



BPI 2011

2nd November 2011

SUPPLY SIDE OF BRIBERY



**Perceptions of companies
paying bribes**

- **From which country?**
- **In what sector?**



Some context:

- **4th Session of the Conference of the States Parties to the UNCAC, 24th - 28th Oct**
- **B20 Business Summit, 2nd Nov**
- **G20 Summit in Cannes, 3rd - 4th Nov**
- **CPI launch 1st December**
- **TRAC 2, early 2012**
- **Anti-corruption in International Business report, early 2012**

BRIBE PAYERS SURVEY



Sample:

- **100 business executives were surveyed in each of 30 countries (3,016)**
- **26 countries surveyed in 2008 + 4 countries with high levels of trade and investment inflows**
- **Businesses across different sectors**

Fieldwork:

- **Ipsos Mori coordinated the global survey**
- **Mix of Telephone, Face to Face and**

BRIBE PAYERS SURVEY



Country	Fieldwork provider	Sample source	Business executives surveyed, by size of company (number of employees)			
			5-49	50-99	100+	Total
Argentina	Ipsos	Ipsos database, Yellow Pages	42	21	37	100
Austria	Ipsos	Dun & Bradstreet	49	24	27	100
Brazil	Kai Field	Fortune 1000 database, Ipsos database	61	22	31	114
Chile	Ipsos	Ipsos database	45	20	35	100
China	Research Pacific	Local third-party databases, Yellow Pages	9	12	31	82
Czech Rep	Ipsos	Albertina database, Ipsos database	54	28	18	100
Egypt	Ipsos	Kompass	49	25	28	102
France	Ipsos	Dun & Bradstreet	50	24	27	101
Germany	Ipsos	Dun & Bradstreet	50	25	26	101
Ghana	Ipsos	Yellow Pages and Blue Pages	52	25	25	102
Hong Kong	Research Pacific	Local third-party databases	50	25	25	100
Hungary	Ipsos	Hoppentstadt and Bonnier & Partners Ltd, Hungarian Central Statistical Office, Dun & Bradstreet	50	25	25	100
India	Research Pacific	Local third-party databases	51	24	25	100
Indonesia	Ipsos	Kompassindo Business Directory	25	50	25	100
Japan	Research Pacific	Local third-party databases	45	30	25	100
Malaysia	Ipsos	Kompass, Dun & Bradstreet, Yellow Pages, Malaysia Business white pages, Ipsos database.	49	24	28	101
Mexico	Ipsos	Ipsos database	51	24	25	100
Morocco	MDCS	Kerix, Yellow Pages and White Pages business section	48	25	27	100
Nigeria	Ipsos	Yellow Pages, Nigeria Galleria, Goldstar Directory	50	25	25	100
Pakistan	Research Pacific	Local third-party databases, Yellow Pages	50	25	25	100
Philippines	Ipsos	Local third-party databases, Yellow Pages	49	17	34	100
Poland	Ipsos	HBI, Internet	50	25	25	100
Russia	O+K	Yellow Pages, Internet	55	22	27	104
Senegal	Ipsos	Yellow Pages, Internet	50	25	25	100
Singapore	Research Pacific	Local third-party databases, Yellow Pages	50	25	25	100
South Africa	Ipsos	Matrix database	49	25	26	100
South Korea	Ipsos	Mae-kyeong SMT Business Directory, Mining Korea membership list	50	29	26	105
Turkey	Ipsos	Istanbul Chamber of Commerce, Ipsos database	48	25	27	100
UK	Ipsos	Dun & Bradstreet	50	25	25	100
USA	Research Now	Research Now	52	15	37	104
TOTAL			1433	736	817	3016

BRIBE PAYERS SURVEY



- 1. In your principal lines of business in this country, do you have business relationships - for example as a supplier, client, partner or competitor - with companies whose headquarters are located in any of the following countries?**
- 2. For each of the countries you have selected, could you please tell us, using a scale of 1 to 5 where 1 means never and 5 means almost always,**

