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IIPA Welcomes USTR Attention on Major Copyright Markets in the 2021 Special 301 Report

2021 Special 301 Report Highlights Market Access and Enforcement Challenges for U.S. Creative Industries in 32 Overseas Markets

Washington — The International Intellectual Property Alliance® (IIPA®) congratulates the Office of the United States Trade Representative (USTR) on the release today of the **2021 Special 301 Report**. This congressionally-mandated annual report identifies obstacles to expanding legitimate global commerce in creative works. IIPA thanks Ambassador Tai, the staff at USTR, and all of the other agency staff who contributed to this report for their hard work and their continued dedication to the ultimate goal of Special 301: to open foreign markets, including the growing digital marketplace, for American copyrighted materials, including published books and journals, recorded music, movies and TV programs, and video games and other entertainment software. To achieve this goal, these markets require strong copyright laws; effective and efficient copyright enforcement; sound legal structures for copyright licensing; and the removal of market-access barriers. Opening these markets is fundamental to a worker-centric trade policy because it is a proven means to create well-paying American jobs by growing exports and enhancing U.S. global competitiveness. Special 301 remains a key policy tool for advancing these priorities, and America's copyright industries appreciate USTR's commitment to preserving this tool's integrity and effectiveness.

This year's report once again takes up key priorities of the U.S. creative industries, especially in the online and mobile marketplaces, including by calling upon our trading partners to eliminate barriers that impede the ability of lawful copyright-based services to compete. In particular, IIPA welcomes the report highlighting some of the cross-cutting issues including the need for U.S. trading partners to address online and broadcast piracy, problems with collective management, as well as to improve IP enforcement overall. The report also notes the importance of freedom of contract for transfers of exclusive rights, a critical factor for the healthy growth via market-based licensing of copyrighted materials across territorial borders for the digital age. As indicated in the report, this important principle, among others, is at stake in USTR's ongoing review of South Africa's eligibility for benefits under the Generalized System of Preferences (GSP) program, which is an independent process that includes a focus on two pending bills that are clearly inconsistent with South Africa's international obligations and norms as well as the GSP eligibility criteria. The Special 301 report identifies key overseas markets where trade barriers including inadequate copyright enforcement and other market access restrictions should be addressed. Progress in these markets will not only contribute to positive results for U.S. creators, but will also help our trading partners to develop and nurture their own local cultural and creative output.

As the digital marketplace grows, so do the opportunities—but also the challenges—for the American creative community. These challenges are found not only in major markets, such as China, Brazil, India, Russia, South Korea, and Switzerland, but also in other markets where significant copyright-related concerns persist, including Ecuador, Namibia, Nigeria, Ukraine, and the United Arab Emirates. The U.S. copyright industries look forward to working with USTR and with agencies across the U.S. government to encourage our trading partners to continue to make concrete progress toward stronger and more open copyright marketplaces.

In today's announcement:

- USTR lists 9 countries on the Priority Watch List, including key copyright markets like Argentina, Chile, China, India, Indonesia, Russian Federation, and Ukraine;
- USTR lists 23 countries on the Watch List, including key markets for creators like Brazil, Canada, Mexico, Thailand, Turkey, and Vietnam.

On January 28th, IIPA made a detailed submission to USTR with its recommendations for the 2021 Special 301 Report. IIPA's full submission can be found at <https://www.iipa.org/reports/special-301-reports/>.

Priority Watch List	Watch List
Argentina	Algeria
Chile	Barbados
China	Bolivia
India	Brazil
Indonesia	Canada
Russian Federation	Colombia
Saudi Arabia	Dominican Republic
Ukraine	Ecuador
Venezuela	Egypt
	Guatemala
	Kuwait
	Lebanon
	Mexico
	Pakistan
	Paraguay
	Peru
	Romania
	Thailand
	Trinidad & Tobago
	Turkey
	Turkmenistan
	Uzbekistan
	Vietnam

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About the IIPA: IIPA is a private sector coalition, originally formed in 1984, of trade associations representing U.S. copyright-based industries working to improve copyright protection and enforcement abroad and to open foreign markets closed by piracy and other market access barriers. IIPA represents producers and publishers of creative content on copyright, international trade policy, and similar issues. Members of the IIPA include Association of American Publishers (www.publishers.org), Entertainment Software Association (www.theesa.com), Independent Film & Television Alliance (www.ifta-online.org), Motion Picture Association (www.motionpictures.org), and Recording Industry Association of America (www.riaa.com). Collectively, IIPA's five member associations represent over 3,200 U.S. companies producing and distributing copyrightable content. The materials produced and distributed by IIPA member companies include entertainment software (including interactive video games for consoles, handheld devices, personal computers and the Internet) and educational software; motion pictures, television programming, DVDs and home video and digital representations of audiovisual works; music recorded in all formats (from digital files to CDs and vinyl) for streaming and other online services, as well as broadcasting, public performance and synchronization in audiovisual materials; and fiction and non-fiction books, educational, instructional and assessment materials, and professional and scholarly journals, databases and software in all formats.

In December 2020, IIPA released the latest update of its comprehensive economic report, *Copyright Industries in the U.S. Economy: The 2020 Report*, prepared by Economists Inc. (2020 Report). According to the 2020 Report, the “core” copyright industries in the United States generated over \$1.5 trillion of economic output in 2019, accounting for 7.41% of the entire economy, and employed approximately 5.7 million workers in 2019, accounting for 3.79% of the entire U.S. workforce and 4.46% of total private employment in the U.S. The jobs created by these industries are well-paying jobs; for example, copyright industry workers earn on average 43% higher wages than other U.S. workers. In addition, according to the 2020 Report, the core copyright industries outpaced the U.S. economy, growing at an aggregate annual rate of 5.87% between 2016 and 2019, while the U.S. economy grew by 2.48%. When factoring in other industries that contribute to the copyright economy (which together comprise what the 2020 Report calls the “total” copyright industries), the numbers are even more compelling. Additionally, the 2020 Report highlights the positive contribution of selected copyright sectors to the U.S. overall trade balance. Given the importance of digital delivery to the copyright-based industries, this sector has the potential to multiply its export revenues if our trading partners provide strong copyright-protective environments. In 2019, these sectors contributed \$218.8 billion in foreign sales and exports, exceeding that of many other industry sectors, including chemicals, pharmaceutical and medicines, electronic equipment, appliances and components, agricultural products, and aerospace products and parts. The full economic report is available at <https://iipa.org/reports/copyright-industries-us-economy/>.