

## PRESS RELEASE

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**NOTE:** All materials are **embargoed until 26 October 2010** at 10:00 Berlin time, which is 14.00 Pakistan time.

### **Pakistan's decline continue in CPI 2010- Response to global crises must prioritise zero-tolerance for corruption**

*Berlin-Karachi , 26 October 2010* -- With governments committing huge sums to tackle the world's most pressing problems, from the instability of financial markets to climate change and poverty, corruption remains an obstacle to achieving much needed progress, according to Transparency International's 2010 *Corruption Perceptions Index*(CPI), a measure of domestic, public sector corruption released today.

The 2010 CPI shows that nearly three quarters of the 178 countries in the index score below five, on a scale from 0 (perceived to be highly corrupt) to 10 (perceived to have low levels of corruption), indicating a serious corruption problem.

"These results signal that significantly greater efforts must go into strengthening governance across the globe. With the livelihoods of so many at stake, governments' commitments to anti-corruption, transparency and accountability must speak through their actions. Good governance is an essential part of the solution to the global policy challenges governments face today," said Huguette Labelle, Chair of Transparency International (TI).

Pakistan 2010 Corruption Perceptions Index Score is 2.3 against 2.4 in 2009, and out of 178 countries, its ranking as most corrupt country has slipped 7 ranks, from 42 in 2009 to 34 most corrupt country in 2010.

Syed Adil Gilani, Chairman TI Pakistan said in last two year there have been unprecedented cases of corruption involving tens of billions of rupees in public sector organization, which under the Rule of Law, should have been taken up by the National Accountability Bureau. He said the Political will of the government to fight Corruption is lacking which has resulted in the Supreme Court of Pakistan to take Suo Moto action against mega corruption in NICL, Pakistan Steel, Rental Power Plants. The CPI 2010 reveals that corruption in Pakistan is increasing, while in Bangladesh it is decreasing. Bangladesh was perceived to be the most corrupt country in 2001, 2002 and 2003 and its ranking in 2010 is 39 most corrupt country. Reduced corruption has paid dividends to Bangladesh whose annual GDP growth last year was over 5%, while Pakistan's GDP growth last year was near 2.4 %. Delay in formation of An Independent Accountability Commission by the parliament may further aggravate the situation. Chairman TI Pakistan said that the Supreme Court of Pakistan, which has a declared policy of Zero-Tolerance for Corruption on 22 March 2009, in its order of 12<sup>th</sup> October, 2010 in NICL Case No.18 of 2010 involving six

procurements is considers the Violation of Public Procurement Rules 2004 as a criminal act. It is a landmark order, treating violation of Public Procurement Rules 2004 as a federal crime and it will help reduction in Corruption. The direct impact of increased Corruption is witnessed in the rise in the prices of food commodities which according to the latest official data of Federal Bureau of Statistics, have increased up to 120 percent in last one year viz. sugar from Rs 54 to Rs 80, pulses from Rs 50 to Rs 110, eggs from Rs 35 to Rs 60, and the Foreign Direct Investment for the fiscal year 2009-2010 dropped to US \$ 2.21 billion from US\$ 3.71 billion in FY 2008-2009, and in July-Sept 2010 it is further dropped to US \$ 387.4 million ( 68% of last year). Foreign debt on Pakistan increased from US \$ 40 Billion in 1999 to US \$ 46 billion in 2008, whereas in last two years it has increased to US \$ 53.5 billion.

Across the board Application of Rule of Law, Merit based appointments and easy Access to Justice is the only solution to save Pakistan from corruption, which is responsible for poverty, inflation, terrorism, illiteracy, lack of electricity and hoarding of essential food commodities.

In the 2010 CPI, Denmark, New Zealand and Singapore tie for first place with scores of 9.3. Unstable governments, often with a legacy of conflict, continue to dominate the bottom rungs of the CPI. Afghanistan and Myanmar share second to last place with a score of 1.4, with Somalia coming in last with a score of 1.1.

