



November 6, 2007

*Via email: FR0717@ustr.eop.gov*

Ms. Gloria Blue  
Executive Secretary  
Trade Policy Staff Committee  
Office of the U.S. Trade Representative  
Washington, DC 20508

Re: The 2008 National Trade Estimate  
Report on Foreign Trade Barriers  
72 Fed. Reg. 49745 (August 29, 2007)

To the Trade Policy Staff Committee:

The International Intellectual Property Alliance (IIPA) takes this opportunity to provide the Trade Policy Staff Committee (TPSC) with an update on our continuing efforts toward identifying significant market access barriers to U.S. goods and services for inclusion in the preparation of the 2008 National Trade Estimate Report.

By this letter, we submit IIPA's final 2006 estimated trade losses due to copyright piracy in over 70 countries. This letter also summarizes some of the work IIPA and its members have undertaken since we filed comprehensive comments with USTR in February 2007 in the context of the annual Special 301 review. The U.S. government interagency members already have received the various IIPA public documents cited below at the time of their filing.

### **The International Intellectual Property Alliance (IIPA)**

The IIPA is a private sector coalition formed in 1984 to represent the U.S. copyright-based industries in bilateral and multilateral efforts to improve international protection of copyrighted materials. The IIPA is comprised of seven trade associations (listed below), which in turn represent over 1,900 U.S. companies producing and distributing materials protected by copyright laws throughout the world – all types of computer software including business applications software and entertainment software; theatrical films, television programs, home videos 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).

The core copyright-based industries in the U.S. are major contributors to the U.S. economy.<sup>1</sup> On January 30, 2007, the IIPA released an economic report entitled *Copyright Industries in the U.S. Economy: The 2006 Report*, the eleventh study completed for IIPA by Stephen Siwek of Economists Inc. This report details the economic impact and contributions of U.S. copyright industries to U.S. Gross Domestic Product, employment, and trade. The latest data show that the “core” U.S. copyright industries accounted for an estimated \$819.06 billion or 6.56% of the U.S. gross domestic product (GDP) in 2005. These “core” industries were responsible for 12.96% of the growth achieved in 2005 for the U.S. economy as a whole (this means that the growth contributed by these core industries (12.96%) was almost double their current dollar share of GDP (6.56%)). In addition, the “core” copyright industries employed 5.38 million workers in 2005 (4.03% of U.S. workers) in 2005. And the 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, which represents a 40% premium over the compensation paid the average U.S. worker. Finally, estimated 2005 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); motor vehicles, parts and accessories; aircraft and associated equipment; food and live animals; and medicinal and pharmaceutical products.

### **IIPA’s Submission for the 2008 NTE**

In February 2007, IIPA provided USTR and all its interagency colleagues with our detailed report on copyright legislation, piracy and certain other market access barriers in over 60 countries. Our 2007 Special 301 submission has been distributed to the TPSC and those U.S. government officials who work on these country issues and who contribute to preparing the annual NTE.

IIPA’s 301 report is available to the public in the USTR Reading Room and on our website, [www.iipa.com](http://www.iipa.com).<sup>2</sup> Attached please find four regional charts outlining our members’ estimated trade losses due to piracy and piracy levels (2006 data) in 64 countries.<sup>3</sup> Please note that we will be filing preliminary 2007 data in February 2008, and we will distribute that to the TPSC as well so that those numbers can be considered for inclusion in the 2008 NTE.

Of the ten categories of issues identified by the TPSC for the 2008 NTE, IIPA’s 2007 Special 301 submission addresses at least three of them: (1) lack of intellectual property (copyright) protection; (2) trade restrictions affecting electronic commerce; and (3) discussion of intellectual property rights practices which violate existing U.S. trade agreements as well as multilateral obligations under the WTO TRIPS Agreement. In addition, some of IIPA’s Special 301 countries reports also identify other issues subject to NTE scrutiny, such as services barriers and import barriers.

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<sup>1</sup> See Stephen Siwek, *Copyright Industries in the U.S. Economy: The 2006 Report*, prepared for the International Intellectual Property Alliance (January 2007). The entire report is posted on the IIPA website at [http://www.iipa.com/pdf/2006\\_siwek\\_full.pdf](http://www.iipa.com/pdf/2006_siwek_full.pdf).

