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CONTACT:

Eric H. Smith

202 833 4198

<http://www.iipa.com>

**IIPA PRAISES USTR DECISION
TO LOWER INDONESIA TO THE SPECIAL 301 WATCH LIST**

USTR cites “bolstered” enforcement efforts, but notes that “sustained efforts and continued progress on key IPR issues will be essential to avoid a future return to the Priority Watch List”

Washington — The International Intellectual Property Alliance (IIPA) praised United States Trade Representative Susan Schwab’s announcement that Indonesia will be lowered to the Special 301 Watch List in recognition of “bolstered implementation of its regulations designed to stop illegal production of pirated optical discs” as well as the “numerous raids on retail outlets selling pirated goods,” among other progress. IIPA also applauds USTR’s statements that while progress has been made, “sustained efforts and continued progress on key IPR issues will be essential to avoid a future return to the Priority Watch List,” and that “Indonesia’s efforts to address other critical IPR issues will be essential to demonstrate that Indonesia is serious in creating and sustaining an effective IPR enforcement regime.” USTR announced that it would continue to monitor closely the Indonesian Government’s efforts.

IIPA notes two key areas which further improvements are needed. First, the Indonesian Government must follow up the recent raids with arrests and successful prosecutions of key perpetrators of piracy operations (i.e., managers and owners, not mere employees). Second, the Indonesian Government must also improve enforcement against book piracy, namely, photocopy piracy (mainly on university campuses), print piracy, and unauthorized translations; end-user software piracy (where piracy levels are the third worst in the world); and signal theft piracy.

The International Intellectual Property Alliance (IIPA) is a coalition of seven trade associations representing U.S. copyright-based industries in bilateral and multilateral efforts to open up foreign markets closed by piracy and other market access barriers. These member associations 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 (such as videogame discs and cartridges, personal computer CD-ROMs, and multimedia products); theatrical films, television programs, DVDs and home video and digital representations of audiovisual works; music, records, CDs, and audiocassettes; and textbooks, trade books, reference and professional publications and journals (in both electronic and print media).

In October 2004, the IIPA released its latest economic report, entitled *Copyright Industries in the U.S. Economy: The 2004 Report*, the tenth such study written by Stephen Siwek of Economists Inc. for IIPA. The latest data shows that in 2002, the U.S. “core” copyright industries accounted for an estimated 6% of U.S. Gross Domestic Product (GDP), or \$626.6 billion, and the “total” copyright industries accounted for an estimated 12% of U.S. GDP, or \$1.25 trillion. The “core” copyright industries employed 4% of U.S. workers in 2002, or 5.48 million persons. Between 1997 and 2001, the “core” copyright industries’ employment grew at an annual growth rate of 3.19% per year, a rate more than double the annual employment rate achieved by the U.S. economy as a whole (1.39% per year). Finally, in 2002, the U.S. copyright industries achieved foreign sales and exports estimated at \$89.26 billion, leading other major industry sectors such as chemicals and related products, motor vehicles, equipment and parts, and aircraft and aircraft parts.