

## **New study shows economic effects of software piracy**

A new study released by the Business Software Alliance (BSA) has made a strong economic case to tackle software piracy in Kenya.

According to the study, which was conducted by IDC, reducing software piracy on personal computers (PC) over the next four years in Kenya could create a stronger local information technology sector, generating an additional 1,600 new high-paying jobs, and contributing \$134 million to the country's economy.

The study notes that the IT industry already is a major contributor to jobs, tax revenues and the gross domestic product (GDP) for the region.

In Kenya, the IT industry is projected to deliver \$20 million in tax revenues between 2008 and 2011.

Reducing Kenya's 80% PC software piracy rate by 10 percentage points would have a "multiplier effect" and increase those economic benefits, generating over 1,100 additional jobs, \$12 million more in tax revenues and \$163 million in spending in the local IT sector over the next four years.

"When countries take steps to reduce software piracy, everyone stands to benefit," said Alastair de Wet, compliancy manager for Adobe South Africa and spokesperson for the BSA in Africa.

"With more and better job opportunities, a stronger, more secure business environment, and greater economic contributions from the already robust IT sector; reducing software piracy delivers tangible benefits for governments and local economies."

IDC finds that for every \$1 spent on legitimate packaged software in Kenya, an additional \$1.25 is spent on related services such as installing the software, training personnel, and providing maintenance services.

Most of these benefits build up to locally-based software services and channel firms – meaning the greatest proportion of the economic benefits from lowering software piracy stay within the country.

IDC research released by BSA in May 2007 found PC software piracy rates in Africa as high as 91% in Zimbabwe, with rates in the region generally above 80%.

The BSA spends much of its efforts building awareness among small & medium-sized enterprises (SMEs) about the risks and legal consequences of using unlicensed PC software.

"Reducing PC software piracy is important for business owners and SMEs in order to reduce the legal and business risks of using unlicensed software," said Abed Hlatshwayo, Anti-Piracy manager for Microsoft East & Southern Africa, a BSA member company.

"But software is unique in its ability to drive value throughout other sectors. Thus, policy makers should find a compelling case for taking steps to reduce software piracy in order to reap the economic benefits of a strong national software and IT sector. It's clear that reducing software piracy delivers real results that help real people with real challenges."

**ENDS****About BSA**

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 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, CNC, Corel, Mathworks, Microsoft, Monotype, Quark, Siemens PLM Software, Solid Works, and Symantec.

**About IDC**

IDC is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 900 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 90 countries worldwide. For more than 43 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting [www.idc.com](http://www.idc.com).

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