COUNTRIES RANKED



- ✓ **FDI outflow plus exports**
- ✓ **Ranked in 2008**
- ✓ **G20 membership**
- ✓ **Trade significance within region and/or continent**

BPI 2011 RESULTS



Rank	Country/Territory	BPI 2011 Score	Number of observations	Standard Deviation	90% Confidence interval	
					Lower bound	Upper bound
1	Netherlands	8.8	273	2.0	8.6	9.0
1	Switzerland	8.8	244	2.2	8.5	9.0
2	Belgium	8.7	221	2.0	8.5	9.0
4	Germany	8.6	576	2.2	8.5	8.8
4	Japan	8.6	319	2.4	8.4	8.9
6	Australia	8.5	168	2.2	8.2	8.8
6	Canada	8.5	209	2.3	8.2	8.8
8	Singapore	8.3	256	2.3	8.1	8.6
8	UK	8.3	414	2.5	8.1	8.5
10	USA	8.1	651	2.7	7.9	8.3
11	France	8.0	435	2.6	7.8	8.2
11	Spain	8.0	326	2.6	7.7	8.2
13	South Korea	7.9	152	2.8	7.5	8.2
14	Brazil	7.7	163	3.0	7.3	8.1
15	Hong Kong	7.6	208	2.9	7.3	7.9
15	Italy	7.6	397	2.8	7.4	7.8
15	Malaysia	7.6	148	2.9	7.2	8.0
15	South Africa	7.6	191	2.8	7.2	7.9
19	Taiwan	7.5	193	3.0	7.2	7.9
19	India	7.5	168	3.0	7.1	7.9
19	Turkey	7.5	139	2.7	7.2	7.9
22	Saudi Arabia	7.4	138	3.0	7.0	7.8
23	Argentina	7.3	115	3.0	6.8	7.7
23	UAE	7.3	156	2.9	6.9	7.7
25	Indonesia	7.1	153	3.4	6.6	7.5
26	Mexico	7.0	121	3.2	6.6	7.5
27	China	6.5	608	3.5	6.3	6.7
28	Russia	6.1	172	3.6	5.7	6.6
	Average	7.8				

RUSSIA AND CHINA



Impact:

- **Growth in 2011 - China 9.6%, Russia 4.8%**
- **FDI in 2010 - \$120,000 million**

Progress:

- **Russia - new legislation passed in May 2011, invitation to joining the OECD Anti-bribery Convention**
- **China - eighth amendment to Criminal Law, criminalising bribery of foreign officials**

BRIBE PAYERS BY SECTOR

- 1. In your principal line of business, with which of the following sectors do you have business relationships with, for example as a supplier, client, partner or competitor?**

