

Companies from emerging giants China and Russia most likely to bribe abroad

London / Berlin, 2 November 2011 – Bribing public officials when doing business abroad is a regular occurrence, according to a survey of 3,000 business executives from developed and developing countries.

Transparency International's 2011 Bribe Payers Index, released today, ranks 28 leading international and regional exporting countries by the likelihood of their firms to bribe abroad. Companies from Russia and China, who invested US \$120 billion overseas in 2010, are seen as most likely to pay bribes abroad. Companies from the Netherlands and Switzerland are seen as least likely to bribe (see annex).

Addressing foreign bribery is a priority issue for the international community. A year ago the group of 20 leading economies (G20) committed to tackling foreign bribery by launching an anti-corruption action plan. The progress report of the working group monitoring the action plan, which G20 leaders are expected to approve at tomorrow's Cannes summit, will recognise steps taken by G20 countries China, Russia, Indonesia and India in criminalising foreign bribery. Transparency International welcomes the report and calls for swift implementation of the further anti-corruption measures that it calls for.

"In their meeting in Cannes this week, G20 governments must tackle foreign bribery as a matter of urgency. New legislation in G20 countries is an opportunity to provide a fairer, more open global economy that creates the conditions for sustainable recovery and the stability of future growth. Governments can press home the advances made by putting resources behind investigations and prosecutions of foreign bribery, so that there is a very real deterrent to unethical and illegal behaviour," said Transparency International Chair, Huguette Labelle.

The impact of bribery

In the survey, international business leaders reported the widespread practice of companies paying bribes to public officials in order to, for example, win public tenders, avoid regulation, speed up government processes or influence policy.

However, companies are almost as likely to pay bribes to other businesses, according to today's report, which looks at business-to-business bribery for the first time. This suggests that corruption is not only a concern for the public sector, but for the business sector as well, carrying major reputational and financial risks for the companies involved.

"It is clear that bribery remains a routine business practice for too many companies and runs throughout their business dealings, not just those with public officials. And companies that fail to prevent bribery in their supply chains run the risk of being prosecuted for the actions of employees and business partners," said Labelle.

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The 2011 Bribe Payers Index also looks at the likelihood of firms in 19 specific sectors to engage in bribery and exert undue influence on governments:

- Public works and construction companies scored lowest in the survey. This is a sector where bypassed regulations and poor delivery can have disastrous effects on public safety.
- Oil and gas is also a sector seen as especially prone to bribery. The extractives industry has long been prone to corruption risk. Companies operating in oil-rich Nigeria have already been fined upwards of US \$3.2 billion in 2010-2011 for bribery of public officials.

Note to editors: the 2011 Corruption Perceptions Index, ranking countries by perceived levels of public sector corruption, will be published on 1 December 2011.

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Transparency International is the civil society organisation leading the global fight against corruption.

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Annex

Bribe Payers Index 2011

Scores based on business executives' responses when asked how often firms, with which they have a business relationship, from a given country engage in bribery (0=always, 10=never)

Rank	Country/Territory	Bribe Payers Index 2011 score
1	Netherlands	8.8
1	Switzerland	8.8
3	Belgium	8.7
4	Germany	8.6
4	Japan	8.6
6	Australia	8.5
6	Canada	8.5
8	Singapore	8.3
8	UK	8.3
10	USA	8.1
11	France	8.0
11	Spain	8.0
13	South Korea	7.9
14	Brazil	7.7
15	Hong Kong	7.6
15	Italy	7.6
15	Malaysia	7.6
15	South Africa	7.6
19	Taiwan	7.5
19	India	7.5
19	Turkey	7.5
22	Saudi Arabia	7.4
23	Argentina	7.3
23	UAE	7.3
25	Indonesia	7.1
26	Mexico	7.0
27	China	6.5
28	Russia	6.1
	Average	7.8

Perceptions of Foreign Bribery by Sector

Scores based on business executives' responses when asked how often firms, with which they do business, from a given sector engage in bribery (0=always, 10=never)

Rank	Sector	Sector score
1	Agriculture	7.1
1	Light Manufacturing	7.1
3	Civilian Aerospace	7.0
3	Information Technology	7.0
5	Banking and Finance	6.9
5	Forestry	6.9
7	Consumer Services	6.8
8	Telecommunications	6.7
8	Transportation and Storage	6.7
10	Arms, Defence and Military	6.6
10	Fisheries	6.6
12	Heavy Manufacturing	6.5
13	Pharmaceutical and Healthcare	6.4
13	Power Generation and Transmission	6.4
15	Mining	6.3
16	Oil and Gas	6.2
17	Real Estate, Property, Business and Legal Services	6.1
17	Utilities	6.1
19	Public Works Contracts and Construction	5.3
	Average	6.6