

## Digital piracy records a cumulative decline of 20% since 2018

***Trends over the last seven years show that the turning point has been reached***

***5,334 million accesses were made in 2021, 8% less than in 2020, with a market value of 32,492 million euros and a damage to the sector of 2,271 million euros***

- *The public coffers failed to receive 653 million euros, which brings to almost 6 billion the amount that could have been collected by the administration since 2012.*
- *Piracy prevented the number of direct jobs from increasing by 18,716 in 2021 (112,299 direct and indirect jobs).*
- *Shutting down/blocking access to illegal content websites remains the most effective measure (77%).*
- *While 9 out of 10 users access via Google, the number of those accessing via social networks, such as Telegram (33%) or Whatsapp (31%), is increasing considerably.*
- *The number of users who paid for illegal content has risen to 24%, with payment through less transparent channels such as Paypal (44%) or cryptocurrencies (11%) also increasing.*
- *Advertising continues to fund more than 90% of illegal content portals, especially online gambling/gaming (45%), dating/contacts (32%) and premium brands (31%); 7% of users are embarrassed or find such advertising offensive.*
- *52% of consumers trying to access illicit websites found that they had closed or ceased to exist, being redirected to Torrent-type portals (53%), social networking sites (23%) or messaging groups (14%).*

- *The number of users who express distrust of the obligation to provide personal data to these portals in order to obtain illegal content is increasing (47%).*

**Madrid, 14 September 2021. National Archaeological Museum.** Digital piracy in Spain has experienced a drop in absolute figures for the seventh consecutive year, showing that a turning point has been reached. Since 2018, there has been an accumulated decrease of 20%. In 2021, access to illicit content was down 8%, even though the volume of illegally obtained cultural products amounted to 5,334 million, with a market value of 32,492 million euros.

The damage to the industries was estimated at €2,271 million. This damage also had an impact on the public purse, which lost 653 million euros in 2021, bringing to almost 6,000 million euros what the Administration has not received in the last 10 years in terms of VAT, personal income taxes and social security contributions. Employment has been the other main victim, as piracy has hindered the creation of 18,716 direct jobs in 2021 (112,299 direct and indirect jobs).

These are some of the most relevant figures of the *Observatory of piracy and consumption habits of digital content 2021*, drawn up by the independent consultancy firm GfK at the request of the Coalition of Creators and Industries of Digital Content, presented this morning at the National Archaeological Museum in the presence of the Minister of Culture and Sport, Mr. Miquel Iceta i Llorens, and several representatives of the cultural sector.

## ILLEGAL ACCESS, LOSS OF PROFIT AND ATTITUDES

Regarding the percentage of individuals accessing illicitly, music was the most affected industry, with 38% of consumers, followed by books (34%, 1% more than in 2020), films (25%), newspapers (23%), TV series (20%), video games (18%), magazines (16%), football streaming (9%) and music scores (5%, 15% more than in 2020).

The total value of content amounts to 30,892 million euros, of which 10,035 million euros comes from music. In fact, the music sector has suffered the greatest damage. Piracy has caused 653 million euros to the music industry out of a total loss of 2,271 million euros. It is followed by films and series (417), magazines (306), newspapers (266), books (217), football streaming (201), video games (177) and music scores (33).

Resumen | Lucro cesante de la industria en España por efecto de la piratería  
El perjuicio en 2021 para las industrias fue de **2.270 millones** de euros