<sup>2</sup> To reach the main page of IIPA’s 2007 Special 301 filing and the table of contents of all the countries discussed in our 2007 submission, as well as descriptions of our methodology, go to [http://www.iipa.com/2007\\_SPEC301\\_TOC.htm](http://www.iipa.com/2007_SPEC301_TOC.htm).

<sup>3</sup> These four regional charts, updated in June 2007, are also posted on the IIPA website, at <http://www.iipa.com/statistics.html>.

Since our February 2007 Special 301 submission, IIPA and its members have kept USTR and other interagency officials, both in the States and abroad, informed of legislative, enforcement and related developments which have taken place in the scores of countries appearing in the NTE 2007 Report. Examples of recent actions we have publicly taken include:

- IIPA recently participated in an interagency hearing<sup>4</sup> regarding copyright and market access problems in **People's Republic of China**;
- IIPA testified at the October 18, 2007 hearing "International Piracy: the challenges of Protecting Intellectual Property in the 21<sup>st</sup> Century," before the House Subcommittee on Courts, the Internet, and Intellectual Property<sup>5</sup>;
- From August through October 2007, IIPA submitted recommendations regarding the Special 301 out-of-cycle-reviews of **Russia, Brazil and Pakistan**<sup>6</sup>;
- IIPA testified at the October 2007 GSP hearings involving the intellectual property rights reviews of **Russia, Lebanon, and Uzbekistan**;
- IIPA has shared our public views and participated in various agency reviews in support of the Free Trade Agreement with **Korea** and the Trade Promotion Agreements with **Peru, Colombia and Panama**<sup>7</sup>.

Issues surrounding initiatives such as the Andean Trade Preferences Act (ATPA)<sup>8</sup>, the Caribbean Basin Economic Recovery Act (CBERA)<sup>9</sup> and the African Growth Opportunity Act (AGOA)<sup>10</sup> are of concern to IIPA members. Many nations, while receiving the benefits of such initiatives, have failed to follow through on commitments to reduce pirate activities by passing updated IPR laws, encouraging legitimate markets and implementing effective enforcement regimes.

Furthermore, we have worked with the interagency on developments (both legal reform and enforcement concerns) in dozens of countries as well as in regional initiatives (such as APEC) and in all ongoing Free Trade Agreement negotiations.

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<sup>4</sup> See IIPA, Submission on China's WTO commitments to the TPSC, September 20, 2007, posted at <http://www.iipa.com/pdf/IIPACHinaTPSCComment09202007.pdf>.

<sup>5</sup> See, IIPA, written testimony at <http://www.iipa.com/pdf/IIPAEricSmithtestimonyOctober182007Testimony10172007.pdf>.

<sup>6</sup> See IIPA, Submission to the GSP Subcommittee on October 26, 2007 at <http://www.iipa.com/pdf/LebanonGSPFollow-Uptothe2007AnnualReviewCountryPracticesHearing>, <http://www.iipa.com/pdf/RussiaGSPPost-hearingFollow-upQuestionsLetter.pdf>, and <http://www.iipa.com/pdf/UzbekistanGSPPost-hearingFollow-upQuestionsLetter.pdf>.

<sup>7</sup> See IIPA's views at [http://www.iipa.com/fta\\_issues.html](http://www.iipa.com/fta_issues.html).

<sup>8</sup> See IIPA, Submission to the U.S. International Trade Commission on the Andean Trade Preferences Act, March 5, 2007, posted at <http://www.iipa.com/pdf/IIPAAndeanATPACommentstoUSTRdueMarch503052007.pdf>.

<sup>9</sup> See IIPA, Submission to the Trade Policy Staff Committee on the Caribbean Basin Economic Recovery Act and the U.S.-Caribbean Trade Partnership Act, June 8, 2007, posted at <http://www.iipa.com/pdf/CBERALettertoITCEconomicEffectsBiennialReportfinal06082007.pdf>.

<sup>10</sup> See IIPA, Submission to the Trade Policy Staff Committee on AGOA, October 22, 2007, posted at <http://www.iipa.com/pdf/IIPAAGOAFilingtoUSTRfinal10222007.pdf>.

