

## PROFILE

# THE ECONOMIC BENEFITS OF LOWERING PC SOFTWARE PIRACY

Sponsored by Business Software Alliance®



## MOROCCO

January 2008

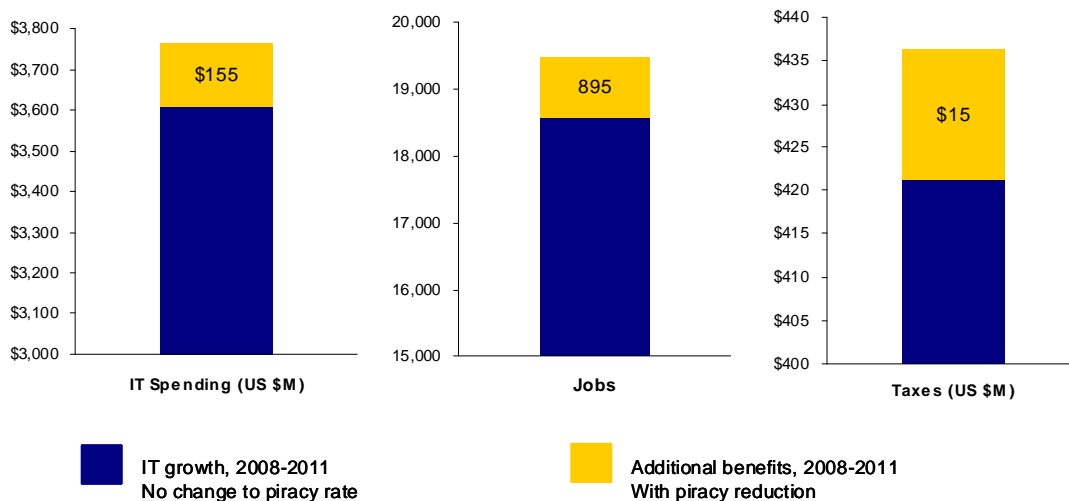
**Ten point reduction in PC software piracy would deliver an additional 900 new jobs, \$15 million in tax revenues, and \$155 million in economic growth in Morocco**

In 2007, Morocco, a country of more than 33 million people, spent \$731 million on information technology (IT) – computers, peripherals, network equipment, packaged software and IT services. That spending accounted for 1.1% of gross domestic product (GDP), supported more than 1,200 IT companies with more than 14,000 IT industry employees, and generated \$82 million in IT-related taxes.

Yet the IT sector's contribution to the Moroccan economy could be even larger if Morocco's PC software piracy rate were to be lowered 10 percentage points over the next four years, creating an additional 895 jobs, \$155 million in local industry revenues, and \$15 million in additional taxes revenues for federal, regional, and local governments. Lowering piracy in other software categories as well could double the economic benefits.

## Benefits from Lowering PC Software Piracy In Morocco

Benefits of lowering software piracy from 66%\* to 56% from 2008-2011



\* 2006 PC Software Piracy Rate, IDC Global Software Piracy Study

This incremental boost to the economy would add highly skilled jobs to the labor force, support the creation of new companies, and fund public services. Because most of the benefits accrue to services and channel firms, most of the benefits from lowering piracy stay within the country.

Lowering PC software piracy delivers such benefits because other sectors derive revenue from working with, installing, servicing, and reselling software.

Therefore, a 10 percentage point drop in PC piracy not only impacts the performance and economic contributions of the overall software industry, but also ripples outward into the IT services and distribution sectors, each of which is larger than the software industry itself.

## Study Background

The cornerstone of this research is IDC's Piracy Impact Model (PIM), which takes inputs from IDC's market research around the globe on IT spending and software piracy along with other information on IT employment levels and IT-related taxes. IDC has been conducting economic analysis on the impact of IT and software on local economies since 2002. Key inputs to the study include:

- ☒ IDC forecasts of IT spending by hardware, software, and services.
- ☒ IDC estimates of imports and exports of hardware, software, services.
- ☒ Macroeconomic data on GDP, workforce, population, tax rates, and total government tax receipts.
- ☒ IDC estimates of services and distribution channel activity that revolves around software.
- ☒ The annual BSA-IDC Global Software Piracy Study which estimates rates of packaged PC software piracy around the globe. The most recent version can be found at [www.bsa.org/globalstudy](http://www.bsa.org/globalstudy).

For more information on the study methodology see, *The Economic Benefits of Lowering PC Software Piracy: Methodology and Definitions*, published in January 2008.

### The Economic Benefits of Lowering PC Software Piracy

	2006	2007	2008	2009	2010	2011	2007-2011 CAGR	2008-2011 Cumulative
PC Software Piracy (BSA Rate)*								
Current Level	66%	66%	66%	66%	66%	66%		
Proposed Lower Rate			63.3%	60.8%	58.3%	55.8%		
IT Spending (US\$M)	\$639	\$731	\$778	\$850	\$944	\$1,037	9.1%	
Without Piracy Reduction		\$731	\$791	\$879	\$990	\$1,104	10.9%	
With Piracy Reduction			\$13	\$29	\$46	\$67		\$15
Difference								
IT Industry Employment	12,873	14,085	14,962	16,018	17,284	18,567	7.2%	
Without Piracy Reduction		14,085	15,151	16,420	17,919	19,462	8.4%	
With Piracy Reduction			189	402	635	895		
Difference								
IT Related Tax Revenues (US\$M)	\$73	\$82	\$90	\$99	\$110	\$122	10.4%	
Without Piracy Reduction		\$82	\$91	\$102	\$115	\$129	11.9%	
With Piracy Reduction			\$1	\$3	\$4	\$7		\$15
Difference								

Source: IDC Piracy Impact Study, 2008; \*IDC Global Software Piracy Study, May 2007

#### Copyright Notice

External Publication of IDC Information and Data — Any IDC information that is to be used in advertising, press releases, or promotional materials requires prior written approval from the appropriate IDC Vice President or Country Manager. Copyright 2008 IDC. Reproduction without written permission is forbidden.