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## FOR IMMEDIATE RELEASE

TI Report:

### **Emerging Economic Giants Show High Levels of Corporate Bribery Overseas**

*Construction, real estate, oil and gas sectors most prone to corruption*

Companies based in economic giants such as China, India and Russia are perceived to engage routinely in bribery when doing business abroad according to Transparency International's 2008 Bribe Payers Index (BPI) released today.

According to the BPI survey findings, Belgium and Canada shared first place in the 2008 BPI with a high score of 8.8 out of a very clean 10 among 22 countries, indicating that Belgian and Canadian firms are least likely to pay bribes abroad.

The Netherlands and Switzerland shared third place on the index, each with a score of 8.7. At the other end of the spectrum, Russia ranked last with a score of 5.9, just below China (6.5), Mexico (6.6) and India (6.8).

The BPI also shows public works and construction companies to be the most corruption-prone when dealing with the public sector, and to be the most likely to exert undue influence on policies, decisions and practices of governments in countries they are interested in.

The 2008 BPI is based on the responses of 2,742 senior business executives from companies in 26 developed and developing countries, chosen by the volume of their imports and inflows of foreign direct investment.

TIPNG says that while Papua New Guinea was not included in the BPI survey, PNG is part of the global community and is a potential host to companies from some of the poorly ranked countries. The survey illustrates that the PNG may be affected by such corrupting methods employed by certain international companies.

The anti-corruption organisation says that when PNG seeks overseas investment, it should be most mindful of the behaviour of companies from the highlighted countries that may be interested in investing in our country, but which might be inclined to use means that may be corrupt.

TIPNG says reports like this should provide cautionary advice to the government in considering investment from countries and their companies that are less likely to pay bribes. PNG desires straight and honest investment that is beneficial to people of the country, rather than middle-men and other selfish interests.

According to Transparency International Chairman, Huguette Labelle, "The BPI provides evidence that a number of companies from major exporting countries still use bribery to win business abroad, despite awareness of its damaging impact on corporate reputations and ordinary communities. The inequity and injustice that corruption causes makes it vital for governments to redouble their efforts to enforce existing laws and regulations on foreign bribery and for

companies to adopt effective anti-bribery programmes. In this spirit, all major exporting countries should commit to the provisions of the OECD Anti-Bribery Convention.”

TI's 2008 BPI ranks 22 leading international and regional exporting countries by the tendency of their firms to bribe abroad. The combined global exports of goods and services and outflows of foreign direct investment of these 22 countries represented 75 percent of the world total in 2006.

The Bribe Payers Survey, which serves as the basis for the BPI, also looks at the likelihood of firms in 19 specific sectors to engage in bribery. In the first of two new sectoral rankings, companies in public works contracts and construction; real estate and property development; oil and gas; heavy manufacturing; and mining were seen to bribe officials most frequently. The cleanest sectors, in terms of bribery of public officials, were identified as: information technology; fisheries; banking and finance.

A second sectoral ranking evaluates the likelihood of companies from the 19 sectors to engage in state capture, whereby parties attempt to wield undue influence on government rules, regulations and decision-making through private payments to public officials.

Public works contracts and construction; oil and gas; mining; and real estate and property development were seen as the sectors whose companies were most likely to use legal or illegal payments to influence the state.

The sectors in which companies are seen as least likely to exert undue pressure on the public policy process are agriculture, fisheries and light manufacturing.

While most of the world's wealthiest countries already subscribe to a ban on foreign bribery, under the OECD Anti-Bribery Convention, there is little awareness of the convention among the senior business executives interviewed in the Bribe Payers Survey. Governments have a key role to play in ensuring that foreign bribery is stopped at the source – and by making good on commitments to prevent and prosecute such practices.

Ends....

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

For sectoral tables and all other data, please see the full BPI Report, also available at [http://www.transparency.org/news\\_room/in\\_focus/2008/bpi\\_2008](http://www.transparency.org/news_room/in_focus/2008/bpi_2008)

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