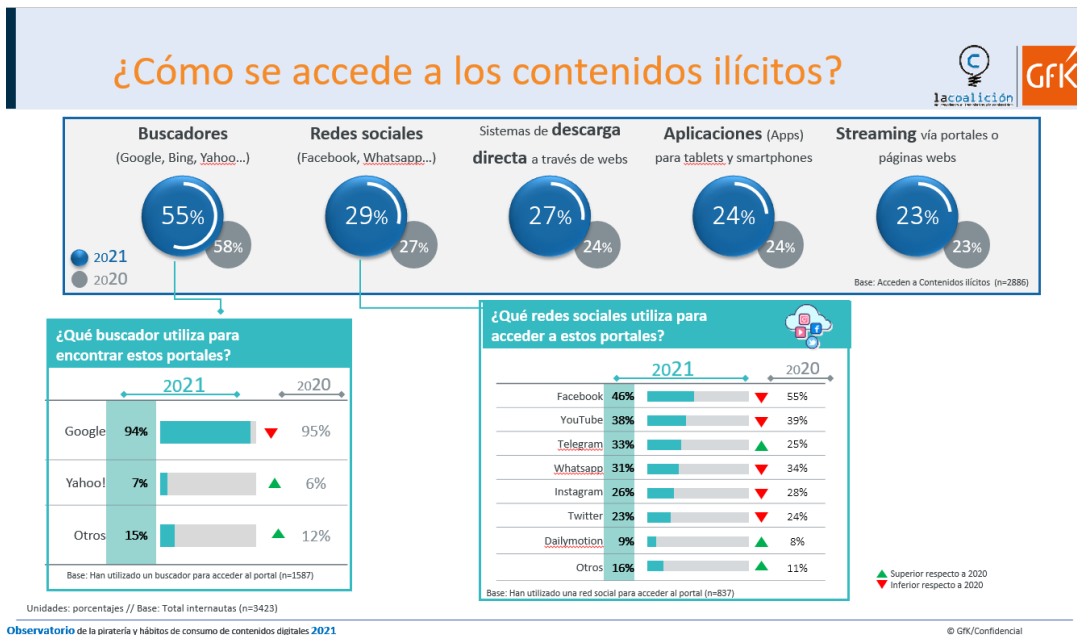
Unidades: porcentajes // Base: Total internautas Año 2021: (n=3422), Año 2020: (n=3022)

Among the motivations that consumers state to explain illegal access to content, primarily economic reasons and, in second place, the ease with which they can gain access to it. The increase in the number of users who confess that they do not know how to distinguish between platforms that are legal and those that are not, is both relevant and very worrying: 5 out of 10, compared to 4 out of 10 in 2020. There is also an increase in those who claim that there are no legal consequences for pirates (32%) and those who believe that cultural products are expensive, hence their attitude, are still on the rise (54%).

These figures confirm the need for greater efforts to prevent illegal content from being accessible, and also to step up awareness-raising efforts by the cultural industry and public authorities.

## ACCESS MODES: FROM THE DOMINANCE OF GOOGLE TO THE RISE OF NEW SOCIAL NETWORKS

Illegal content is still mostly accessed via search engines (55%), mainly Google (94%, i.e. more than 9 out of 10 visits), but 2021 reconfirmed a trend already observed in 2020: the decline in the use of search engines has shifted towards social networks. And although Facebook and YouTube are still the most used by consumers, Telegram (33%) has significantly climbed its position to overtake others, such as Whatsapp, Instagram and Twitter. In addition, other increasingly popular social networks, such as Dailymotion, recorded significant increases too.



As noted, search engines continue to be the main gateway to illegal content, although to a lesser extent than in 2020 (from 58% to 55%). There has been a rise in social networks (from 27% to 29%) and direct download systems (from 24% to 27%), while Apps and streaming have maintained the percentages of 2020. In the case of online streaming, the consecutive rise recorded in the previous five years has slowed down.

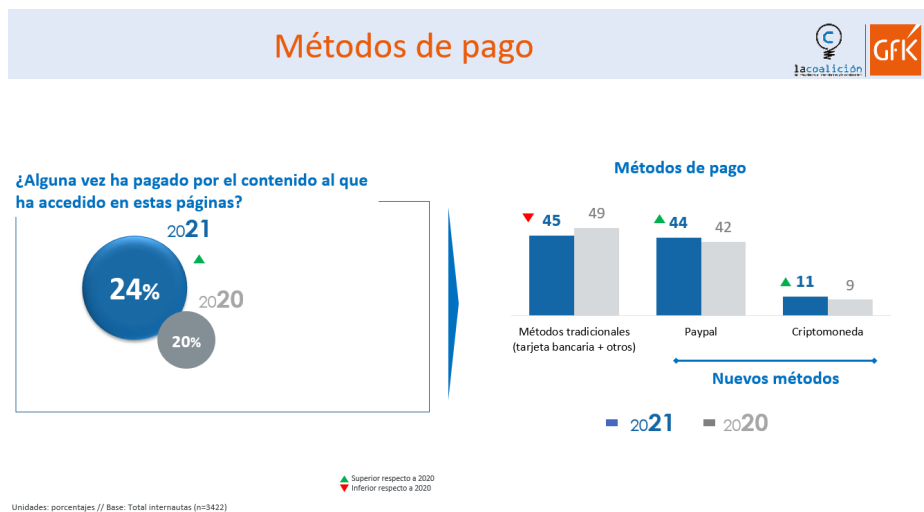
With regard to social networks, the main beneficiaries of the change in user trends, Telegram's notable increase stands out (from 25 to 33%), outperforming Whatsapp (31%), Instagram (26%) and Twitter (26%). The prevailing ones, Facebook and YouTube, show a slight decline.