IIPA and its members are gathering information for our February 2008 Special 301 submission. Our 2008 submission will contain detailed developments in numerous countries, including trade loss and piracy level estimates for the year 2007. As in prior years, IIPA will provide the TPSC with a courtesy copy of our 2008 Special 301 submission in February 2008 for its consideration in the NTE process (we realize that the TPSC considers this docket “final” for NTE purposes). In years past, the NTE report published in March often has incorporated the most current IIPA information and statistics, even though our submission arrives later in the NTE production process, and we appreciate your effort in that regard.

**Final Notes**

IIPA and its members appreciate the opportunity to continue to provide the TPSC with our views on the significant barriers to trade faced by the U.S. copyright-based industries in countries around the world. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Maria Strong". The signature is written in a cursive, flowing style.

Maria Strong  
On behalf of the  
International Intellectual Property Alliance (IIPA)

Attachments

**USTR 2007 "SPECIAL 301" DECISIONS**  
IIPA 2005-2006 ESTIMATED TRADE LOSSES DUE TO COPYRIGHT PIRACY  
(in millions of U.S. dollars)  
and 2005-2006 ESTIMATED LEVELS OF COPYRIGHT PIRACY

**THE AMERICAS**

	Business Software <sup>1</sup>				Records & Music				Motion Pictures <sup>2</sup>				Entertainment Software <sup>3</sup>				Books		Totals	
	Losses		Levels		Losses		Levels		Losses		Levels		Losses		Levels		Loss	Loss	Loss	Loss
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
<b>PRIORITY WATCH LIST</b>																				
Argentina	182.0	109.0	75%	77%	82.0	69.5	60%	60%	NA	318.0	NA	90%	NA	NA	65%	NA	4.0	4.0	268.0	500.5
Chile <sup>3</sup>	82.0	55.0	68%	66%	29.6	22.7	44%	51%	NA	10.0	NA	35%	NA	NA	20%	NA	1.0	1.0	112.6	88.7
Venezuela	169.0	95.0	86%	82%	50.6	33.0	80%	83%	NA	30.0	NA	63%	NA	NA	NA	NA	NA	NA	219.6	158.0
<b>WATCH LIST</b>																				
Belize	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0	NA
Bolivia	9.0	NA	82%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	9.0	NA
Brazil (OCR)	574.0	383.0	60%	64%	176.5	334.5	40%	52%	NA	101.0	NA	22%	159.3	120.8	88%	77%	18.0	18.0	927.8	957.3
Canada	494.0	491.0	34%	33%	NA	NA	NA	NA	NA	118.0	NA	8%	NA	NA	NA	NA	NA	NA	494.0	609.0
Colombia <sup>3</sup>	56.0	45.0	59%	57%	62.5	47.7	71%	71%	NA	41.0	NA	75%	NA	NA	35%	NA	6.0	6.0	124.5	139.7
Costa Rica	15.0	10.0	64%	66%	15.1	18.3	60%	60%	NA	2.0	NA	100%	NA	NA	NA	NA	NA	NA	30.1	30.3
Dominican Republic	11.0	5.0	79%	77%	9.9	10.8	65%	75%	NA	3.0	NA	89%	NA	NA	NA	NA	1.0	1.0	21.9	19.8
Ecuador	17.0	9.0	67%	69%	33.0	26.3	98%	90%	NA	NA	NA	NA	NA	NA	NA	NA	2.0	2.5	52.0	37.8
Guatemala	14.0	NA	81%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	14.0	NA
Jamaica	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0	NA
Mexico	374.0	263.0	63%	65%	486.6	376.5	67%	65%	NA	483.0	NA	62%	182.0	137.7	85%	75%	41.0	42.0	1083.6	1302.2
Peru	32.0	22.0	71%	73%	53.5	66.0	98%	98%	NA	12.0	NA	63%	NA	NA	NA	NA	NA	9.0	85.5	109.0
<b>SPECIAL 306 MONITORING</b>																				
Paraguay <sup>3,4</sup>	6.0	6.0	82%	83%	128.0	128.0	99%	99%	NA	2.0	NA	86%	NA	NA	98%	NA	NA	2.0	134.0	138.0
<b>TOTALS</b>	<b>2035.0</b>	<b>1493.0</b>			<b>1127.3</b>	<b>1133.3</b>			<b>NA</b>	<b>1120.0</b>			<b>341.3</b>	<b>258.5</b>			<b>73.0</b>	<b>85.5</b>	<b>3576.6</b>	<b>4090.3</b>

