



December 9, 2003

*Via electronic filing to ntecomments@ita.doc.gov*  
Ms. Carmen Suro-Bredie  
Chairman, Trade Policy Staff Committee  
c/o Office of Trade and Economic Analysis  
U.S. Department of Commerce, Room H-2815  
Washington, DC, 20230

Re: The 2004 National Trade Estimate Report  
on Foreign Trade Barriers, 68 Fed. Reg. 62159  
(October 31, 2003)

To the Trade Policy Staff Committee:

The International Intellectual Property Alliance (IIPA) takes this opportunity to provide the Trade Policy Staff Committee (TPSC) with our continuing efforts toward identifying significant market access barriers to U.S. goods and services for inclusion in the preparation of the 2004 National Trade Estimate Report.

We are providing you with the public materials previously provided to the U.S. government interagency, all taken from our February 2003 "Special 301" submission to USTR. We also include our final 2002 estimated trade losses due to piracy in over 50 countries.

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. IIPA is comprised of six trade associations, each representing a significant segment of the U.S. copyright community. These member associations represent over 1,300 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 CDs and cartridges, personal computer CD-ROMs and multimedia products); 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).

Our Submission for the 2004 NTE

In February 2003, 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 2003 Special 301 submission has been distributed to the TPSC and many U.S. government officials who work on these country issues and who contribute to preparing the NTE. Our 2003 Special 301 submission is available to the public in the USTR Reading Room and on our website – [www.iipa.com](http://www.iipa.com).

Of the ten categories of issues identified by the TPSC for the 2004 NTE, IIPA's 2003 Special 301 submission already addressed 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.

Since our February 2003 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 2002 Report. For example, in terms of actions we have publicly taken, we recently called for Korea to be elevated to the "Priority Watch List" during its 2003 out-of-cycle review this fall. We have participated in GSP IPR hearings against six countries (Brazil, Russia, Dominican Republic, Lebanon, Kazakhstan, and Uzbekistan). We have given public testimony on China, the Bahrain FTA, and the Dominican Republic FTA.

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

IIPA and its members are gathering information for our February 2004 Special 301 submission. Our 2004 submission will contain detailed developments in numerous countries, including trade loss and piracy level estimates for the year 2003. As in prior years, IIPA will provide the TPSC with a courtesy copy of our 2004 Special 301 submission to the TPSC in February for its consideration in the NTE process (we realize that the TPSC has called today's filing deadline "final" for NTE purposes).

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.

We also direct your attention to the IIPA website for the following information, should the TPSC or other officials wish to refer to it before we forward our 2004 Special 301 filing to the TPSC in February (hyperlinks are underlined):

- A list of USTR's April 30, 2003 Special 301 decisions which includes IIPA's finalized estimated trade losses due to copyright piracy in 2001 in the targeted countries. See [http://www.iipa.com/pdf/2003\\_June\\_USTR\\_LossUpd.pdf](http://www.iipa.com/pdf/2003_June_USTR_LossUpd.pdf). Our four regional charts are attached to this letter (in Microsoft Excel format).
- Our methodology for these trade loss and piracy calculations is available at

<http://www.iipa.com/pdf/2003SPEC301METHODOLOGY.pdf>.

- To reach the main page of our 2003 Special 301 filing and the table of contents of all the countries discussed in our 2003 submission, please go to [http://www.iipa.com/special301\\_TOCs/2003\\_SPEC301\\_TOC.html](http://www.iipa.com/special301_TOCs/2003_SPEC301_TOC.html).

### **Final Note**

Please be aware that at least one of IIPA's member associations will be submitting a report for the 2004 NTE. The submission of the Motion Picture Association of America (MPAA) will include trade barriers related to the export of U.S. filmed entertainment, including piracy as well as other tariff and non-tariff trade barriers. That report will include estimated piracy losses due to motion picture piracy and other trade barriers during 2003. MPAA's 2003 estimates will appear in IIPA's 2004 Special 301 submission, along with additional industry estimates provided by the other IIPA member associations.

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 around the world. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric H. Smith". The signature is fluid and cursive, with a large initial "E" and "S".