When it comes to the equipment users have at their disposal, the figures are very similar to those for 2020: 2 out of 10 have an IPTV set-top box (almost 3 in 2020) and 22% have accessed a VPN for personal use (21% in 2020). Similarly, the number of internet users who have used tutorials to find out how to access content they are interested in and do not want to pay for remains at 40%. The most popular queries are for downloading music (42%), movies/series (41%), obtaining and using a VPN (31%), followed by video games (28%), books, newspapers, magazines, or music scores (21%), modifying a video game console (19%), using an IPTV (16%), football (13%) and *cardsharing* (4%).

**SOURCES OF FUNDING: GAMBLING ADVERTISING, GAMES, CONTACTS, ONLINE SALES AND BIG BRANDS, BUT ALSO DIRECT AND OPAQUE PAYMENT OPTIONS.**

The main source of funding for illegal content portals continues to be advertising, which is present in 9 out of 10 of these sites, as in previous years. Most of the advertising is for online gambling/games (45%), online sales (39%), contacts/dating (33%) and well-known commercial brands (31%). Hence the urgent need to find public-private ways of collaborating with the advertising sector in the certainty that their contribution is absolutely decisive in eradicating the main income source for these websites.

A new key element in 2021 was to identify the perception that users have of the advertising they receive when they enter illegal content portals, as 46% are annoyed, 16% dislike the fact that these advertising messages follow them around other websites, 7% are embarrassed and a similar percentage considers it to be offensive. The number of consumers who report receiving more advertising or spam since accessing illegal portals also increased: 6 out of 10.



In 2021, there has been a significant increase in the number of internet users who paid for consuming some content: 1 in 4 (24% compared to 20% in 2020). Moreover, there has been an increase in less transparent payment methods - Paypal (44%) and cryptocurrencies (11%) - and a drop in the use of credit cards (45% compared to 49% in 2020).

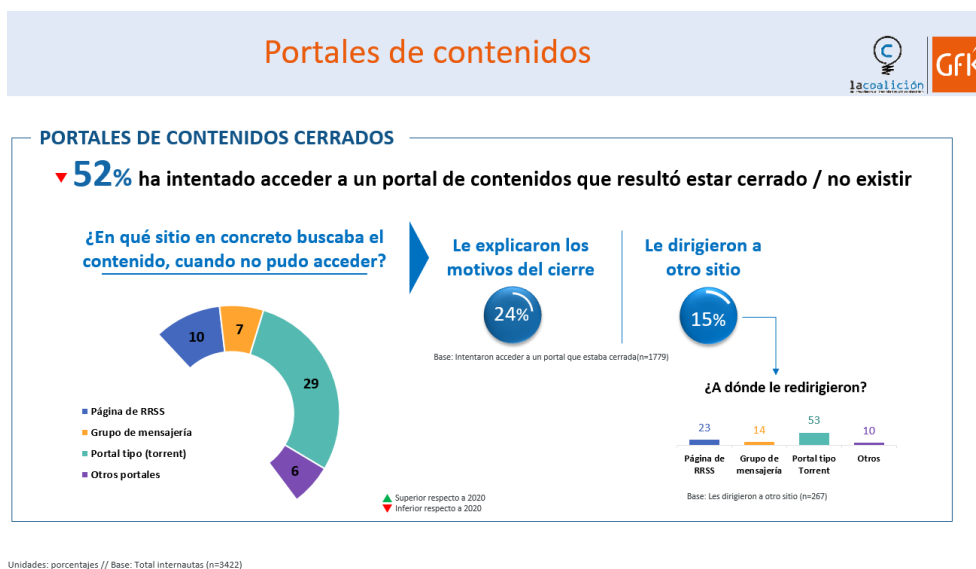
In addition to advertising funding or direct payment, illegal content websites are increasingly resorting, in these times of metadata, to obtaining data from their users in order to trade massively with them afterwards. In fact, 7 out of 10 consumers who accessed illegal content had to register, providing personal information (email, questionnaire, and phone number) and 9 out of 10 were asked to accept cookies.