Endnotes:

<sup>1</sup> BSA's 2006 statistics are now final and are reflected above. BSA statistics represent the U.S. publishers' share of software piracy losses in each country, and follow the methodology compiled in the Third Annual BSA/IDC Global Software Piracy Study (May 2006), available at <http://www.bsa.org/globalstudy/>. These figures cover, in addition to business applications software, computer applications such as operating systems, consumer applications such as PC gaming, personal finance, and reference software. In IIPA's February 2007 Special 301 filing, BSA's 2006 piracy statistics were stated as preliminary, noting that

<sup>2</sup> MPAA does not have 2006 statistics available at the time the IIPA 301 submission was filed. In 2006, MPAA changed its methodology of analyzing physical (hard goods) and internet piracy, and its 2005 piracy loss statistics for a limited number of countries is posted on IIPA's website.

<sup>3</sup> ESA's reported dollar figures reflect the value of pirate product present in the marketplace as distinguished from definitive industry "losses." The value of pirate product in the market in the Philippines reflects only the value of pirate product for personal computers. ESA's methodology is described in Appendix B of IIPA's submission.

<sup>4</sup> Paraguay: RIAA reports that its estimated losses to the records and music industry include both domestic piracy in Paraguay and estimated losses caused by transshipment.

**USTR 2007 "SPECIAL 301" DECISIONS**  
IIPA 2005-2006 ESTIMATED TRADE LOSSES DUE TO COPYRIGHT PIRACY  
(in millions of U.S. dollars)  
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**ASIA PACIFIC**

	Business Software <sup>1</sup>				Records & Music				Motion Pictures <sup>2</sup>				Entertainment Software <sup>3</sup>				Books		Totals	
	Losses		Levels		Losses		Levels		Losses		Levels		Losses		Levels		Loss	Loss	Loss	Loss
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
<b>PRIORITY WATCH LIST</b>																				
India	574.0	255.0	71%	72%	52.7	56.4	55%	57%	NA	NA	NA	29%	85.6	65.2	82%	86%	40.0	42.0	752.3	418.6
People's Republic of China	2172.0	1554.0	82%	86%	206.0	504.4	85%	85%	NA	244.0	NA	93%	NA	589.9	NA	92%	52.0	52.0	2430.0	2644.3
Thailand	253.0	155.0	80%	80%	20.7	21.9	50%	45%	NA	149.0	NA	62%	NA	NA	82%	75%	35.0	30.0	308.7	355.9
<b>WATCH LIST</b>																				
Indonesia	191.0	153.0	85%	87%	17.2	13.8	91%	88%	NA	NA	NA	87%	NA	NA	NA	NA	32.0	32.0	240.2	198.8
Malaysia	159.0	82.0	60%	60%	22.0	38.8	45%	49%	NA	NA	NA	91%	28.0	23.4	90%	91%	9.0	10.0	59.0	154.2
Pakistan (OCR)	78.0	26.0	86%	86%	25.0	25.0	100%	100%	NA	NA	NA	NA	NA	NA	NA	NA	55.0	55.0	158.0	106.0
Philippines	71.0	46.0	71%	71%	50.3	21.0	62%	40%	NA	NA	NA	78%	NA	11.3	NA	85%	49.0	48.0	134.3	126.3
South Korea	220.0	200.0	45%	46%	0.3	1.3	7%	13%	NA	NA	NA	7%	353.5	415.1	68%	55%	45.0	43.0	618.8	659.4
Taiwan	91.0	56.0	41%	43%	16.2	21.5	28%	26%	NA	98.0	NA	51%	NA	161.9	NA	42%	18.0	18.0	125.2	355.4
Vietnam	53.0	21.0	88%	90%	NA	NA	95%	95%	NA	NA	NA	NA	NA	NA	NA	NA	18.0	16.0	71.0	37.0
<b>TOTALS</b>	<b>3862.0</b>	<b>2548.0</b>			<b>410.4</b>	<b>713.2</b>			<b>NA</b>	<b>491.0</b>			<b>467.1</b>	<b>1266.8</b>			<b>353.0</b>	<b>346.0</b>	<b>4897.5</b>	<b>5055.9</b>
<b>Countries IIPA Included in its 2007 301 Report, but which are not on USTR's 2007 301 list</b>																				
Bangladesh	NA	NA	NA	NA	40.0	NA	70%	NA	NA	NA	NA	NA	NA	NA	NA	NA	8.0	6.0	48.0	6.0
Cambodia	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	5.0	4.5	5.0	4.5
Hong Kong	90.0	56.0	53%	54%	2.9	4.3	17%	18%	NA	NA	NA	9%	59.9	90.8	60%	71%	5.0	6.0	157.8	157.1
Japan	891.0	811.0	25%	28%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	909.0	811.0
Lao People's Democratic Republic	NA	NA	NA	NA	NA	NA	NA	NA	NA	102.0	NA	15%	NA	NA	NA	NA	3.0	3.0	3.0	105.0
New Zealand	29.0	18.0	22%	23%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	28%	NA	NA	29.0	18.0
Singapore	63.0	43.0	39%	40%	1.2	2.4	5%	5%	NA	NA	NA	NA	NA	NA	27%	NA	2.0	NA	66.2	45.4
<b>ESTIMATED REGIONAL TOTALS</b>	<b>4935.0</b>	<b>3476.0</b>			<b>454.5</b>	<b>3877.0</b>			<b>NA</b>	<b>593.0</b>			<b>527.0</b>	<b>1357.6</b>			<b>376.0</b>	<b>365.5</b>	<b>6115.5</b>	<b>6202.9</b>