Eric H. Smith  
President  
International Intellectual Property Alliance

**USTR 2003 "SPECIAL 301" DECISIONS AND  
IIPA ESTIMATED U.S. TRADE LOSSES DUE TO COPYRIGHT PIRACY  
(in millions of U.S. dollars)  
and ESTIMATED LEVELS OF COPYRIGHT PIRACY FOR 2001-2002**

**ASIA PACIFIC**

|   | Motion Pictures |              |              |      | Records & Music |              |              |      | Business Software Applications <sup>1</sup> |               |              |      | Entertainment Software |               |              |      | Books        |              | TOTAL LOSSES  |               |
|---|-----------------|--------------|--------------|------|-----------------|--------------|--------------|------|---|---------------|--------------|------|------------------------|---------------|--------------|------|--------------|--------------|---------------|---------------|
|   | Loss            |              | Piracy Level |      | Loss            |              | Piracy Level |      | Loss  |               | Piracy Level |      | Loss                   |               | Piracy Level |      | Loss         |              |               |               |
|   | 2002            | 2001         | 2002         | 2001 | 2002            | 2001         | 2002         | 2001 | 2002  | 2001          | 2002         | 2001 | 2002                   | 2001          | 2002         | 2001 | 2002         | 2001         | 2002          | 2001          |
| <b>306 MONITORING</b>   |                 |              |              |      |                 |              |              |      |   |               |              |      |                        |               |              |      |              |              |               |               |
| People's Republic of China                                      | 168.0           | 160.0        | 91%          | 88%  | 48.0            | 47.3         | 90%          | 90%  | 1637.3                                      | 1140.2        | 92%          | 92%  | NA                     | 455.0         | 96%          | 92%  | 40.0         | 130.0        | 1893.3        | 1932.5        |
| <b>PRIORITY WATCH LIST</b>                                      |                 |              |              |      |                 |              |              |      |   |               |              |      |                        |               |              |      |              |              |               |               |
| India   | 75.0            | 70.0         | 60%          | 60%  | 6.6             | NA           | 40%          | 40%  | 257.7                                       | 256.0         | 70%          | 70%  | NA                     | NA            | NA           | 90%  | 36.5         | 37.0         | 375.8         | 363.0         |
| Indonesia   | 28.0            | 27.5         | 90%          | 90%  | 92.3            | 67.9         | 89%          | 87%  | 109.6                                       | 63.1          | 89%          | 88%  | NA                     | NA            | NA           | NA   | 30.0         | 30.0         | 259.9         | 188.5         |
| Philippines   | 30.0            | 28.0         | 80%          | 80%  | 20.9            | 23.9         | 40%          | 36%  | 25.0  | 19.9          | 68%          | 63%  | NA                     | NA            | NA           | 99%  | 45.0         | 44.0         | 120.9         | 115.8         |
| Taiwan  | 42.0            | 35.0         | 44%          | 30%  | 98.6            | 51.7         | 47%          | 48%  | 91.2  | 106.8         | 43%          | 53%  | 596.1                  | 119.4         | 56%          | 70%  | 20.0         | 20.0         | 847.9         | 332.9         |
| <b>WATCH LIST</b>   |                 |              |              |      |                 |              |              |      |   |               |              |      |                        |               |              |      |              |              |               |               |
| Malaysia  | 42.0            | 40.0         | 75%          | 80%  | 110.2           | 148.9        | 70%          | 75%  | 79.2  | 75.0          | 68%          | 70%  | NA                     | 56.4          | NA           | 93%  | 8.3          | 8.2          | 239.7         | 328.5         |
| Pakistan (GSP petition pending)                                 | 12.0            | 11.0         | 95%          | NA   | 60.0            | 60.0         | 83%          | 90%  | 11.2  | 9.2           | 80%          | 83%  | NA                     | NA            | NA           | NA   | 44.0         | 44.0         | 127.2         | 124.2         |
| South Korea (OCR)   | 27.0            | 25.0         | 25%          | 25%  | 6.9             | 4.0          | 20%          | 14%  | 285.9                                       | 100.4         | 50%          | 48%  | 381.0                  | 487.7         | 36%          | 63%  | 36.0         | 35.0         | 736.8         | 652.1         |
| Thailand  | 26.0            | 24.0         | 70%          | 65%  | 30.0            | 16.6         | 42%          | 45%  | 57.3  | 32.6          | 77%          | 77%  | 47.3                   | 29.1          | 86%          | 93%  | 28.0         | 28.0         | 188.6         | 130.3         |
| Vietnam   | 5.0             | 7.0          | NA           | NA   | NA              | NA           | NA           | NA   | 29.1  | 26.3          | 95%          | 94%  | NA                     | NA            | NA           | NA   | 2.0          | NA           | 36.1          | 33.3          |
| <b>TOTAL PIRACY LOSSES ON 301 LIST</b>                          | <b>455.0</b>    | <b>427.5</b> |              |      | <b>473.5</b>    | <b>420.3</b> |              |      | <b>2583.5</b>                               | <b>1829.5</b> |              |      | <b>1024.4</b>          | <b>1147.6</b> |              |      | <b>289.8</b> | <b>376.2</b> | <b>4826.2</b> | <b>4201.1</b> |
| <b>COUNTRIES NOT LISTED BY USTR BUT RECOMMENDED BY IIPA</b>     |                 |              |              |      |                 |              |              |      |   |               |              |      |                        |               |              |      |              |              |               |               |
| Bangladesh  | NA              | NA           | NA           | NA   | NA              | NA           | 98%          | NA   | NA  | NA            | NA           | NA   | NA                     | NA            | NA           | NA   | NA           | NA           | 0.0           | 0.0           |
| Sri Lanka   | NA              | NA           | NA           | NA   | NA              | NA           | 99%          | NA   | NA  | NA            | NA           | NA   | NA                     | NA            | NA           | NA   | NA           | NA           | 0.0           | 0.0           |
| <b>SUBTOTAL OF IIPA RECOMMENDED COUNTRIES (NOT ON 301 LIST)</b> | <b>0</b>        | <b>0</b>     |              |      | <b>0</b>        | <b>0</b>     |              |      | <b>0</b>                                    | <b>0</b>      |              |      | <b>0</b>               | <b>0</b>      |              |      | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>      |
| <b>TOTAL PIRACY LOSSES IN THIS REGION</b>                       | <b>455.0</b>    | <b>427.5</b> |              |      | <b>473.5</b>    | <b>420.3</b> |              |      | <b>2583.5</b>                               | <b>1829.5</b> |              |      | <b>1024.4</b>          | <b>1147.6</b> |              |      | <b>289.8</b> | <b>376.2</b> | <b>4826.2</b> | <b>4201.1</b> |