The good news is that 5 out of 10 clearly express their distrust of these portals when it comes to providing personal information: since 2019, distrust towards these portals has grown to 47% today.

## PORTALS WITH CLOSED OR NON-EXISTENT CONTENT

Another very relevant fact is that in 2021, 52% of consumers who tried to access these illicit websites found that they had closed down or ceased to exist. This has undoubtedly not been possible due to voluntary action, but thanks to the sector's intense pro-activity in reporting, the numerous legislative improvements in force and the growing efficiency in their application, especially in administrative proceedings, to which must be added the successful co-regulation that will come into force next year between the content sector and the telecommunications service provider-operator sector, thanks to the support of the Ministry of Culture and Sport.

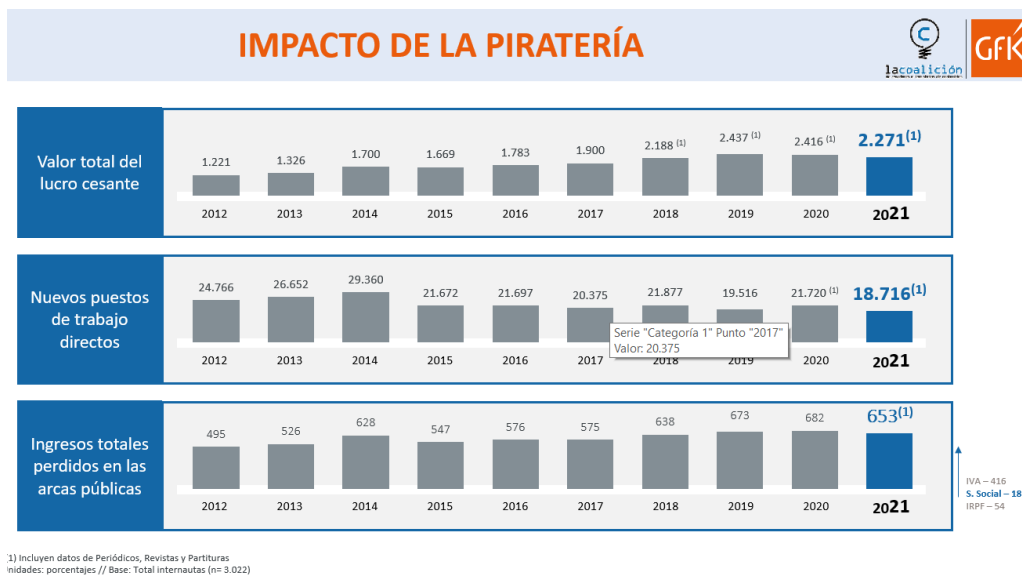
24% of users were informed of the reasons why they had been shut down or were inoperative. 15% were automatically redirected to other sites with illegal content, mainly Torrent-type portals (53%), but also social networking sites (23%), messaging groups (14%) and others (10%).



## IMPACT ON EMPLOYMENT AND PUBLIC REVENUES

Although 2021, compared to 2020, has seen a decrease in the number of direct jobs that could have been created in the absence of the consumption of illegal content, the devastating effects of digital piracy continue to give cause for concern and reflection in order to vigorously redouble public-private resources and efforts. In fact, in the case of employment, in the absence of this scourge, **18,716 new direct jobs** could have been created in 2021, which would represent an increase of 18.5%, that plus indirect jobs would represent **112,299 more jobs in total**.

The public coffers also come off very badly, as in 2021 they lost a total of 653 million euros in VAT (416), personal income tax (54) and social security contributions (183) due to content fraud. The accumulated loss to the administration over the last 10 years amounts to almost 6 billion euros (5,993 million euros).



## EFFECTIVENESS OF MEASURES

Closing/blocking access to websites with illegal content continues to be the measure considered most effective by users. However, 77% of users think that shutting down or blocking is fairly or very effective. Sanctioning of Internet providers, such as telecommunications operators, portals and any intermediary of the Internet access service, is rated as fairly or very effective by 70%, while 54% still see the need for social awareness campaigns.

