study covers all packaged software that runs on PCs. The study does not include other types of software such as that which runs on mainframes or servers or software sold as a service. IDC used proprietary statistics for software and hardware shipments, conducted 5,600 surveys and enlisted IDC analysts in 38 countries to confirm software piracy trends.

## Global Overview

Piracy rates decreased in more than half (51) of the 97 countries covered in this year's study, and increased in only 20. The global rate was unchanged from 2004 to 2005 as large developed markets like the United States, Western Europe, Japan and a handful of Asian countries continue to dominate the software market while their combined piracy rate hardly moved.

Positive changes could be seen in the rapidly developing countries of Russia, India, Brazil and China. Russia saw a four point drop in its PC software piracy rate while India's piracy rate declined two points. Brazil was able to stave off further increases in its 64 percent piracy rate despite strong growth in the IT market which usually leads to an increase in piracy. China, with one of the fastest growing IT markets in the world, dropped four points between 2004 and 2005.

This year marks the second year in a row where there has been a decrease in the PC software piracy rate in China. This is particularly significant, considering the vast growth taking place in the Chinese IT market, said Holleyman.

## Other key findings:

The four countries with the largest percentage point drop in their piracy rate during the past year were China (4 points), Russia (4 points), Ukraine (6 points) and Morocco (4 points).

The countries with the highest piracy rates were Vietnam (90 percent), Zimbabwe (90 percent), Indonesia (87 percent), China (86 percent) and Pakistan (86 percent).

The countries with the lowest piracy rates were the United States (21 percent), New Zealand (23 percent), Austria (26 percent) and Finland (26 percent).

A previous IDC/BSA study showed that if the global piracy rate were to drop 10 points to 25%, it would create as many as 2.4 million new jobs, \$400 billion in economic growth, and \$67 billion in tax revenues worldwide.

Stronger intellectual property protection and education and awareness continue to improve the software piracy situation around the world, said Holleyman. But as broadband growth continues and the IT sector continues to expand, the continued influx of new users and the increased availability of pirated software means continual efforts are required to reduce and keep software piracy down.

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

## Ends

The Business Software Association of Australia (BSAA) [www.bsaa.com.au](http://www.bsaa.com.au) - is affiliated with the Business Software Alliance (BSA) which operates globally in 70 countries. BSAA members include Adobe, Apple, Autodesk and Microsoft.

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 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 programs foster technology innovation through education and policy initiatives that promote copyright protection, cyber security, trade and e-commerce. BSA members include Adobe, Apple, Autodesk, Avid, Bentley Systems, Borland, CNC Software/Mastercam, Internet Security Systems, McAfee, Microsoft, PTC, SolidWorks, Sybase, Symantec, The MathWorks and UGS. IDC is the premier global market intelligence and advisory firm in the information technology and telecommunications industries. We analyze and predict technology trends so that our clients can make strategic, fact-based decisions on IT purchases and business strategy. More than 775 IDC analysts in 50 countries provide local expertise and insights on technology markets, and our management team is comprised of experienced and respected industry luminaries. Business executives and IT managers have relied for more than 40 years on our advice to make decisions that contribute to the success of their organizations. IDC is a subsidiary of IDG, the worlds leading technology media, research, and events company. Additional information can be found at [www.idc.com](http://www.idc.com).

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