

Internet Piracy

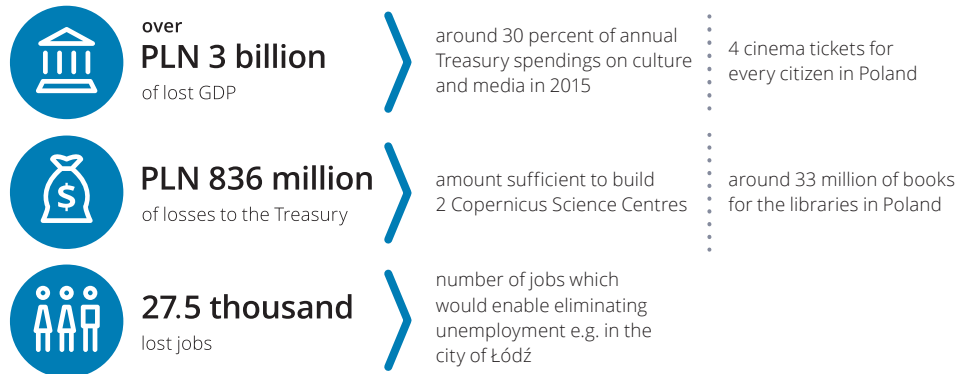
– Losses to the Culture and Economy

Analysis of the Internet Piracy Impact on the Polish Economy on Selected Cultural Markets.

This leaflet sums up a comprehensive study, the results of which are presented in the report "Internet Piracy – Losses to the Culture and Economy", commissioned by Stowarzyszenie Kreatywna Polska and prepared by Deloitte Advisory Sp. z o.o.

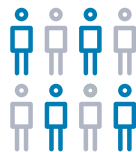
Key numbers

The total annual losses generated in the Polish economy (in 2016) as a result of Internet content piracy on the studied creative markets, i.e. TV and film, music, book and press:



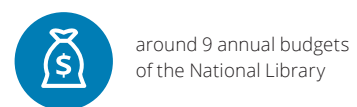
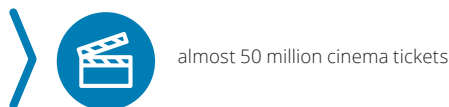
Every other Internet user aged 15–75

uses illegal content sources related to the studied markets



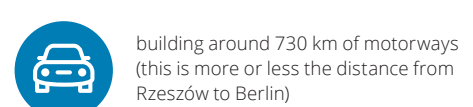
PLN 900 million

is the estimated aggregate of spendings on illegal websites by Internet users in Poland in 2016



PLN 30.4 billion

is the forecasted total value of illegal content consumption from illegal sources on the Internet in 2017–2024



PLN 745 mln

is the estimated aggregate income of illegal websites in 2016

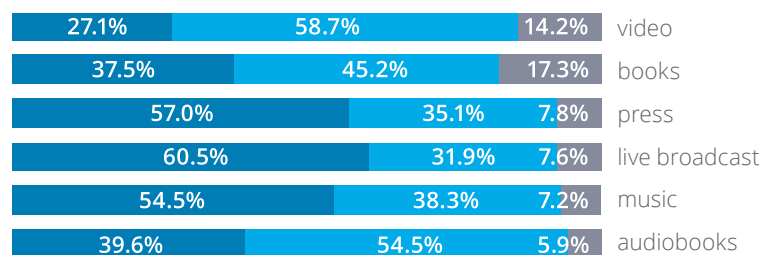


The scale of online piracy

From 14 to 73 percent of the Internet users in Poland aged 15 to 75 use Internet to obtain content from one or more creative sector markets covered in the study.

Unfortunately, 51 percent of Internet users on average, i.e. more than 12 million Poles, use websites offering illegal access to content. Slightly above one half of respondents indicated that they use both types of websites, i.e. legal and illegal ones.

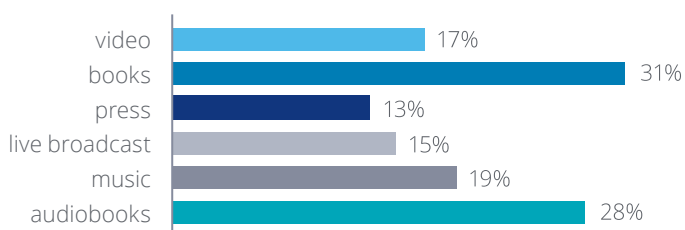
Distribution of users obtaining content from the Internet by legality of visited websites



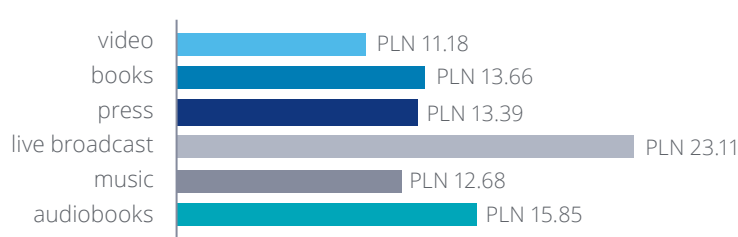
● Legal sources ● Legal and illegal sources ● Illegal sources



Share of respondents paying for access to content on websites offering illegal access



Average monthly expenditure declared by respondents on paid websites offering illegal access



Suggested solutions to reduce piracy

Implementation of legislative solutions, including:

- revising legal grounds of hosting activity and hosting providers' liability;
- introducing clear legal grounds for the court orders concerning access providers and hosting providers (prohibitions to provide services related to accessing specific Internet platforms offering copyright-protected content in an unauthorised, large-scale fashion);
- limiting the scope of permissible private use as per the EU standard as a contribution to increase legal awareness of Internet users.

Supporting and promoting initiatives based on the "follow the money" approach, including:

- dialogue with advertisers and payment intermediaries in

order to develop practices limiting financial benefits from activities based on copyright infringement;

- creating a national database of websites used for mass copyright infringement.

Social education, including:

- information campaigns devoted to the effects of intellectual property infringements;
- meetings with representatives of authorities combating cybercrime in the educational programmes at all levels.

Further increase in the supply of legal content, popularization of flexible access models and adaptation of licence window models to the dynamically changing digital market.

Report assumptions and study methods

The report "Internet Piracy - Losses to the Culture and Economy" focuses on characterising the phenomenon of online piracy, defining key methods of content sharing and their monetization, as well as estimating the scale and impact of online piracy on the Polish economy. Moreover, forecasts regarding this phenomenon were prepared. Lastly, the key triggers of online piracy were identified and legal solutions presented, based on best practises from selected European countries. In order to perform the analysis, Computer Assisted Web Interviews (CAWIs) as well as a review of public empirical studies were carried out. Additionally, individual interviews with experts in the field were conducted in order to make the study more exhaustive.

The impact on the economy was calculated using a calculation model based on the Input-Output table for the Polish economy. The total economic effects presented in the report and this leaflet are a sum of direct, indirect (generated in the supply chain) and induced (generated by employee remuneration) effects. Presented comparisons are based on publicly available statistics.

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