



Transparency International India

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The coalition against corruption

PRESS RELEASE

BRIBE PAYERS INDEX 2011

New Delhi, November 2, 2011 – India ranks 19th out of 28 leading international and regional exporting countries on Transparency International's Bribe Payers Index (BPI) 2011, that was just released. China and Russia rank on 27th and 28th position respectively, indicating that companies from these countries are always ready pay bribes to public officials abroad, in order to get business.

Dutch businesses are considered the cleanest in BPI 2011, ranking first in the least likely to pay kickbacks among the world's 28 leading exporting countries.

India's score this year is **7.5** against 6.8 in 2008, on a scale of 0-10 (0 being always bribe and 10 being never bribe).

BPI 2011 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. This is a sector where bypassed regulations and poor delivery can have disastrous effects on public safety. Oil and gas is also seen as a sector, especially prone to bribery.

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. Companies pay bribe to public officials for a variety of purposes, including to win public tenders, avoid regulation, speed up government processes or influence policy.

The research shows that those companies who are weak in following ethical business practices at home are also likely to bribe abroad.

BPI 2011 also looks at business-to-business bribery for the first time. This suggests that corruption is not only the concern for the private sector, but for the private sector as well, carrying major reputational and financial risks for the companies involved.

TI India's recommendations

Companies must promote a culture of integrity by developing a program which will encompass all the company's anti-bribery efforts including values, code of conduct, detailed policies and procedures, risk management, internal and external communication, training and guidance, internal controls, oversight, monitoring and assurance. Top managers, starting from the CEO, have to be role models in their business decisions. Corporate must play a pro-active role in improving governance within and outside the organisation and in empowering people, instead of simply concentrating on maximising profit.

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Companies must also acknowledge the influence they have on the wider business community, assessing corruption and bribery risks throughout their supply chain and actively participating in collective anti-corruption initiatives.

Given that TI research shows that Indian businesses routinely indulge in foreign bribery, Government of India has a responsibility to enact the legislation criminalising foreign bribery in conformation to United Nation Convention Against Corruption (UNCAC) and also by learning from international laws such as FCPA and UK Bribery Act.

Recently, Prime Minister Manmohan Singh acknowledged that his Government was working on proposals to criminalize private sector bribery, which is a welcome move, according to TI India.

BPI 2011 methodology

BPI 2011 draws on Transparency International's *Bribe Payers Survey* of 3,016 senior business executives having experience and exposure of foreign trade. A total of 28 countries were part of this survey and were selected as recipients of large inflows of FDI and imports. In each country, a minimum of 100 senior business executives, except in China where 82 executives, were interviewed. This year six new countries – Saudi Arabia, UAE, Malaysia, Argentina, Indonesia and Turkey were added increasing the number of countries to 28, as against 22 countries that were surveyed in 2008.

For Further information, please contact

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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	Bribe Payers Index 2008 Score
1	Netherlands	8.8	8.7
1	Switzerland	8.8	8.7
3	Belgium	8.7	8.8
4	Germany	8.6	8.6
4	Japan	8.6	8.6
6	Australia	8.5	8.5
6	Canada	8.5	8.8
8	Singapore	8.3	8.1
8	UK	8.3	8.6
10	USA	8.1	8.1
11	France	8.0	8.1
11	Spain	8.0	7.9
13	South Korea	7.9	7.5
14	Brazil	7.7	7.4
15	Hong Kong	7.6	7.6
15	Italy	7.6	7.4
15	Malaysia	7.6	-----
15	South Africa	7.6	7.5
19	Taiwan	7.5	7.5
19	India	7.5	6.8
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	6.6
27	China	6.5	6.5
28	Russia	6.1	5.9
	Average	7.8	

Perception 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 Service	6.1
17	Utilities	6.1
19	Public Works Contracts and Construction	5.3
	Average	6.6