Endnotes:

<sup>1</sup> BSA's 2006 statistics are now final and are reflected above. BSA statistics represent the U.S. publishers' share of software piracy losses in each country, and follow the methodology compiled in the Third Annual BSA/IDC Global Software Piracy Study (May 2006), available at <http://www.bsa.org/globalstudy/>. These figures cover, in addition to business applications software, computer applications such as operating systems, consumer applications such as PC gaming, personal finance, and reference software. In IIPA's February 2007 Special 301 filing, BSA's 2006 piracy statistics were stated as preliminary, noting that finalized statistics would be forthcoming later in 2007.

<sup>2</sup> MPAA does not have 2006 statistics available at the time the IIPA 301 submission was filed. In 2006, MPAA changed its methodology of analyzing physical (hard goods) and internet piracy, and its 2005 piracy loss statistics for a limited number of countries is posted on IIPA's website.

<sup>3</sup> ESA's reported dollar figures reflect the value of pirate product present in the marketplace as distinguished from definitive industry "losses." The value of pirate product in the market in the Philippines reflects only the value of pirate product for personal computers. ESA's methodology is described in Appendix B of IIPA's submission.

"OCR" means out-of-cycle review to be conducted by USTR.

**USTR 2007 "SPECIAL 301" DECISIONS**  
IIPA 2005-2006 ESTIMATED TRADE LOSSES DUE TO COPYRIGHT PIRACY  
(in millions of U.S. dollars)  
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**EUROPE / THE CIS**