Where source surveys for individual countries remain the same, African Development Bank, Asian Development Bank, Bertelsmann Foundation, Economist Intelligence Unit, Freedom House, Global Insight and the World Bank. and where there is corroboration by more than half of those sources, real changes in perceptions can be ascertained. Using these criteria, it is possible to establish an improvement in scores from 2009 to 2010 for Bhutan, Chile, Ecuador, FYR Macedonia, Gambia, Haiti, Jamaica, Kuwait, and Qatar.

“The results of this year’s CPI show again that corruption is a global problem that must be addressed in global policy reforms. It is commendable that the Group of 20 in pursuing financial reform has made strong commitments to transparency and integrity ahead of their November summit in Seoul,” said Labelle. “But the process of reform itself must be accelerated.” TI calls on the G20 to mandate greater government oversight and public transparency in all measures they take to reduce systemic risks and opportunities for corruption and fraud in the public as well as in the private sector.

The message is clear: across the globe, transparency and accountability are critical to restoring trust and turning back the tide of corruption. Without them, global policy solutions to many global crises are at risk.

**Note to Editors:** The CPI is a composite index, drawing on 13 different expert and business surveys. Source surveys for the 2010 CPI were conducted between January 2009 and September 2010.

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**Transparency International; Corruption Perception Index  
Pakistan Score and Ranking**

Year	Pakistan Rank/Score	Pak Most corrupt Rank	India Rank/Score	India Most corrupt Rank	B'desh Rank/Score	B'Desh Most corrupt Rank	No of Countries Ranked
2010	143/2.3	34	88/3.3	91	134/2.4	43	178
2009	139/2.4	42	84/3.4	95	139/2.4	42	180
2008	134/2.5	47	85/3.6	96	147/2.1	34	180
2007	138/2.4	42	72/3.5	108	162/2	18	179
2006	142/2.2	20	70/3.3	94	156/2.1	8	163
2005	144/2.1	16	88/2.9	72	158/1.7	2	159
2004	129/2.1	19	90/2.8	58	145/1.5	3	147
2003	92/2.5	42	83/2.8	51	133/1.3	1	133
2002	77/2.6	26	71/2.7	32	102/1.2	1	102
2001	79/2.3	13	71/2.7	21	91/0.4	1	91
2000	N/A	N/A	69/2.8	22	N/A	N/A	90
1999	87/2.2	13	72/2.9	28	N/A	N/A	99
1998	71/2.7	15	66/2.9	20	N/A	N/A	85
1997	48/2.53	5	45/2.75	8	N/A	N/A	52
1996	53/1	2	46/2.63	9	51/2.29	4	54

**US % conversion Rates Pakistan, Bangladesh & India, Oct-2009 and Oct-2010**

Country	Oct 2009	Oct 2010	Diff
<b>India</b>	Rs 46.35	Rs 44.32	Appreciate 4.58%
<b>Bangladesh</b>	TK 70.34	TK 71.55	Depreciate 1.72%
<b>Pakistan</b>	Rs 83.35	Rs 86.45	Depreciate 3.71%

Note: all materials under strict embargo until 26.10.2010 at 10:00 CET

## TRANSPARENCY AND ACCOUNTABILITY ARE CRITICAL TO RESTORING TRUST AND TURNING BACK THE TIDE OF CORRUPTION

With governments committing huge sums to tackle the world's most pressing problems, from the instability of financial markets to climate change and poverty, corruption remains an obstacle to achieving much needed progress.