## ACCESSES AND MAGNITUDES SORTED BY CONTENT TYPE

During 2021, there was a decline in illegally consumed content across almost all industries. In fact, the 5.334 billion downloads were 8% less compared to 2020. The only exception to this decline came from football, which saw a 24% increase compared to the previous year, mostly due to the fact that in 2020 there were several months in which no matches were played. Music scores also saw an increase of 15% compared to 2020.

The overall value of this content (32,492 million euros) remains almost the same as in 2020 (-2%) due to the increase in the cost of such content. The loss for the industries was 2,270 million euros.

In all industries, there was an increase in downloads of content aged less than one year from the time it was marketed. By sector, the behaviour in 2021 was as follows:

### MUSIC

In 2021, the most positive news for the music industry was the decrease in the number of illegal music consumers and the increase in legal digital music.

Last year, illicit access affected 2.42 billion pieces of music content, 7% less than in the previous year. The market value of downloaded music was 10.035 billion euros (-2%), with a loss of 653 million euros.

As in recent years, a drop in the number of consumers accessing illegal content was detected, at 38%, down 11% from 43% in 2020. At the same time, the number of consumers accessing music content digitally legal (70% compared to 68%) and physically legal (20% compared to 19%) has increased.

65% of accesses were to content less than a year old since its commercial release, a very small uptick (63% in 2020).

### FILMS

The biggest drop in the volume of illegally consumed content in 2021 was for films, which saw a 21% fall compared to 2020: 520 million compared to 659 million in 2020. In the case of their market value, the drop was not as pronounced: 7%. 5,524 million compared to 5,937 million in 2020 or 6,191 million in 2019.

There was also a decrease in the number of consumers accessing illicit content, from 27% in 2020 to 25% in 2021, while the number of those accessing legal digital consumption remained the same: 76%.

53% of accesses were to content less than a year old since its release, in comparison to 50% in 2020.

### SERIES

Series have become one of the most popular cultural contents for consumers, a fact that has coincided in 2021 with an increase in legal consumption and a 6% drop in illegal consumption. While pirate consumers, who accessed 940 million pieces of content, have gone from 22% to 21%, those who accessed series in legal digital format now account for 75% (74% in 2020).



65% of illegally consumed content was less than a year old from the time of broadcast on TV, compared to 58% in 2020.

## BOOKS

In 2021, there were 570 million illegal accesses to books, compared to 581 million in 2020. The market value of the downloaded material amounted to 5,086 million euros (217 million euros of damage to the publishing industry), with a slight fall of 1%. The worst news for the industry was the 1% increase in the rate of consumers opting for illegal forms, which stood at 34%, compared to 33% in 2019 and 2020.

As was the case in the other industries, new releases less than a year old accounted for 50% of accesses, compared to 44% in the previous year.

## VIDEO GAMES

Although the volume of illegally obtained video games in 2021 shows a 7% drop to 354 million (379 in 2020), their market value has seen a slight rebound of 3%: 8,832 million euros (the loss was 177 million euros). The number of individuals accessing these products has also decreased by 10% to 18%. Video games less than one year old accounted for 52% of illegal access (50% in 2020).

## FOOTBALL

In 2021, after the return to normal competition following the interruptions caused by the pandemic in 2020, illegal portals allowed 88 million matches to be viewed, 24% more than in the previous year. The market value of these downloads was €254 million, representing a loss of €201 million. Digital football users decreased from 23% to 21%, while the number of paying subscribers remained the same at 32%.

## PRESS

In 2021, 23% of users accessed newspapers illegally, resulting in the illicit downloading of a total of 280 million pieces of content, 16% less than in 2020. The value of these downloads also fell slightly by 16% to €419 million, resulting in a loss of €266 million for publishers. Illicit consumption of digital press (23%) is higher than legal consumption (6%).

## MAGAZINES

As in the case of newspapers, the illicit consumption of online magazines is also much higher than the legal consumption (16% compared to 5%). Last year, 123 million downloads were made, with a value of 289 million euros (306 million euros in 2020). 18% of users have illegally accessed magazines, downloading a total of 147 million pieces of content illegally, with the value of these downloads amounting to 346 million euros (426 million euros in losses). Illicit consumption of magazines in digital format (18%) is higher than legal consumption (5%).

## MUSIC SCORES

39 million illicitly downloaded music scores were registered in 2021, an increase of 15% compared to 2020. The market value of these products is €525 million (33 million in losses). The number of individuals who have accessed them (5%) illicitly remains the same as in 2020.