	Business Software <sup>1</sup>				Records & Music <sup>2</sup>				Motion Pictures <sup>3</sup>				Entertainment Software <sup>4</sup>				Books		Totals <sup>4</sup>	
	Losses	Losses	Levels	Levels	Losses	Losses	Levels	Levels	Losses	Losses	Levels	Levels	Losses	Losses	Levels	Levels	Loss	Loss	Loss	Loss
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
<b>PRIORITY WATCH LIST</b>																				
Russian Federation (OCR+GSP)	1208.0	894.0	80%	83%	423.0	475.9	65%	67%	NA	266.0	NA	81%	282.1	223.9	72%	82%	42.0	42.0	1955.1	1901.8
Ukraine	185.0	131.0	84%	85%	30.0	30.0	60%	60%	NA	38.0	NA	NA	NA	NA	NA	NA	NA	NA	215.0	199.0
<b>WATCH LIST</b>																				
Belarus	NA	NA	NA	NA	NA	25.0	NA	70%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0	25.0
Hungary <sup>4</sup>	58.0	55.0	42%	42%	20.0	12.0	50%	30%	NA	102.0	NA	73%	NA	NA	40%	30%	NA	4.0	78.0	173.0
Italy	729.0	812.0	51%	53%	48.0	40.0	27%	20%	NA	161.0	NA	22%	647.7	639.2	40%	30%	20.0	20.0	1444.7	1672.2
Lithuania	17.0	14.0	57%	57%	13.0	12.0	85%	85%	NA	NA	NA	NA	NA	1.7	NA	88%	NA	NA	30.0	27.7
Poland	251.0	202.0	57%	58%	24.0	25.0	35%	31%	NA	102.0	NA	66%	NA	NA	75%	60%	NA	5.0	275.0	334.0
Romania	63.0	61.0	69%	72%	12.0	17.0	60%	80%	NA	12.0	NA	NA	NA	NA	77%	75%	NA	2.0	75.0	92.0
Tajikistan	NA	NA	NA	NA	NA	5.0	NA	80%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0	5.0
Turkmenistan	NA	NA	NA	NA	NA	7.0	NA	85%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0	7.0
Uzbekistan (GSP)	NA	NA	NA	NA	NA	30.0	NA	80%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0	30.0
<b>OUT-OF-CYCLE REVIEW</b>																				
Czech Republic	76.0	NA	39%	NA	35.0	NA	60%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	111.0	NA
<b>TOTALS</b>	<b>2587.0</b>	<b>2169.0</b>			<b>605.0</b>	<b>678.9</b>			<b>0.0</b>	<b>681.0</b>			<b>929.8</b>	<b>864.8</b>			<b>62.0</b>	<b>73.0</b>	<b>4183.8</b>	<b>4466.7</b>
<b>Countries IIPA included in its 2007 301 Report, but which are not on USTR's 2007 301 list</b>																				
Azerbaijan	28.0	NA	94%	NA	NA	15.0	NA	80%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	28.0	15.0
Bulgaria	25.0	21.0	69%	71%	7.0	7.0	75%	80%	NA	8.0	NA	NA	NA	21.0	NA	81%	NA	NA	32.0	57.0
Greece	93.0	88.0	61%	64%	30.0	26.0	60%	60%	NA	72.0	NA	NA	30.2	NA	68%	NA	NA	NA	153.2	186.0
Kazakhstan	47.0	38.0	81%	85%	NA	20.0	NA	66%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	47.0	58.0
Latvia	14.0	NA	56%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	14.0	NA
Spain <sup>2</sup>	471.0	417.0	46%	46%	25.0	27.0	22%	22%	NA	253.0	NA	32%	111.5	NA	48%	NA	NA	NA	607.5	697.0
Sweden	171.0	185.0	26%	27%	NA	NA	NA	NA	NA	NA	NA	NA	NA	135.3	NA	43%	NA	NA	171.0	320.3
Switzerland	177.0	168.4	26%	27%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	177.0	168.4
<b>ESTIMATED REGIONAL TOTALS</b>	<b>3613.0</b>	<b>3086.4</b>			<b>667.0</b>	<b>773.9</b>			<b>0.0</b>	<b>1014.0</b>			<b>1071.5</b>	<b>1021.1</b>			<b>62.0</b>	<b>73.0</b>	<b>5413.5</b>	<b>5968.4</b>

Endnotes:

<sup>1</sup> BSA's 2006 statistics are now final and are reflected above. BSA statistics represent the U.S. publishers' share of software piracy losses in each country, and follow the methodology compiled in the Third Annual BSA/IDC Global Software Piracy Study (May 2006), available at <http://www.bsa.org/globalstudy/>. These figures cover, in addition to business applications software, computer applications such as operating systems, consumer applications such as PC gaming, personal finance, and reference software. In IIPA's February 2007 Special 301 filing, BSA's 2006 piracy statistics were stated as preliminary, noting that finalized statistics would be forthcoming later in 2007.

<sup>2</sup> Spain: RIAA's 2005 estimated losses in the \$75 million range reflect U.S.-only estimates; all-industry (local plus international repertoire) are in the \$75 million range.

<sup>3</sup> MPAA does not have 2006 statistics available at the time the IIPA's 2007 301 submission was filed. In 2006, MPAA changed its methodology of analyzing physical (hard goods) and internet piracy, and MPAA's 2005 piracy loss statistics for a limited number of countries is posted on IIPA's website.

