

APPENDIX A: IIPA 2004 "SPECIAL 301" RECOMMENDATIONS

IIPA 2002-2003 ESTIMATED TRADE LOSSES DUE TO COPYRIGHT PIRACY
(in millions of U.S. dollars)
and 2002-2003 ESTIMATED LEVELS OF COPYRIGHT PIRACY

	Motion Pictures				Records & Music				Business Software Applications ¹				Entertainment Software				Books		TOTAL LOSSES	
	Loss		Piracy Level		Loss		Piracy Level		Loss		Piracy Level		Loss ²		Piracy Level		Loss		2003	2002
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002		
PRIORITY FOREIGN COUNTRY																				
Pakistan (GSP petition pending)	12.0	12.0	95%	95%	70.0	60.0	100%	83%	8.0	11.2	80%	80%	NA	NA	NA	NA	44.0	44.0	134.0	127.2
Ukraine	45.0	40.0	90%	90%	125.0	150.0	75%	80%	43.3	58.8	83%	89%	NA	NA	85%	NA	NA	NA	213.3	248.8
306 MONITORING																				
Paraguay ³	2.0	2.0	80%	80%	154.6	204.4	99%	99%	2.4	2.2	77%	71%	NA	NA	NA	NA	2.0	2.0	161.0	210.6
People's Republic of China	178.0	168.0	95%	91%	286.0	48.0	90%	90%	1512.0	1637.3	92%	92%	568.2	NA	96%	96%	40.0	40.0	2584.2	1893.3
PRIORITY WATCH LIST																				
Argentina	30.0	30.0	45%	45%	30.6	26.0	53%	60%	47.6	10.7	67%	62%	NA	NA	NA	NA	4.0	NA	112.2	66.7
Brazil (GSP)	120.0	120.0	30%	35%	338.7	320.4	52%	53%	186.8	260.8	55%	55%	125.7	NA	56%	NA	14.0	14.0	785.2	715.2
Bulgaria	4.0	3.0	25%	20%	7.0	7.2	80%	83%	11.6	6.2	83%	68%	NA	21.9	NA	91%	0.3	0.3	22.9	38.6
Colombia	40.0	40.0	75%	90%	49.4	56.3	70%	65%	13.3	21.7	54%	51%	NA	NA	NA	NA	5.4	5.3	108.1	123.3
Dominican Republic (GSP)	2.0	2.0	20%	60%	9.9	6.9	65%	65%	3.7	3.6	64%	61%	NA	NA	NA	NA	1.0	1.0	16.6	13.5
Egypt	NA	NA	NA	NA	8.0	8.2	45%	41%	8.1	12.7	47%	52%	NA	NA	90%	NA	25.0	28.0	41.1	48.9
India	77.0	75.0	60%	60%	6.0	6.6	40%	40%	229.5	257.7	69%	70%	113.3	NA	84%	NA	36.5	36.5	462.3	375.8
Indonesia	29.0	28.0	92%	90%	44.5	92.3	87%	89%	59.9	109.6	81%	89%	NA	NA	NA	NA	30.0	30.0	163.4	259.9
Israel	30.0	30.0	50%	50%	40.0	34.0	63%	50%	26.8	29.9	44%	37%	NA	17.2	75%	68%	1.0	1.0	97.8	112.1
Kuwait	12.0	10.0	95%	95%	3.0	3.4	55%	64%	11.6	4.7	78%	73%	NA	NA	95%	NA	2.5	2.5	29.1	20.6
Lebanon (GSP)	10.0	8.0	80%	80%	2.5	2.0	70%	65%	0.9	3.5	79%	74%	NA	NA	80%	NA	2.0	2.0	15.4	15.5
Philippines (OCR)	33.0	30.0	89%	80%	22.2	20.9	40%	40%	22.4	25.0	60%	68%	NA	NA	95%	NA	45.0	45.0	122.6	120.9
Poland (OCR)	30.0	25.0	30%	30%	34.0	45.0	45%	45%	156.4	107.9	62%	54%	NA	337.7	NA	91%	5.0	5.0	225.4	520.6
Russian Federation (GSP) (OCR)	275.0	250.0	75%	80%	405.0	371.9	64%	66%	408.3	370.0	93%	89%	NA	NA	80%	90%	40.0	40.0	1128.3	1031.9
South Korea	40.0	27.0	20%	25%	3.5	6.9	20%	20%	72.6	285.9	55%	50%	248.4	381.0	36%	36%	38.0	36.0	402.5	736.8
Taiwan (OCR)	42.0	42.0	44%	44%	58.0	98.6	42%	47%	70.9	91.2	41%	43%	261.8	596.1	42%	56%	20.0	20.0	452.7	847.9
Thailand	28.0	26.0	60%	70%	26.8	30.0	41%	42%	30.3	57.3	72%	77%	NA	47.3	82%	86%	28.0	28.0	113.1	188.6
WATCH LIST																				
Bolivia	2.0	NA	100%	100%	16.0	15.0	90%	85%	1.1	2.5	69%	74%	NA	NA	NA	NA	NA	5.5	19.1	23.0
Chile	2.0	2.0	40%	40%	21.1	14.0	40%	35%	24.4	34.0	53%	51%	NA	NA	NA	NA	1.1	1.1	48.6	51.1
CIS (group of 6, listed below)																				
<i>Azerbaijan</i>	NA	NA	NA	NA	12.2	14.8	83%	84%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	12.2	14.8
<i>Belarus</i>	NA	NA	NA	NA	22.0	22.0	74%	73%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	22.0	22.0
<i>Kazakhstan (GSP)</i>	NA	NA	NA	NA	22.7	23.0	70%	78%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	22.7	23.0
<i>Tajikistan</i>	NA	NA	NA	NA	5.2	5.0	82%	87%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	5.2	5.0
<i>Turkmenistan</i>	NA	NA	NA	NA	7.0	6.5	89%	<90%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	7.0	6.5
<i>Uzbekistan (GSP)</i>	NA	NA	NA	NA	30.5	32.0	81%	<90%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	30.5	32.0
Ecuador	NA	NA	95%	95%	19.0	18.0	95%	90%	4.2	6.0	61%	59%	NA	NA	NA	NA	2.3	2.3	25.5	26.3
Estonia	2.0	2.0	35%	30%	6.5	9.0	60%	60%	4.4	4.2	59%	53%	NA	NA	60%	NA	NA	NA	12.9	15.2