*Endnotes:*

<sup>1</sup> BSA's trade loss estimates represent losses to U.S. publishers only, and differ from the BSA trade loss numbers generally released by that association which reflect losses to (a) all software publishers in that country and (b) losses to distributors/retailers in the country in question. This chart includes BSA's finalized statistics for 2002.

"GSP Petition Pending" means that IIPA has submitted a petition before the GSP subcommittee for its acceptance to initiate a review, and that decision is still pending.

"OCR" means Special 301 out-of-cycle review will be conducted by USTR in late 2003.

**USTR 2003 "SPECIAL 301" DECISIONS AND  
IIPA ESTIMATED U.S. TRADE LOSSES DUE TO COPYRIGHT PIRACY  
(in millions of U.S. dollars)  
and ESTIMATED LEVELS OF COPYRIGHT PIRACY FOR 2001-2002**

**WESTERN EUROPE, EASTERN EUROPE AND THE CIS**

|   | Motion Pictures |              |        |      | Records & Music |              |        |      | Business Software Applications <sup>1</sup> |              |        |      | Entertainment Software |              |        |      | Books       |             | TOTAL LOSSES  |               |
|---|-----------------|--------------|--------|------|-----------------|--------------|--------|------|---|--------------|--------|------|------------------------|--------------|--------|------|-------------|-------------|---------------|---------------|
|   | Loss            |              | Piracy |      | Loss            |              | Piracy |      | Loss  |              | Piracy |      | Loss                   |              | Piracy |      | Loss        |             | 2002          | 2001          |
|   | 2002            | 2001         | 2002   | 2001 | 2002            | 2001         | 2002   | 2001 | 2002  | 2001         | 2002   | 2001 | 2002                   | 2001         | 2002   | 2001 | 2002        | 2001        |               |               |
| <b>PRIORITY FOREIGN COUNTRY</b>                                 |                 |              |        |      |                 |              |        |      |   |              |        |      |                        |              |        |      |             |             |               |               |
| Ukraine (GSP)   | 40.0            | 40.0         | 90%    | 80%  | 150.0           | 170.0        | 80%    | 85%  | 58.8  | 46.7         | 89%    | 87%  | NA                     | NA           | NA     | NA   | NA          | NA          | 248.8         | 256.7         |
| <b>PRIORITY WATCH LIST</b>                                      |                 |              |        |      |                 |              |        |      |   |              |        |      |                        |              |        |      |             |             |               |               |
| European Union  | NA              | NA           | NA     | NA   | NA              | NA           | NA     | NA   | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 0.0           | 0.0           |
| Poland  | 25.0            | 25.0         | 30%    | 27%  | 45.0            | 37.0         | 45%    | 30%  | 107.9                                       | 77.1         | 54%    | 53%  | 337.7                  | 115.8        | 91%    | 90%  | 5.0         | 6.5         | 520.6         | 261.4         |
| Russian Federation (GSP)  | 250.0           | 250.0        | 80%    | 80%  | 371.9           | 285.0        | 66%    | 64%  | 370.0                                       | 90.6         | 89%    | 87%  | NA                     | 173.6        | 90%    | 90%  | 40.0        | 48.0        | 1031.9        | 847.2         |
| <b>WATCH LIST</b>   |                 |              |        |      |                 |              |        |      |   |              |        |      |                        |              |        |      |             |             |               |               |
| Azerbaijan  | NA              | NA           | NA     | NA   | 14.8            | 13.0         | 99%    | 85%  | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 14.8          | 13.0          |
| Belarus   | NA              | NA           | NA     | NA   | 22.0            | 20.0         | 73%    | 75%  | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 22.0          | 20.0          |
| Croatia   | NA              | NA           | NA     | NA   | NA              | NA           | NA     | NA   | 5.7   | NA           | 62%    | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 5.7           | 0.0           |
| Hungary   | 18.0            | 18.0         | 30%    | 40%  | 6.0             | 4.5          | 30%    | 30%  | 32.8  | 21.3         | 45%    | 48%  | NA                     | 43.3         | NA     | 90%  | 4.0         | 4.0         | 60.8          | 91.1          |
| Italy   | 140.0           | 140.0        | 20%    | 20%  | 42.0            | 40.0         | 23%    | 23%  | 363.4                                       | 338.8        | 47%    | 45%  | 215.4                  | NA           | 55%    | 74%  | 23.0        | 23.5        | 783.8         | 542.3         |
