

New Transparency International report: EU companies still engaged in foreign bribery, say business executives

- **EU failing in its obligations to prohibit private sector bribery -**

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There has been no improvement in the propensity of EU firms to bribe foreign officials, according to a new report by Transparency International [published today](#). The report also finds that firms are as likely to bribe each other as government officials, according to a survey of nearly 3000 business executives from 30 developed and developing countries.

EU member states have agreed in principle to prohibit bribery within the private sector, but a recent [Commission report](#) shows they have largely failed to meet their obligations.

Jana Mittermaier, Head of the Transparency International EU liaison office, remarked "The EU needs to pay attention to the results of this report. Little attention has been paid to the phenomenon of business-to-business bribery, but it can distort markets and competition by facilitating hidden business cartels and allowing large companies to demand bribes or kickbacks from smaller suppliers. If policymakers are concerned with an efficient and fair single market, they need to step up their efforts against corruption. Amongst other things, EU Member States need to take seriously their legal commitment to prohibit this kind of behaviour".

Transparency International's 2011 Bribe Payers Index ranks 28 leading international and regional exporting countries by the likelihood of their firms to bribe abroad. **7 EU member states are included in the ranking – Belgium (3), France (11), Germany (4), Italy (15), the Netherlands (1), Spain (11) and the United Kingdom (8)**. The report reveals that the fight against foreign bribery by EU firms has stalled, with no improvement in the average score of EU member states since the last ranking was compiled in 2008. All EU member states ranked are signatories to the 1997 OECD Convention on Combating the Bribery of Foreign Public Officials.

The report examines for the first time the issue of bribery within the private sector (bribery of firms by other firms), revealing that this is almost as much of a problem as bribery of public officials. The EU recognised the problem in 2003 when the *Framework Decision on Combating Corruption in the Private Sector* was agreed. A comprehensive framework for prohibiting business-to-business bribery, it is binding on all Member States. However, a 2011 European Commission report found that its implementation had been "highly

problematic” with only 9 out of 27 Member States putting in place the recommended legislation.

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

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