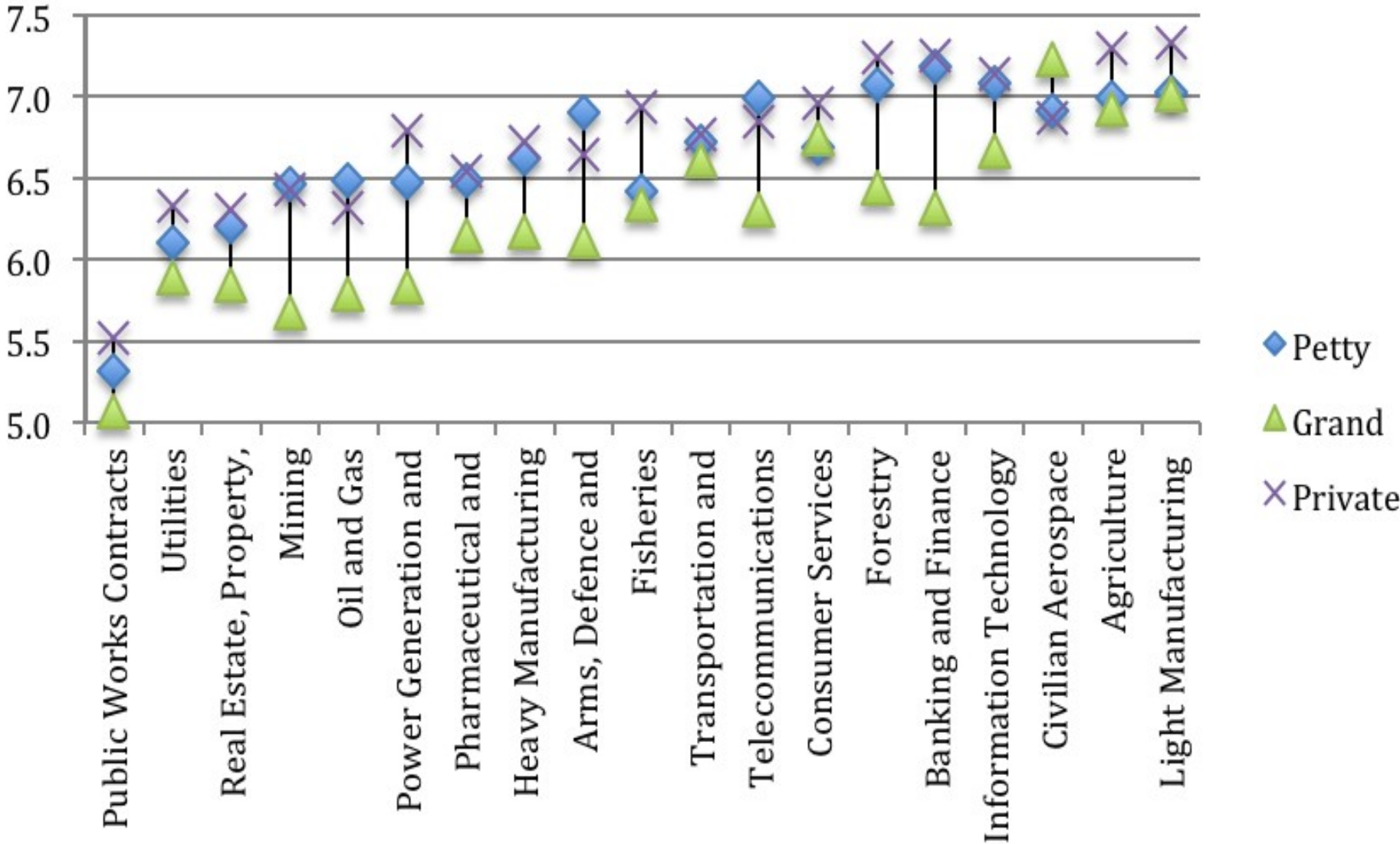
- 2. How often do firms in each sector**
 - a) engage in bribery of low level public officials, for example to speed up administrative processes and/or facilitate the granting of licenses?**
 - b) use improper contributions to high ranking politicians or political parties to achieve influence?**
 - c) pay or receive bribes from other**

BRIBE PAYERS BY SECTOR



Rank	Sector	Sector Score	Number of observati	Standard Deviation	90% Confidence	
					Lower bound	Upper bound
1	Agriculture	7.1	270	2.6	6.8	7.4
1	Light Manufacturing	7.1	652	2.4	7.0	7.3
3	Civilian Aerospace	7.0	89	2.7	6.6	7.5
3	Information Technology	7.0	677	2.5	6.8	7.1
5	Banking and Finance	6.9	1409	2.7	6.8	7.0
5	Forestry	6.9	91	2.4	6.5	7.3
7	Consumer Services	6.8	860	2.5	6.7	6.9
8	Telecommunications	6.7	529	2.6	6.5	6.9
8	Transportation and Storage	6.7	717	2.6	6.5	6.9
10	Arms, Defence and Military	6.6	102	2.9	6.1	7.1
10	Fisheries	6.6	82	3.0	6.0	7.1
12	Heavy Manufacturing	6.5	647	2.6	6.4	6.7
13	Pharmaceutical and Healthcare	6.4	391	2.7	6.2	6.6
13	Power Generation and Transmissi	6.4	303	2.8	6.1	6.6
15	Mining	6.3	154	2.7	5.9	6.6
16	Oil and Gas	6.2	328	2.8	6.0	6.5
17	Real Estate, Property, Bus & Lega	6.1	674	2.8	5.9	6.3
17	Utilities	6.1	400	2.9	5.9	6.3
19	Public Works Contracts and Cons	5.3	576	2.7	5.1	5.5
	Average	6.6				

