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IIPA's New Economic Study Reveals the 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

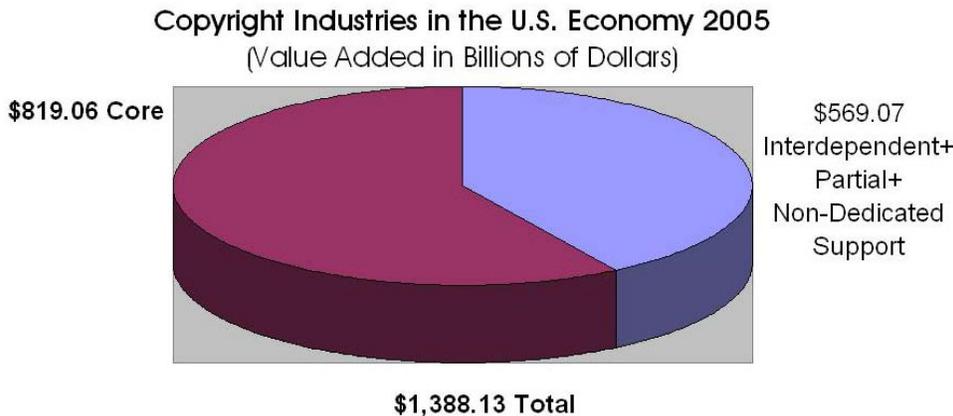
Washington, D.C. – The International Intellectual Property Alliance (IIPA) released today its latest economic study which indicates that the U.S. copyright industries continue to lead the U.S. economy in their contributions to job growth, gross domestic product (GDP), and foreign sales/exports.

Copyright Industries in the U.S. Economy: The 2006 Report, written by Stephen Siwek of Economists Incorporated, was completed for the IIPA and updates ten previous studies detailing 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. This report was released today at an event held at the U.S. Capitol, with several Congressional members attending (scheduled to attend include: Rep. Lamar Smith (R – TX), Rep. Adam Schiff (D – CA), Rep. Bob Goodlatte, Jr. (R – VA), and others).

“The 2006 edition of this study (covering data through 2005) shows how significantly the U.S. copyright industries contribute to U.S. job and revenue growth, wages, and to U.S. international trade,” said Eric H. Smith of the IIPA. Specifically:

Major Contribution to the U.S. Gross Domestic Product and Real Growth

- The U.S. “core” copyright industries accounted for an **estimated \$819.06 billion or 6.56% of the U.S. gross domestic product (GDP)** in 2005, up from 6.48% of the U.S. GDP (\$760.49 billion) in 2004.
- The U.S. “total” copyright industries accounted for an **estimated \$1.38 trillion or 11.12 % of GDP** in 2005, up from 11.09% of the U.S. GDP (\$1.3 trillion) in 2004.
- **The “core” copyright industries were responsible for 12.96% of the growth achieved in 2005 for the U.S. economy as a whole.** For the first time, this report includes estimates of the annual contributions made by the copyright industries to real growth experienced by the U.S. economy. This means that the growth contributed by these core industries (12.96%) was almost double their current dollar share of GDP (6.56%).



Strong Employment and Wages

- The “core” copyright industries employed **5.38 million workers in 2005 (4.03% of U.S. workers)**, up from 5.34 million workers in 2004 (4.07%).
- The “total” copyright industries employed **11.3 million workers in 2005 (8.49%)**, up from 11.2 million workers in 2004 (8.53%).
- This report, for the first time, provides data on the estimated average annual compensation for a worker in the core copyright industries: **\$69,839 in 2005** up from \$66,997 in 2004. **This represents a 40% premium over the compensation paid the average U.S. worker.**

Foreign Sales and Exports

- **In 2005, estimated foreign sales and exports of the core copyright industries increased to at least \$110.8 billion, leading other major industry sectors.** Those sectors include: chemicals and related products (not including medicinal and pharmaceutical products) (\$97.17 billion); motor vehicles, parts and accessories (\$76.26 billion); aircraft and associated equipment (\$49.79 billion); food and live animals (\$48.29 billion); and medicinal and pharmaceutical products (\$25.95 billion).

“What is clear from this and previous studies of the copyright industries is that their contribution to this country’s economic growth continues to increase in size and importance.” Smith added. “These statistics call upon our own government and governments throughout the world that also experience the rapid growth of their IPR sectors to redouble their efforts to nurture these industries through adoption of modern legislation that takes into account changes in technology and through vigorous enforcement. Copyright industries are uniquely dependent on governments’ willingness to enforce good laws, particularly as globalization expands and Internet and broadband penetration escalates rapidly around the globe. Indeed, as our citizens and creators look to the great potential of a world of e-commerce, the legal and secure transmission of valuable copyrighted content over the Internet will be at the center of continued growth and productivity in the U.S. economy,” Smith added. “Yet this continued growth is in danger. We should not forget that unchecked piracy of copyrighted materials, both here and abroad, threatens both U.S growth and U.S. jobs” he said.

Stephen E. Siwek of Economists Incorporated authored this 2006 study, which updates ten prior reports issued by the IIPA in 1990, 1992, 1993, 1995, 1996, 1998, 1999, 2000, 2002 and 2004. To view a full version of *The 2006 Report* and learn more about the IIPA, visit IIPA’s web site at www.iipa.com.

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