| Kazakhstan (GSP)  | NA              | NA           | NA     | NA   | 23.0            | 25.0         | 78%    | 78%  | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 23.0          | 25.0          |
| Latvia  | NA              | 1.5          | 85%    | NA   | 8.0             | NA           | 67%    | NA   | 7.4   | NA           | 58%    | 59%  | NA                     | NA           | NA     | NA   | NA          | NA          | 15.4          | 1.5           |
| Lithuania   | NA              | 1.5          | 90%    | NA   | 12.0            | 7.0          | 85%    | 85%  | 4.6   | 3.9          | 53%    | 56%  | NA                     | NA           | 80%    | NA   | NA          | NA          | 16.6          | 12.4          |
| Romania   | 6.0             | 6.0          | 55%    | 65%  | 15.0            | 14.0         | 75%    | 70%  | 20.7  | 15.7         | 70%    | 75%  | 35.2                   | NA           | 97%    | 95%  | 2.0         | 2.0         | 78.9          | 37.7          |
| Slovak Republic   | 2.0             | NA           | NA     | NA   | NA              | NA           | NA     | NA   | 19.8  | NA           | 45%    | NA   | NA                     | NA           | NA     | NA   | 0.5         | NA          | 22.3          | 0.0           |
| Tajikistan  | NA              | NA           | NA     | NA   | 5.0             | 3.0          | 87%    | 83%  | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 5.0           | 3.0           |
| Turkmenistan  | NA              | NA           | NA     | NA   | 6.5             | NA           | <90%   | NA   | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 6.5           | 0.0           |
| Uzbekistan (GSP)  | NA              | NA           | NA     | NA   | 32.0            | NA           | <90%   | NA   | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 32.0          | 0.0           |
| <b>TOTAL PIRACY LOSSES ON 301 LIST</b>                          | <b>481.0</b>    | <b>482.0</b> |        |      | <b>753.2</b>    | <b>618.5</b> |        |      | <b>991.1</b>                                | <b>594.1</b> |        |      | <b>588.3</b>           | <b>332.7</b> |        |      | <b>74.5</b> | <b>84.0</b> | <b>2888.1</b> | <b>2111.3</b> |
| <b>COUNTRIES NOT LISTED BY USTR BUT RECOMMENDED BY IIPA</b>     |                 |              |        |      |                 |              |        |      |   |              |        |      |                        |              |        |      |             |             |               |               |
| Armenia   | NA              | NA           | NA     | NA   | 4.0             | 4.5          | 85%    | 85%  | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 4.0           | 4.5           |
| Bulgaria  | 3.0             | 3.0          | 20%    | 20%  | 7.2             | 3.0          | 83%    | 65%  | 6.2   | 8.3          | 68%    | 75%  | 21.9                   | NA           | 91%    | 84%  | 0.3         | 0.3         | 38.6          | 14.6          |
| Czech Republic  | 9.0             | 8.0          | 12%    | 10%  | 7.3             | 8.4          | 50%    | 48%  | 40.2  | 27.7         | 40%    | 43%  | 38.3                   | 54.8         | 89%    | 90%  | 3.0         | 3.0         | 97.8          | 101.9         |
| Estonia   | 2.0             | 1.5          | 30%    | 40%  | 9.0             | 9.0          | 60%    | 60%  | 4.2   | 3.3          | 53%    | 53%  | NA                     | NA           | NA     | 90%  | NA          | 2.5         | 15.2          | 16.3          |
| Georgia   | NA              | NA           | NA     | NA   | 8.0             | 6.0          | 86%    | 86%  | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 8.0           | 6.0           |
| Kyrgyz Republic   | NA              | NA           | NA     | NA   | 5.0             | 8.0          | 85%    | 85%  | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 5.0           | 8.0           |
| Moldova   | NA              | NA           | NA     | NA   | 6.0             | 5.0          | 77%    | 86%  | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 6.0           | 5.0           |
| Serbia & Montenegro   | NA              | NA           | NA     | NA   | 14.0            | NA           | 95%    | NA   | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA          | NA          | 14.0          | 0.0           |
| <b>SUBTOTAL OF IIPA RECOMMENDED COUNTRIES (NOT ON 301 LIST)</b> | <b>14.0</b>     | <b>12.5</b>  |        |      | <b>60.5</b>     | <b>43.9</b>  |        |      | <b>50.6</b>                                 | <b>39.3</b>  |        |      | <b>60.2</b>            | <b>54.8</b>  |        |      | <b>3.3</b>  | <b>5.8</b>  | <b>188.6</b>  | <b>156.3</b>  |
| <b>TOTAL PIRACY LOSSES IN THIS REGION</b>                       | <b>495.0</b>    | <b>494.5</b> |        |      | <b>813.7</b>    | <b>662.4</b> |        |      | <b>1041.7</b>                               | <b>633.4</b> |        |      | <b>648.5</b>           | <b>387.5</b> |        |      | <b>77.8</b> | <b>89.8</b> | <b>3076.7</b> | <b>2267.6</b> |

