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IIPA's New Economic Study Reveals the Copyright Industries Remain a Critical Driving Force in the U.S. Economy

U.S. Copyright Industries Continue to Lead the Economy in Contribution to the GDP, Foreign Sales/Exports, and Jobs

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 2003-2007 Report, written by Stephen Siwek of Economists Incorporated, was completed for the IIPA and updates eleven 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. Department of Commerce with Secretary of Commerce Gary Locke.

“The 2009 edition of this study 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. “This study (covering data from 2003-2007), like those that preceded it, strongly supports the continuing need for our government to focus its full attention on the economic and social importance of the creative industries within our 21st century economy. Because these industries that depend on creativity and innovation contribute so significantly to economic growth and job creation in today’s economy, our government, and governments throughout the world, must redouble their efforts to provide a safer environment for them to prosper.”

Smith added, “The copyright industries are uniquely dependent on governments’ willingness to adopt and enforce strong copyright laws that take into account changes in technology and new infringement threats that undermine creativity and innovation and the jobs and revenue that they generate. As globalization expands and Internet broadband penetration grows, our creators, our government and citizens in general must look to the great potential of a world of e-commerce to continue to create new jobs, revenue and to grow international trade. Only through the legal and secure transmission of valuable copyrighted content over the Internet can this continued growth and productivity be fully realized. Piracy threatens that growth and all governments must redouble their efforts to combat it.”

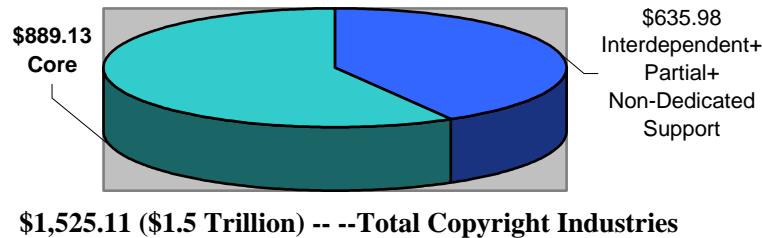
Here are the key findings in this report:

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

- In 2004, 2005, 2006 and 2007, the real annual growth rates achieved by both the ‘core’ and ‘total’ copyright industries were more than twice the real growth rates achieved by the U.S. economy as a whole.
- The copyright industries have positively contributed to real U.S. growth in a disproportionate manner. In 2007, the core copyright industries contributed 22.74% of the real growth achieved for the U.S. economy as a whole. In the same period, the total copyright industries contributed an astounding 43.06% of total real U.S. growth.

- In 2007, the value added by the core copyright industries was \$889.1 billion, approximately 6.44% of the U.S. GDP.
- The value added for the total copyright industries rose to \$1.52 trillion, or 11.05% of GDP, in 2007.

Copyright Industries in the U.S. Economy - 2007
(billions of U.S. dollars)



Foreign Sales and Exports

- Sales of U.S. copyright products continue to expand in overseas markets. The total core copyright sales in foreign markets exceeded \$116 billion in 2006 and rose over 8% to nearly \$126 billion in 2007.
- As a comparison, the foreign sales of the copyright industries significantly exceed foreign sales of other U.S. industries including aircraft (\$95.6 billion), automobiles (\$56.8 billion), agricultural products (\$48.1 billion), food (\$39.4 billion) and pharmaceuticals (\$27.9 billion).

Strong Employment and Wages

- The core copyright industries employed nearly 5.6 million workers in 2007, that is, 4.05% of the U.S. workforce.
- In 2007, 11.7 million people were employed by the total copyright industries, or 8.51% of the U.S. workforce.
- The annual 2007 compensation paid to core copyright workers (\$73,554) exceeded the average annual compensation (\$56,817) paid to all U.S. workers by 30%. The average compensation paid to employees of the total copyright industries (\$66,498) exceeded the U.S. average by 18%.

Note: The “core” industries are those copyright-related industries whose primary purpose is to produce and/or distribute copyright materials. The “total” copyright industries include those whose revenues, etc. are dependent on the “core” industries and contain four sub-sectors called the “core,” “partial,” “non-dedicated support,” and “interdependent” sectors.

Stephen E. Siwek of Economists Incorporated authored this 2009 study, which updates eleven prior reports issued by the IIPA in 1990, 1992, 1993, 1995, 1996, 1998, 1999, 2000, 2002, 2004 and 2006.

To view a full version of Copyright Industries in the U.S. Economy: The 2003-2007 Report and learn more about the IIPA, visit IIPA’s web site at www.iipa.com.