<sup>4</sup> ESA's reported dollar figures reflect the value of pirate product present in the marketplace as distinguished from definitive industry "losses." ESA's methodology is described in Appendix B of IIPA's submission. Several piracy rate estimates included for 2006 in this report (for Chile, Colombia, Hungary and Paraguay) reflect only the piracy rate for handheld products – which may differ from and often underestimate overall piracy levels in a given country.

"GSP" means that the U.S. government is reviewing this country's IPR practices under the Generalized System of Preferences trade program.

"OCR" means out-of-cycle review to be conducted by USTR.

## USTR 2007 "SPECIAL 301" DECISIONS

IIPA 2005-2006 ESTIMATED TRADE LOSSES DUE TO COPYRIGHT PIRACY  
(in millions of U.S. dollars)  
and 2005-2006 ESTIMATED LEVELS OF COPYRIGHT PIRACY

### MIDDLE EAST/AFRICA

	Business Software <sup>1</sup>				Records & Music				Motion Pictures <sup>2</sup>				Entertainment Software <sup>3</sup>				Books		Totals	
	Losses		Levels		Losses		Levels		Losses		Levels		Losses		Levels		Loss	Loss	Loss	Loss
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
<b>PRIORITY WATCH LIST</b>																				
Egypt	49.0	45.0	63%	64%	12.0	9.0	70%	60%	NA	NA	NA	NA	NA	14.3	NA	85%	31.0	30.0	92.0	98.3
Israel	47.0	39.0	32%	32%	45.0	28.0	50%	35%	NA	61.0	NA	61%	11.4	NA	84%	95%	1.0	1.0	104.4	129.0
Lebanon (GSP)	23.0	20.0	73%	73%	2.6	3.2	60%	75%	NA	1.0	NA	1%	NA	NA	NA	NA	NA	4.0	25.6	28.2
Turkey	184.0	157.0	64%	65%	20.0	18.0	80%	80%	NA	29.0	NA	NA	NA	NA	NA	NA	20.0	23.0	224.0	227.0
<b>WATCH LIST</b>																				
Kuwait	33.0	35.0	64%	66%	9.0	8.5	70%	70%	NA	NA	NA	NA	NA	1.3	NA	82%	0.5	0.5	42.5	45.3
Saudi Arabia	115.0	105.0	52%	52%	20.0	20.0	50%	50%	NA	95.0	NA	95%	NA	NA	NA	95%	8.0	10.0	143.0	230.0
<b>TOTALS</b>	<b>451.0</b>	<b>401.0</b>			<b>108.6</b>	<b>86.7</b>			<b>NA</b>	<b>186.0</b>			<b>11.4</b>	<b>15.6</b>			<b>60.5</b>	<b>68.5</b>	<b>631.5</b>	<b>757.8</b>
<b>Countries IIPA included in its 2007 301 Report, but which are not on USTR's 2007 301 list</b>																				
Bahrain	13.0	12.0	60%	60%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	13.0	12.0
Jordan	11.0	11.0	61%	63%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	11.0	11.0
Morocco	30.0	31.0	66%	68%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	30.0	31.0
Oman	14.0	12.0	62%	63%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	14.0	12.0
South Africa	123.0	116.0	35%	36%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	3.0	2.0	126.0	118.0
<b>ESTIMATED REGIONAL TOTALS</b>	<b>642.0</b>	<b>583.0</b>			<b>108.6</b>	<b>86.7</b>			<b>NA</b>	<b>186.0</b>			<b>11.4</b>	<b>15.6</b>			<b>63.5</b>	<b>70.5</b>	<b>825.5</b>	<b>941.8</b>

Endnotes:

<sup>1</sup> BSA's 2006 statistics are now final and are reflected above. BSA statistics represent the U.S. publishers' share of software piracy losses in each country, and follow the methodology compiled in the Third Annual BSA/IDC Global Software Piracy Study (May 2006), available at <http://www.bsa.org/globalstudy/>. These figures cover, in addition to business applications software, computer applications such as operating systems, consumer applications such as PC gaming, personal finance, and reference software. In IIPA's February 2007 Special 301 filing, BSA's 2006 piracy statistics were stated as preliminary, noting that finalized statistics would be forthcoming later in 2007.

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