*Endnotes:*

1 BSA's trade loss estimates represent losses to U.S. publishers only, and differ from the BSA trade loss numbers generally released by that association which reflect losses to (a) all software publishers in that country and (b) losses to distributors/retailers in the country in question. This chart includes BSA's finalized statistics for 2002.

"GSP" means that the U.S. government is reviewing this country's IPR practices under the Generalized System of Preferences trade program. In the case of Ukraine, GSP benefits have already been withdrawn.

**IIPA 2003 "SPECIAL 301" DECISIONS AND  
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(in millions of U.S. dollars)  
and ESTIMATED LEVELS OF COPYRIGHT PIRACY FOR 2001-2002**

**THE AMERICAS**

|   | Motion Pictures |              |        |      | Records & Music |               |        |      | Business Software Applications <sup>1</sup> |              |        |      | Entertainment Software |              |        |      | Books        |              | TOTAL LOSSES  |               |
|---|-----------------|--------------|--------|------|-----------------|---------------|--------|------|---|--------------|--------|------|------------------------|--------------|--------|------|--------------|--------------|---------------|---------------|
|   | Loss            |              | Piracy |      | Loss            |               | Piracy |      | Loss  |              | Piracy |      | Loss                   |              | Piracy |      | Loss         |              |               |               |
|   |                 |              | Level  |      |                 |               | Level  |      |   |              | Level  |      |                        |              | Level  |      |              |              |               |               |
|   | 2002            | 2001         | 2002   | 2001 | 2002            | 2001          | 2002   | 2001 | 2002  | 2001         | 2002   | 2001 | 2002                   | 2001         | 2002   | 2001 | 2002         | 2001         | 2002          | 2001          |
| <b>306 MONITORING</b>                     |                 |              |        |      |                 |               |        |      |   |              |        |      |                        |              |        |      |              |              |               |               |
| Paraguay <sup>2</sup>                     | 2.0             | 2.0          | 80%    | 80%  | 204.4           | 253.6         | 99%    | 99%  | 2.2   | 3.5          | 71%    | 72%  | NA                     | NA           | NA     | NA   | 2.0          | 3.0          | 210.6         | 262.1         |
| <b>PRIORITY WATCH LIST</b>                |                 |              |        |      |                 |               |        |      |   |              |        |      |                        |              |        |      |              |              |               |               |
| Argentina                                 | 30.0            | 30.0         | 45%    | 45%  | 26.0            | 78.2          | 60%    | 47%  | 10.7  | 72.5         | 62%    | 62%  | NA                     | NA           | NA     | 95%  | NA           | 8.5          | 66.7          | 189.2         |
| Bahamas                                   | NA              | NA           | NA     | NA   | NA              | NA            | NA     | NA   | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA           | NA           | 0.0           | NA            |
| Brazil (GSP)                              | 120.0           | 120.0        | 35%    | 33%  | 320.4           | 302.0         | 53%    | 55%  | 260.8                                       | 272.3        | 55%    | 56%  | NA                     | NA           | NA     | 99%  | 14.0         | 14.0         | 715.2         | 708.3         |
| <b>WATCH LIST</b>                         |                 |              |        |      |                 |               |        |      |   |              |        |      |                        |              |        |      |              |              |               |               |