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	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002		
Hungary	20.0	18.0	30%	30%	8.0	6.0	30%	30%	6.5	32.8	40%	45%	NA	NA	NA	NA	4.0	4.0	38.5	60.8
Italy	140.0	140.0	20%	20%	42.0	42.0	22%	23%	312.5	363.4	46%	47%	168.5	215.4	47%	55%	23.0	23.0	686.0	783.8
Latvia	NA	NA	85%	85%	10.0	8.0	80%	67%	11.1	7.4	57%	58%	NA	NA	95%	NA	NA	NA	21.1	15.4
Lithuania	NA	NA	NA	90%	13.5	12.0	85%	85%	8.4	4.6	57%	53%	NA	NA	90%	80%	NA	NA	21.9	16.6
Malaysia (OCR)	38.0	42.0	50%	75%	40.0	110.2	45%	70%	91.1	79.2	75%	68%	NA	NA	90%	NA	9.0	8.3	178.1	239.7
Peru	4.0	4.0	45%	50%	87.0	70.2	98%	98%	4.9	14.7	54%	60%	NA	NA	NA	NA	8.5	8.5	104.4	97.4
Romania	8.0	6.0	35%	55%	18.0	15.0	80%	75%	28.0	20.7	74%	70%	NA	35.2	NA	97%	2.0	2.0	56.0	78.9
Saudi Arabia (OCR)	20.0	20.0	40%	35%	16.0	16.0	40%	42%	16.6	13.3	61%	50%	64.0	NA	83%	NA	14.0	14.0	130.6	63.3
Spain	30.0	25.0	10%	7%	60.0	63.0	25%	25%	249.5	79.4	58%	47%	NA	NA	NA	34%	NA	NA	339.5	167.4
Turkey	50.0	50.0	45%	45%	15.0	18.0	75%	75%	44.2	38.5	65%	58%	NA	NA	NA	NA	25.0	25.0	134.2	131.5
SPECIAL MENTION																				
Bosnia and Herzegovina	4.0	3.3	90%	95%	3.0	3.0	99%	99%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	7.0	6.3
Cambodia	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0	0.0
Canada	120.0	122.0	NA	NA	NA	NA	NA	NA	256.3	236.5	45%	39%	NA	NA	NA	NA	NA	NA	376.3	358.5
CIS (group of 4, listed below)																				
Armenia	NA	NA	NA	NA	4.1	4.0	86%	82%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	4.1	4.0
Georgia	NA	NA	NA	NA	8.0	8.0	80%	86%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	8.0	8.0
Kyrgyz Republic	NA	NA	NA	NA	5.0	5.0	85%	85%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	5.0	5.0
Moldova	NA	NA	NA	NA	4.0	6.0	69%	77%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	4.0	6.0
Costa Rica	2.0	2.0	35%	40%	7.2	7.0	56%	50%	4.8	6.7	67%	61%	NA	NA	NA	NA	NA	NA	14.0	15.7
Guatemala	2.0	2.0	60%	60%	5.0	4.8	60%	NA	8.1	10.6	73%	61%	NA	NA	NA	NA	2.5	2.5	17.6	19.9
Hong Kong	28.0	29.0	20%	25%	14.4	2.8	30%	28%	48.5	63.2	54%	56%	NA	NA	NA	NA	9.0	NA	99.9	95.0
Laos	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0	0.0
Serbia and Montenegro	NA	NA	90%	NA	9.0	14.0	75%	95%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	9.0	14.0
Singapore	8.0	8.0	15%	15%	3.2	4.9	10%	12%	15.1	24.6	40%	48%	NA	NA	NA	NA	2.0	NA	28.3	37.5
Uruguay	2.0	2.0	35%	40%	1.4	1.4	60%	60%	3.1	3.4	68%	60%	NA	NA	NA	NA	1.5	1.5	8.0	8.3
Vietnam	7.0	7.0	100%	100%	NA	NA	NA	NA	23.5	29.1	93%	95%	NA	NA	NA	NA	12.0	NA	42.5	36.1
	1528.0	1452.3			2260.7	2179.6			4092.7	4442.7			1549.9	1651.8			499.6	478.3	9930.9	10204.7

Endnotes:

¹ BSA's 2003 piracy statistics were not available as of February 13, 2004 when IIPA filed its submission but are now available as "preliminary" and were posted on the IIPA website at www.iipa.com on March 2X, 2004. These statistics for 2003 will be finalized in mid-2004 and also posted on the IIPA website. BSA's statistics for 2002 were finalized in mid-2003, and revised figures are reflected above. BSA's trade loss estimates reported here represent losses due to piracy which affect only U.S. business software publishers in each country, and differ from BSA's trade loss numbers released separately in its annual global piracy study which reflect losses to (a) all software publishers in each country (including U.S. publishers) and (b) losses to local distributors and retailers in each country.

² ESA's reported dollar figures reflect the value of pirate product present in the marketplace as distinguished from definitive industry "losses." The methodology used by the ESA is further described in Appendix B of this report.

³ 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.

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

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

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