BRIBE PAYERS BY SECTOR



RECOMMENDATIONS TO COMPANIES



Corporate anti-corruption policies, procedures and transparency commitments:

- E.g. Country by country reporting

Promote integrity across their broader sphere of influence:

- E.g. Assess bribery and corruption risks across a company's entire supply chain

RECOMMENDATIONS TO GOVERNMENTS



Strengthen existing legislation

- **E.g. prohibit facilitation payments**

Step up the enforcement of existing laws.

- **E.g. All countries, including Germany, Japan and Saudi Arabia, must ratify the UN Convention on Anti-Corruption.**

BACKUP: COMPARE SCORES OVER TIME



Country/Territory	Bribe Payers Index Score			Bribe Payers Index Rank		
	2011	2008	Change	2011	2008	Change
Netherlands	8.8	8.7	0.1	1	3	2
Switzerland	8.8	8.7	0.1	1	3	2
Belgium	8.7	8.8	-0.1	3	1	-2
Germany	8.6	8.6	0.0	4	5	1
Japan	8.6	8.6	0.0	4	5	1
Australia	8.5	8.5	0.0	6	8	2
Canada	8.5	8.8	-0.3	6	1	-5
Singapore	8.3	8.1	0.2	8	9	1
UK	8.3	8.6	-0.3	8	5	-3
USA	8.1	8.1	0.0	10	9	-1
France	8.0	8.1	-0.1	11	9	-2
Spain	8.0	7.9	0.1	11	12	1
South Korea	7.9	7.5	0.4	13	14	1
Brazil	7.7	7.4	0.3	14	17	3
Hong Kong	7.6	7.6	0.0	15	13	-2
Italy	7.6	7.4	0.2	15	17	2
South Africa	7.6	7.5	0.1	15	14	-1
Taiwan	7.5	7.5	0.0	18	14	-4
India	7.5	6.8	0.7	18	19	1
Mexico	7.0	6.6	0.4	20	20	0
China	6.5	6.5	0.0	21	21	0
Russia	6.1	5.9	0.2	22	22	0
Average	7.9	7.8				

BACKUP: UNCAC AND OECD



Country	Bribe Payers Index 2011 score	Enforcement of the OECD Convention (Transparency International Progress Report, 2011) §	UN Convention against Corruption (Date of Ratification)
Netherlands	8.8	Moderate	2006*
Switzerland	8.8	Active	2009
Belgium	8.7	Moderate	2008
Japan	8.6	Moderate	Not ratified
Germany	8.6	Active	Not ratified
Australia	8.5	Little/None	2005
Canada	8.5	Little/None	2007
UK	8.3	Active	2006
Singapore	8.3	N/A	2009
USA	8.1	Active	2006
France	8.0	Moderate	2005
Spain	8.0	Moderate	2006
South Korea	7.9	Moderate	2008
Brazil	7.7	Little/None	2005
South Africa	7.6	Little/None	2004
Italy	7.6	Active	2009
Hong Kong	7.6	N/A	N/A
Malaysia	7.6	N/A	2008
India	7.5	N/A	2011
Turkey	7.5	Little/None	2006
Taiwan	7.5	N/A	N/A
Saudi Arabia	7.4	N/A	Not ratified
UAE	7.3	N/A	2006
Argentina	7.3	Moderate	2006
Indonesia	7.1	N/A	2006
Mexico	7.0	Little/None	2004
China	6.5	N/A	2006
Russia	6.1	N/A	2006