| Bolivia                                   | NA              | 2.0          | NA     | 100% | 15.0            | 15.0          | 85%    | 85%  | 2.5   | 4.9          | 74%    | 77%  | NA                     | NA           | NA     | NA   | 5.5          | 5.5          | 23.0          | 27.4          |
| Canada                                    | 22.0            | NA           | NA     | NA   | NA              | NA            | NA     | NA   | 236.5                                       | 151.0        | 39%    | 38%  | NA                     | NA           | NA     | NA   | NA           | NA           | 258.5         | 151.0         |
| Chile                                     | 2.0             | 2.0          | 40%    | 40%  | 14.0            | 12.2          | 35%    | 35%  | 34.0  | 46.3         | 51%    | 51%  | NA                     | NA           | NA     | NA   | 1.1          | 1.1          | 51.1          | 61.6          |
| Colombia                                  | 40.0            | 40.0         | 90%    | 90%  | 56.3            | 73.0          | 65%    | 65%  | 21.7  | 19.5         | 51%    | 52%  | NA                     | NA           | NA     | NA   | 5.3          | 5.3          | 123.3         | 137.8         |
| Costa Rica                                | 2.0             | 2.0          | 40%    | 40%  | 7.0             | 4.8           | 50%    | 40%  | 6.7   | 6.9          | 61%    | 64%  | NA                     | NA           | NA     | NA   | NA           | NA           | 15.7          | 13.7          |
| Dominican Republic (GSP)                  | 2.0             | 2.0          | 60%    | 60%  | 6.9             | 7.7           | 65%    | 65%  | 3.6   | 4.0          | 61%    | 64%  | NA                     | NA           | NA     | NA   | 1.0          | 1.0          | 13.5          | 14.7          |
| Ecuador                                   | NA              | NA           | NA     | 95%  | 18.0            | 18.0          | 90%    | 90%  | 6.0   | 6.9          | 59%    | 62%  | NA                     | NA           | NA     | NA   | 2.3          | 2.3          | 26.3          | 27.2          |
| Guatemala                                 | 2.0             | 2.0          | 60%    | 60%  | 4.8             | NA            | NA     | NA   | 10.6  | 14.1         | 61%    | 73%  | NA                     | NA           | NA     | NA   | 2.5          | 2.5          | 19.9          | 18.6          |
| Jamaica                                   | NA              | NA           | NA     | NA   | NA              | NA            | NA     | NA   | NA  | NA           | NA     | NA   | NA                     | NA           | NA     | NA   | NA           | NA           | 0.0           | 0.0           |
| Mexico <sup>3</sup>                       | 50.0            | 50.0         | 40%    | 40%  | 459.0           | 366.8         | 68%    | 61%  | 168.9                                       | 146.9        | 55%    | 55%  | NA                     | 202.5        | NA     | 83%  | 40.0         | 40.0         | 717.9         | 806.2         |
| Peru                                      | 4.0             | 4.0          | 50%    | 50%  | 70.2            | 57.8          | 98%    | 97%  | 14.7  | 11.2         | 60%    | 60%  | NA                     | NA           | NA     | NA   | 8.5          | 9.0          | 97.4          | 82.0          |
| Uruguay                                   | 2.0             | 2.0          | 40%    | 40%  | 1.4             | 4.0           | 60%    | 50%  | 3.4   | 6.4          | 60%    | 63%  | NA                     | NA           | NA     | NA   | 1.5          | 2.0          | 8.3           | 14.4          |
| Venezuela                                 | 25.0            | 25.0         | 65%    | 65%  | 29.0            | 54.0          | 75%    | 62%  | 17.5  | 25.7         | 54%    | 55%  | NA                     | NA           | NA     | NA   | 18.0         | 20.0         | 89.5          | 124.7         |
| <b>TOTAL PIRACY LOSSES IN THIS REGION</b> | <b>303.0</b>    | <b>283.0</b> |        |      | <b>1232.4</b>   | <b>1247.1</b> |        |      | <b>799.8</b>                                | <b>792.1</b> |        |      | <b>0.0</b>             | <b>202.5</b> |        |      | <b>101.7</b> | <b>114.2</b> | <b>2436.9</b> | <b>2638.9</b> |

