

# Asia Pacific Anti-Corruption Rankings for 2012

Transparency International's recently released Corruption Perceptions Index 2012 reveals important new data for companies operating in Asia Pacific. There is some improvement and some backsliding amongst the countries reviewed, but with only one exception, the countries that were ranked as very corrupt in 2011 largely remained so in 2012. This is disappointing as some of the countries whose rankings worsened in 2012 had previously earned recognition in the 2011 rankings for their anti-corruption effort, such as Indonesia. A lack of transparency in contracting procedures and public sector accountability was blamed for the overall continuing discouraging results, as over two-thirds of the countries reviewed remained very corrupt, according to their scores.

## The Corruption Perception Index ("CPI")

Transparency International ("TI"), a global non-government organisation, gathers information through surveys and data reviews to provide an annual index that ranks and scores countries based on the perceived level of public sector corruption. This year, information about 176 countries was provided. TI used a scoring methodology from 1 (most corrupt) to 100 (cleanest). Countries were also ranked from top to bottom, with the No. 1-rated country being least corrupt (e.g., New Zealand<sup>1</sup>) and No. 174 the most corrupt (e.g., North Korea<sup>2</sup>).

<sup>1</sup> This year, New Zealand shares its first place status with Finland and Denmark, which were second place finishers last year.

<sup>2</sup> North Korea shares its status again this year with last year's bottom dweller, Somalia, and is joined this year by Afghanistan which moved down in its ranking.

<sup>3</sup> Interestingly, the seven countries excluded in 2012 were all Asia Pacific countries: Macau (ranked 46), Samoa (69), Vanuatu (77), Kiribati (95), Tonga (95), Solomon Islands (120), and the Maldives (134). Their exclusion was based on the number of data sources available to Transparency International.

Even though those two countries held the same extreme positions as last year, the methodology and number of countries reviewed are different this year, making trend analyses more complicated. For example, while it looks like North Korea's ranking has improved from 182 to 174, this gain is explained only by the fact that seven fewer countries were included in the 2012 index<sup>3</sup>. Moreover, China's slide downward five points this year is actually steeper due to the elimination of three countries ahead of it, Macau, Samoa, and Vanuatu, which should have lessened China's slide. This same effect occurred for a number of countries, as noted below.

## Results for Asia Pacific Countries, 2011 and 2012

Only 9 of the 28 Asia Pacific countries – roughly one-third – received a passing grade of 50 out of 100 in the CPI Report, which is consistent with the global scoring in 2012.

- Notably, Sri Lanka moved from a high risk country in 2011 to a medium risk country in 2012, the only country to have moved into a different category of risk.
- Countries with improvement in their ranking (that is not explained merely by the exclusion of countries ranked ahead of them), include Australia, Bhutan, Malaysia, Sri Lanka, Mongolia, Philippines, Timor-Leste, and Nepal.

- Those moving up significantly include Mongolia (26 places), the Philippines (24 places), Timor-Leste (30 places), and Nepal (15 places), thereby showing demonstrable improvement as a result of their anti-corruption efforts. However, while their rankings improved, these countries remain at high risk for corruption.
- Unfortunately, Indonesia's positive movement in recent years seemed to have reversed as it slid 18 places – actually 23, due to the exclusion of five countries above it.
- Bangladesh slid 24 places, but with the exclusion of the countries above it, its slide was really down 31, and Vietnam's ranking declined by 11 places, but actually it declined 16 places when taking into account the missing countries.

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If you would like to know more about the subjects covered in this publication or our services, please contact:

Wendy Wysong  
Partner  
Tel: +852 2826 3460 (Hong Kong)  
Tel: +1 202 912 5030 (Washington DC)  
wendy.wysong@cliffordchance.com

Clifford Chance, 28F Jardine House, One Connaught Place, Central, Hong Kong  
Clifford Chance, 2001 K Street NW  
Washington 20006 - 1001, USA

[www.cliffordchance.com](http://www.cliffordchance.com)

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Asia Pacific Country	2012 Rank	2011 Rank	Difference	2012 Score	2011 Score
New Zealand	1	1	0	90	9.5
Singapore	5	5	0	87	9.2
Australia	7	8	+1	85	8.8
Hong Kong	14	12	-2	77	8.4
Japan	17	14	-3	74	8.0
Bhutan	33	38	+5	63	5.7
Taiwan	37	32	-5	61	6.1
South Korea	45	43	-2	56	5.4
Brunei	46	44	-2	55	5.2
Macau		46			5.1
Malaysia	54	60	+6	49	4.3
Samoa		69			3.9
Vanuatu		77			3.5
Sri Lanka	79	86	+7	40	3.3
China	80	75	-5	39	3.6
Thailand	88	80	-8	37	3.4
India	94	95	+1	36	3.1
Mongolia	94	120	+26	36	2.7
Kiribati		95			3.1
Tonga		95			3.1
Philippines	105	129	+24	34	2.6
Timor-Leste	113	143	+30	33	2.4
Indonesia	118	100	-18	32	3.0
Vietnam	123	112	-11	31	2.9
Solomon Islands		120			2.7
Maldives		134			2.5
Nepal	139	154	+15	27	2.2
Pakistan	139	134	-5	27	2.5
Bangladesh	144	120	-24	26	2.7
Papua New Guinea	150	154	+4	25	2.2
Cambodia	157	164	+7	22	2.1
Laos	160	154	-6	21	2.2
Myanmar	172	170	+8	15	1.5
Afghanistan	174	180	+6	8	1.5
North Korea	174	182	+8	8	1.0

 Low risk

 Medium risk

 High risk

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