

Cybercrime costs up to \$500 bn: study

July 22 2013



A delegate works on a tablet computer at the Conference on Cyberspace in London on November 1, 2011. Cybercrime costs the global economy between \$100 billion and \$500 billion annually, according to a study which acknowledged more data is needed for precise estimates.

Cybercrime costs the global economy between \$100 billion and \$500 billion annually, according to a study released Monday which acknowledged more data is needed for precise estimates.

The study by the [security firm](#) McAfee and the Center for Strategic and

International Studies said the US economy loses some \$100 billion to [cybercrime](#) and cyber espionage, including loss of key business data and intellectual property.

The estimate is lower than some earlier reports which put the costs as high as \$1 trillion, but study authors said it was a matter of narrowing the range of damage from [cyber attacks](#).

"It will always be a range," said James Lewis, a CSIS scholar on [cybersecurity](#) and co-author of the report.

"The data is either sparse or distorted."

But Lewis said the report offers a better way to compare the cost of cybercrime to other types of risks such as [drug trafficking](#) or other types of theft.

"We believe the CSIS report is the first to use actual economic modeling to build out the figures for the losses attributable to malicious cyber activity," said Mike Fey, chief technology officer at McAfee.

"Other estimates have been bandied about for years, but no one has put any rigor behind the effort."

The report said the impact of cybercrime includes loss of intellectual property and confidential information; reduced trust for online activities; additional costs for security, insurance and recovery; and damage to reputations.

Lewis said the impact on business could translate into the loss of as many as 508,000 jobs in the United States, based on a government formula for the ratio of exports to US jobs.

"The raw numbers might tell just part of the story," he said.

"The effect of the net loss of jobs could be small, but if a good portion of these jobs were high-end manufacturing jobs that moved overseas because of intellectual property losses, the effect could be wide ranging."

© 2013 AFP

Citation: Cybercrime costs up to \$500 bn: study (2013, July 22) retrieved 1 May 2024 from <https://phys.org/news/2013-07-cybercrime-bn.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.