*Endnotes:*

<sup>1</sup> BSA's trade loss estimates represent losses to U.S. publishers only, and differ from the BSA trade loss numbers generally released by that association which reflect losses to (a) all software publishers in that country and (b) losses to distributors/retailers in the country in question. This chart includes BSA's finalized statistics for 2002.

<sup>2</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.

<sup>3</sup> Mexico: RIAA reports that the 2002 estimated losses due to recording piracy in Mexico reflect losses experienced by the overall industry, including both U.S. and Mexican record companies.

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

**USTR 2003 "SPECIAL 301" DECISIONS AND  
IIPA ESTIMATED U.S. TRADE LOSSES DUE TO COPYRIGHT PIRACY  
(in millions of U.S. dollars)  
and ESTIMATED LEVELS OF COPYRIGHT PIRACY FOR 2001-2002**

**MIDDLE EAST AND AFRICA**

|   | Motion Pictures |              |              |      | Records & Music |             |              |      | Business Software Applications <sup>1</sup> |              |              |      | Entertainment Software |              |              |      | Books       |             | TOTAL LOSSES |              |
|---|-----------------|--------------|--------------|------|-----------------|-------------|--------------|------|---|--------------|--------------|------|------------------------|--------------|--------------|------|-------------|-------------|--------------|--------------|
|   | Loss            |              | Piracy Level |      | Loss            |             | Piracy Level |      | Loss  |              | Piracy Level |      | Loss                   |              | Piracy Level |      | Loss        |             |              |              |
|   | 2002            | 2001         | 2002         | 2001 | 2002            | 2001        | 2002         | 2001 | 2002  | 2001         | 2002         | 2001 | 2002                   | 2001         | 2002         | 2001 | 2002        | 2001        |              |              |
|   | 2002            | 2001         | 2002         | 2001 | 2002            | 2001        | 2002         | 2001 | 2002  | 2001         | 2002         | 2001 | 2002                   | 2001         | 2002         | 2001 | 2002        | 2001        |              |              |
| <b>PRIORITY WATCH LIST</b>                                      |                 |              |              |      |                 |             |              |      |   |              |              |      |                        |              |              |      |             |             |              |              |
| Lebanon (GSP petition pending)                                  | 8.0             | 8.0          | 80%          | 80%  | 2.0             | 2.0         | 65%          | 40%  | 3.5   | 1.1          | 74%          | 79%  | NA                     | NA           | NA           | NA   | 2.0         | 2.0         | 15.5         | 13.1         |
| <b>WATCH LIST</b>   |                 |              |              |      |                 |             |              |      |   |              |              |      |                        |              |              |      |             |             |              |              |
| Egypt   | NA              | 15.0         | NA           | 35%  | 8.2             | 9.2         | 41%          | 41%  | 12.7  | 14.5         | 52%          | 58%  | NA                     | NA           | NA           | 90%  | 28.0        | 32.0        | 48.9         | 70.7         |
| Israel  | 30.0            | 15.0         | 50%          | 50%  | 34.0            | 40.0        | 50%          | 25%  | 29.9  | 36.9         | 37%          | 40%  | 17.2                   | 66.5         | 68%          | 89%  | 1.0         | 1.0         | 112.1        | 159.4        |
