For Immediate Release

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South Africa slides in Global Ranking of Cloud Computing Policies, BSA Study Finds

First report to track changes in global cloud policy benchmarks finds Japan, Australia and US in the lead

Johannesburg, South Africa — March 7, 2013 — In a first-ever analysis of the shifting international policy landscape for cloud computing, a new study ranks South Africa 20th out of 24 leading IT economies, a sign of erosion from its starting position of 18 only a year earlier.

BSA | The Software Alliance evaluated national laws and regulations in seven policy areas critical to the development of a globally integrated cloud marketplace. The findings released today in the 2013 BSA Global Cloud Computing Scorecard build on a first edition of the study, published in early 2012.

"It is discouraging that South Africa has not made better progress in adopting policies that are conducive to cloud innovation," said Drummond Simpson, Chairman of the BSA South Africa committee. "Every country's policies affect the global cloud marketplace. It is imperative for South Africa to focus on improvements in promoting free trade, data privacy, cybercrime and security in order to improve its standing and help grow the global cloud."

The Scorecard's biggest mover is fifth-ranked Singapore, which vaults up five places after adopting a new privacy law that builds user trust while also promoting business innovation. The study finds that Japan continues to lead the global rankings with a comprehensive suite of laws supporting digital commerce. Australia remains in second place, and the US edged into third this year, pushing Germany into fourth place in the rankings.

The study finds that cloud policy improvements in many of the world's biggest IT markets have stalled. Notably, all six European Union countries covered in the study have lost ground in the rankings. Others are effectively unplugging themselves from the global market — with especially counterproductive policies in Korea, Indonesia and Vietnam.

"We're seeing patchy progress in the policy landscape for cloud computing," said BSA President and CEO Robert Holleyman. "Mismatched privacy and security rules are making it hard for data to flow across borders, and too many countries are chopping off pieces of the cloud for themselves. This undercuts economies of scale that would benefit everyone."

To capture maximum benefit from cloud computing, BSA advocates a policy blueprint covering each of the seven areas in the study — data privacy, cybersecurity, cybercrime, intellectual property, technology interoperability and legal harmonization, free trade, and ICT infrastructure.

Specifically, BSA recommends policymakers take the following actions:

1. *Ensure privacy:* Users must have faith their information will be treated carefully, and providers must have freedom to move data efficiently in the cloud.

2. *Promote security:* Effective risk management requires flexibility to implement cutting-edge security solutions.

3. *Battle cybercrime:* Law enforcement and cloud providers alike need effective legal mechanisms to combat illicit access to data.

4. *Protect IP:* Laws should provide clear protection and enforcement against infringement of underlying cloud innovations.

5. *Ensure data portability and harmonizing global rules:* Governments should work with industry to develop standards that facilitate data flows while minimizing conflicting legal obligations.

6. *Promote free trade:* Eliminate barriers such as preferences for particular products or service providers.

7. *Bolster IT infrastructure:* Provide incentives for investment in broadband and promote universal access.

The full, 24-country rankings, including detailed findings for South Africa and BSA's policy blueprint are available at www.bsa.org/cloudscorecard.

About BSA

BSA | The Software Alliance (www.bsa.org) is the leading global advocate for the software industry. It is an association of world-class companies that invest billions of dollars annually to create software solutions that spark the economy and improve modern life. Through international government relations, intellectual property enforcement and educational activities, BSA expands the horizons of the digital world and builds trust and confidence in the new technologies driving it forward.