FOR IMMEDIATE RELEASE
April 22, 2002

CONTACT:
Eric Smith, IIPA
(202) 833-4198

IIPA Economic Study Reveals Copyright Industries
Remain a Driving Force in the U.S. Economy

*U.S. Copyright Industries Continue to Lead the Economy in Job Growth,
Contribution to the GDP and Foreign Sales/Exports*

Washington, D.C. – The International Intellectual Property Alliance (IIPA) released today its latest economic study which indicates that the U.S. copyright industries continue to lead the U.S. economy in their contributions to job growth, gross domestic product (GDP), and foreign sales/exports.

Copyright Industries in the U.S. Economy: The 2002 Report, written by Stephen Siwek of Economists Incorporated, details the economic impact and contributions of U.S. copyright industries – including theatrical films, TV programs, home video, DVDs, business software, entertainment software, books, music and sound recordings – on the U.S. economy.

"Once again, the 2002 edition of this study (covering data through 2001) shows how significantly the U.S. copyright industries contribute to U.S. job and revenue growth and to U.S. international trade," said Eric H. Smith, IIPA President. The facts speak for themselves:

- In 2001, the U.S. copyright industries accounted **for 5.24 percent of U.S. Gross Domestic Product (GDP), or $535.1 billion** – an increase of over $75 billion from 1999 and exceeding 5 percent of the economy and one-half trillion dollars for the first time;

- Over the last 24 years (1977-2001), the U.S. copyright industries' **share of the GDP grew more than twice as fast** as the remainder of the U.S. economy (7 percent vs. 3 percent);

- Between 1977 and 2001, employment in the U.S. copyright industries more than doubled to 4.7 million workers, which is now **3.5 percent of total U.S. employment**; and the U.S. copyright industries' **average annual employment grew more than three times as fast** as the remainder of the U.S. economy (5 percent vs. 1.5 percent);

- In 2001, the U.S. copyright industries achieved estimated **foreign sales and exports of $88.97 billion**, again leading all major industry sectors, including: chemicals and allied products, motor vehicles, equipment and parts, aircraft and aircraft parts, and the agricultural sector.

---

aap
Association of American
Publishers, Inc.

A·M·A

BSA
Business Software Alliance
www.bsa.org

idsa
Interactive Digital
Software Association

Motion Picture Association
of America, Inc.

Recording Industry
Association of America, Inc.

"These 2001 statistics demonstrate once again that the U.S. copyright industries continue to have a major impact on growth and productivity in a time of otherwise uncertain global growth," Smith said. "Today, as we look at the great potential of a world of e-commerce – the legal and secure transmission of increasingly demanded and valuable copyrighted content over the Internet will be at the center of continued growth and productivity in the U.S. economy."

"Robust copyright protection and enforcement, in traditional markets and in the world of the Internet, have become even more indispensable to strong economic growth, both here and abroad," Smith added. "Yet this continued growth is in danger. We note, for example, the recently reported drop in foreign sales (domestic as well) of legitimate musical recordings, a decline which can be attributed to the growing global availability of pirate copies of digital recordings and to massive unauthorized copying of music off the Internet.

"This report highlights the good news that growth of the 'core' copyright industries – those that produce copyrighted material – continues. It also notes significant upstream and downstream gains in revenue and employment in industries dependent on, or related to, these 'core' industries. For example, employment in the 'total' copyright industries in 2001 rose to 8 million people, close to 6 percent of all U.S. employment, and the contribution to GDP rose to $791 billion, or 7.75 percent of GDP. We should not forget that unchecked piracy of copyrighted materials threatens the U.S. workforce at large," Smith said.

Stephen E. Siwek of Economists Incorporated authored this 2002 study, which updates eight prior reports issued by the IIPA in 1990, 1992, 1993, 1995, 1996, 1998, 1999 and 2000. To view a full PDF version of this 2002 report, please visit IIPA's web site at www.iipa.com.

IIPA and its members are pleased that the release of this report coincides with two campaigns during the week of April 22 supporting much needed public awareness of copyright. The first annual Copyright Awareness Week sponsored by the Copyright Society of the U.S.A. is designed to increase the understanding, particularly in young people, of the importance of copyright law and its use in protecting creative materials. April 26 marks "World Intellectual Property Day," designated by the World Intellectual Property Organization (WIPO), and is an opportunity to show "the significance of creativity and innovation in people's daily lives and in the betterment of society," according to WIPO.

The IIPA is a coalition of six associations representing the U.S. copyright-based industries in bilateral and multilateral efforts to open up foreign markets closed by piracy and other market access barriers. IIPA's member associations are the Association of American Publishers (AAP), AFMA (formerly the American Film Marketing Association), the Business Software Alliance (BSA), the Interactive Digital Software Association (IDSA), the Motion Picture Association of America (MPAA), and the Recording Industry Association of America (RIAA). These associations represent almost 1,100 U.S. companies producing and distributing materials protected by copyright laws throughout the world – all types of computer software including business applications and entertainment software (such as videogame discs and cartridges, personal home computer CD-ROMs and multimedia products); theatrical films, television programs and home video and digital representations of audiovisual works; music, records, CDs and audiocassettes; and textbooks, tradebooks, reference and professional publications and journals (in both electronic and print media).

###