| Kuwait  | 10.0            | 9.0          | 95%          | 85%  | 3.4             | NA          | 64%          | 70%  | 4.7   | NA           | 73%          | 76%  | NA                     | NA           | NA           | 85%  | 2.5         | 2.5         | 20.6         | 11.5         |
| Saudi Arabia  | 20.0            | 30.0         | 35%          | 45%  | 16.0            | 12.0        | 42%          | 42%  | 13.3  | 16.4         | 50%          | 52%  | NA                     | 115.7        | NA           | 83%  | 14.0        | 14.0        | 63.3         | 188.1        |
| Turkey  | 50.0            | 50.0         | 45%          | 40%  | 18.0            | 3.5         | 75%          | 35%  | 38.5  | 22.4         | 58%          | 58%  | NA                     | 23.7         | NA           | 90%  | 25.0        | 27.0        | 131.5        | 126.6        |
| <b>TOTAL PIRACY LOSSES ON 301 LIST</b>                          | <b>118.0</b>    | <b>127.0</b> |              |      | <b>81.6</b>     | <b>66.7</b> |              |      | <b>102.6</b>                                | <b>91.3</b>  |              |      | <b>17.2</b>            | <b>205.9</b> |              |      | <b>72.5</b> | <b>78.5</b> | <b>391.9</b> | <b>569.4</b> |
| <b>COUNTRIES NOT LISTED BY USTR BUT RECOMMENDED BY IIPA</b>     |                 |              |              |      |                 |             |              |      |   |              |              |      |                        |              |              |      |             |             |              |              |
| Kenya   | NA              | NA           | NA           | NA   | NA              | NA          | NA           | NA   | 0.9   | NA           | 67%          | 77%  | NA                     | NA           | NA           | NA   | 1.0         | NA          | 1.9          | 0.0          |
| Qatar   | 0.3             | 0.5          | 15%          | 30%  | 0.1             | NA          | 29%          | NA   | 2.6   | 2.2          | 76%          | 78%  | NA                     | NA           | NA           | NA   | 0.2         | 0.2         | 3.2          | 2.9          |
| South Africa  | 30.0            | 12.0         | 30%          | 15%  | NA              | NA          | 25%          | NA   | 35.6  | 32.7         | 34%          | 38%  | NA                     | 26.1         | NA           | 57%  | 14.0        | 19.0        | 79.6         | 89.8         |
| <b>SUBTOTAL OF IIPA RECOMMENDED COUNTRIES (NOT ON 301 LIST)</b> | <b>30.3</b>     | <b>12.5</b>  |              |      | <b>0.1</b>      | <b>0.0</b>  |              |      | <b>39.1</b>                                 | <b>34.9</b>  |              |      | <b>0.0</b>             | <b>26.1</b>  |              |      | <b>15.2</b> | <b>19.2</b> | <b>84.7</b>  | <b>92.7</b>  |
| <b>TOTAL PIRACY LOSSES IN THIS REGION</b>                       | <b>148.3</b>    | <b>139.5</b> |              |      | <b>81.7</b>     | <b>66.7</b> |              |      | <b>141.7</b>                                | <b>126.2</b> |              |      | <b>17.2</b>            | <b>232.0</b> |              |      | <b>87.7</b> | <b>97.7</b> | <b>476.6</b> | <b>662.1</b> |

*Endnotes:*

<sup>1</sup> BSA's trade loss estimates represent losses to U.S. publishers only, and differ from the BSA trade loss numbers generally released by that association which reflect losses to (a) all software publishers in that country and (b) losses to distributors/retailers in the country in question. This chart includes BSA's finalized statistics for 2002.

"GSP Petition Pending" means that IIPA has submitted a petition before the GSP subcommittee for its acceptance to initiate a review.