

SLOVENIA

Lower Piracy and Continued Software Growth Could Transform Slovenia's IT Sector Into an \$850 Million Industry

As Slovenia's IT industry grew to \$560 million a year, the country transformed growth in its IT sector into tangible economic benefits including 2,300 new jobs since 2000. If Slovenia further reduced its 51 percent piracy rate by 10 points, its IT sector could grow to \$850 million by 2009.

Battling Piracy Could Fuel the Economy

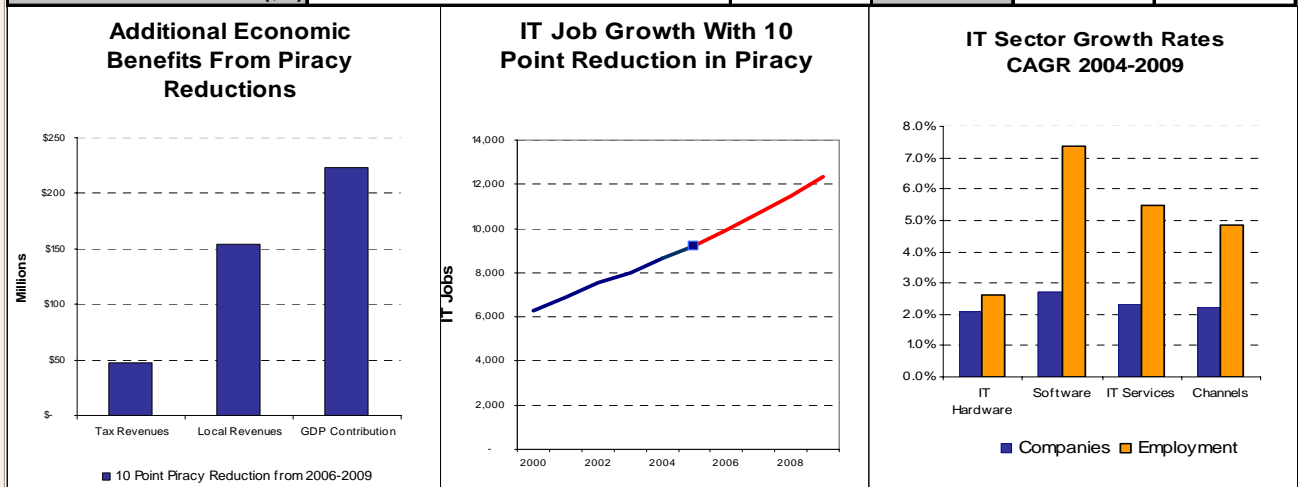
A 10-point drop in Slovenia's piracy rate could create 1,100 new IT jobs and pump \$224 million into the economy. It could also increase local industry revenues by \$154 million and generate \$74 million in additional tax revenues.

Software Will Lead Growth and Add Jobs

High software piracy and a lower than average software sector growth have combined to stall Slovenia's ability to fully harness its IT sector's potential. In coming years, the software sector will lead the IT sector in growth with an impressive 10.2 percent per year average growth rate — growing nearly twice as fast as its hardware sector between 2005 and 2009. Reducing its software piracy rate further could help Slovenia's IT sector generate nearly 3,700 more jobs and \$400 million additional GDP per year to an already growing IT economy by 2009.

Slovenia's IT Sector							Growth
	2000		2004		2009		2004-2009
Revenue **	USD Millions	SIT Millions	USD Millions	SIT Millions	USD Millions	SIT Millions	CAGR
IT Hardware	\$ 210	41,039	\$ 296	57,785	\$ 382	74,669	5.3%
Software	\$ 66	12,844	\$ 102	20,006	\$ 166	32,525	10.2%
IT Services	\$ 101	19,717	\$ 163	31,963	\$ 236	46,232	7.7%
Total IT Revenue	\$ 376	73,600	\$ 561	109,754	\$ 785	153,426	6.9%

Slovenia's IT Economic Benefits							
	2000	2004	2009	2009 w/ Piracy Reduction	Total Piracy Reduction Benefit	2004-2009 Growth	04-09 Growth w/ Piracy Reduction
Contribution to GDP* (\$M)	\$ 484	\$ 737	\$ 1,043	\$ 1,138	\$224	41.6%	54.4%
Jobs	6,302	8,657	11,217	12,336	1,119	29.6%	42.5%
IT Tax Revenues (\$M)	\$ 184	\$ 284	\$ 461	\$ 466	\$47	62.1%	64.1%



* GDP contribution excludes impact from imports and exports and includes total value of channel revenues (not just mark-up).

** Values in columns may not add up to total value because individual numbers and total have been rounded.