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In Government Filing, Leading U.S. Creative Industries Highlight Challenges in Opening Foreign Markets

Trade Agreement Compliance, Government Engagement Take Center Stage in Push to Foster Legitimate Playing Field Around the Globe

Washington—The nation's leading creative industries today called on the U.S. government to do more to ensure that our trading partners fulfill their pledges to the U.S. to improve protection and enforcement of copyright, and named 16 countries that should be on special watch lists.

In its submission in the annual "Special 301" inquiry launched by the Office of the U.S. Trade Representative (USTR), the International Intellectual Property Alliance (IIPA) noted that the core copyright industries—including music, films and TV, video games, and text publishing—are a major segment of the U.S. economy, generating over \$1.2 trillion of economic output in 2015, and accounting for over 5.5 million U.S. jobs.

Creative industries and their licensed partners continue to explore new ways to deliver content to consumers worldwide, by launching innovative new services that help drive the digital economy. But these efforts are damaged by unfair competition that distorts legitimate markets, including from those who engage in infringement on a commercial scale as a high-profit, low-risk enterprise. Discriminatory barriers imposed by governments further harm creators and discourage investment in legitimate services.

IIPA's submission focuses on key markets where sustained engagement by the U.S. government will reap positive results for creators and the industries that support them. It includes the following:

- Recommends eight countries—**Chile, China, India, Mexico, Russian Federation, Taiwan, Ukraine, and Vietnam**—for placement on USTR's **Priority Watch List**;
- Identifies eight countries—**Brazil, Canada, Colombia, Indonesia, Peru, Switzerland, Thailand, and United Arab Emirates**—for placement on USTR's **Watch List**;
- Calls for vigilance against proposed copyright law changes that threaten well-established global norms, or that fail to keep up with evolving standards for the digital networked era;
- Summarizes key challenges faced by U.S. copyright industries overseas, both online and offline, and identifies best practices for our trading partners to deal with them effectively.

"The health and competitiveness of the U.S. economy depend on a thriving copyright sector that creates economic growth, jobs and exports," said Steven J. Metalitz, IIPA Counsel. "Our trading partners have taken on numerous commitments over the years to provide modern levels of protection for copyright; more effective policies and tools to enforce that protection; and freer, more open markets around the world. Reducing the gaps and shortfalls in fulfillment of these commitments will advance the overall national economic interest of the United States."

"IIPA applauds USTR for making the Special 301 process a positive catalyst for change to further open key markets around the world to products and services that embody American creativity and innovation," Metalitz continued. "Meeting the challenges identified in this submission will create more good American jobs, promote exports, and contribute substantially to healthy economic growth in the U.S. and abroad."



The full report and more materials can be found at <http://www.iipawebsite.com/special301.html>. For more information, contact: the IIPA at (202) 355-7900 or at info@iipawebsite.com.

IIPA 2017 Special 301 Recommendations	
Priority Watch List	Watch List
Chile	Brazil
China	Canada
India	Colombia
Mexico	Indonesia
Russian Federation	Peru
Taiwan	Switzerland
Ukraine	Thailand
Vietnam	United Arab Emirates
8	8

About the IIPA: IIPA is a private sector coalition, formed in 1984, of trade associations representing U.S. copyright-based industries working to improve international protection and enforcement of copyrighted materials and to open foreign markets closed by piracy and other market access barriers. IIPA's five member associations represent over 3,200 U.S. companies producing and distributing materials protected by copyright laws throughout the world. These include entertainment software, including interactive games for video game consoles, handheld devices, personal computers and the Internet; educational software; motion pictures, television programming, DVDs and home video and digital representations of audiovisual works; music, records, CDs, and audiocassettes; and fiction and non-fiction books, education instructional and assessment materials, and professional and scholarly journals, databases and software in all formats. Members of the IIPA include Association of American Publishers (www.publishers.org), Entertainment Software Association (www.theesa.com), Independent Film & Television Alliance (www.ifta-online.org), Motion Picture Association of America (www.mpa.org), and Recording Industry Association of America (www.riaa.com).

In December 2016, IIPA released the latest update of its economic report, *Copyright Industries in the U.S. Economy: The 2016 Report*, prepared by Stephen E. Siwek of Economists Inc. According to the report, the "core" copyright industries in the U.S. generated over \$1.2 trillion of economic output in 2015, accounting for 6.88% of the entire economy. The core copyright industries also employed over 5.5 million workers in 2015, accounting for 3.87% of the entire U.S. workforce, and 4.57% of total private employment in the U.S. These workers earn on average 38% higher wages than other U.S. employees. The core copyright industries also outpaced the U.S. economy, growing at an aggregate annual rate of 4.81% between 2012 and 2015, while the U.S. economy as a whole grew by 2.11%. When factoring in other industries that contribute to the copyright economy (which together make up the "total" copyright industries), the numbers are even more compelling. Finally, the report highlights the positive contribution of selected copyright sectors to the U.S. overall trade balance. In 2015, these sectors contributed \$177 billion in foreign sales and exports, exceeding that of many other industry sectors, including: chemicals, aerospace products and parts, agricultural products, and pharmaceuticals and medicines. Studies such as this amply demonstrate the contribution of creators, and the copyright-based industries that support them, to the economy. The full economic report is available at http://www.iipawebsite.com/copyright_us_economy.html.