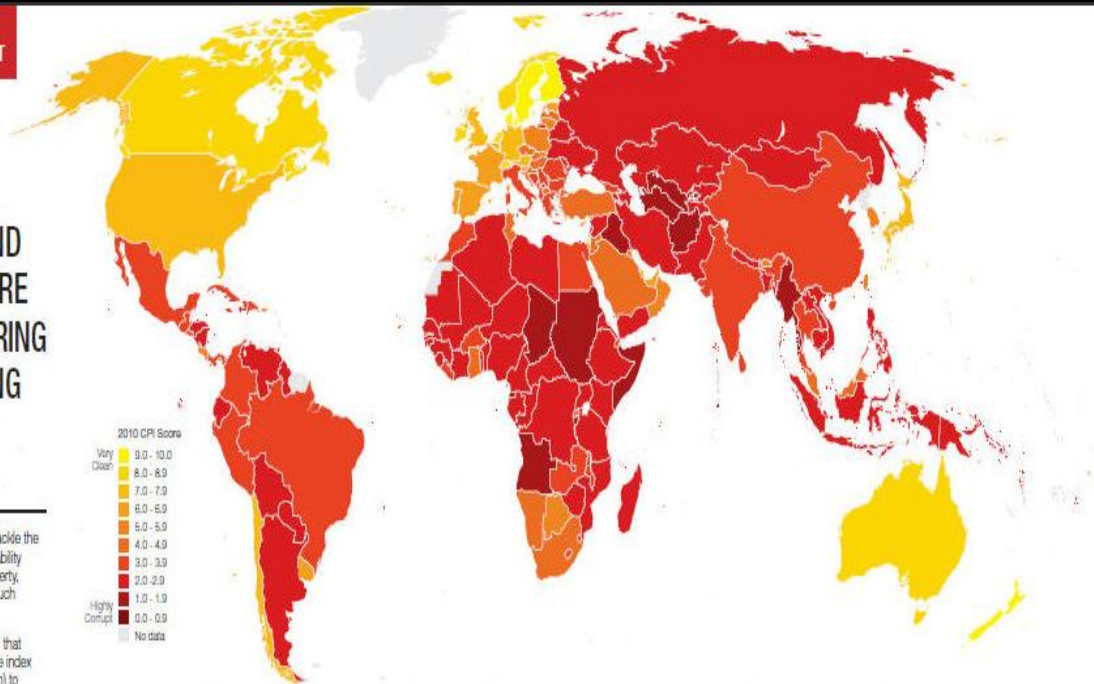
The 2010 Corruption Perceptions Index shows that nearly three quarters of the 178 countries in the index score below five, on a scale from 10 (very clean) to 0 (highly corrupt). These results indicate a serious corruption problem.

To address these challenges, governments need to integrate anti-corruption measures in all spheres, from their responses to the financial crisis and climate change to commitments by the international community to eradicate poverty. Transparency International advocates stricter implementation of the UN Convention against Corruption, the only global initiative that provides a framework for putting an end to corruption.

Denmark, New Zealand and Singapore are tied at the top of the list with a score of 9.3, followed closely by Finland and Sweden at 9.2. At the bottom is Somalia with a score of 1.1, slightly trailing Myanmar and Afghanistan at 1.4 and Iraq at 1.5.

Notable among decliners over the past year are some of the countries most affected by a financial crisis precipitated by transparency and integrity deficits. Among those improving in the past year, the general absence of OECD states underlines the fact that all nations need to bolster their good governance mechanisms.

The message is clear: across the globe, transparency and accountability are critical to restoring trust and turning back the tide of corruption. Without them, global policy solutions to many global crises are at risk.



RANK	COUNTRY/TERRITORY	SCORE
1	Denmark	9.3
2	New Zealand	9.3
3	Singapore	9.3
4	Finland	9.2
5	Sweden	9.2
6	Canada	8.9
7	Netherlands	8.8
8	Australia	8.7
9	Switzerland	8.7
10	Norway	8.6
11	Iceland	8.5
12	Luxembourg	8.5
13	Hong Kong	8.4
14	Ireland	8.0
15	Austria	7.9
16	Germany	7.9
17	Japan	7.8
18	Qatar	7.7
19	United Kingdom	7.6
20	Chile	7.2
21	Belgium	7.1
22	United States	7.1
23	Uruguay	6.9
24	France	6.8
25	Estonia	6.5
26	Slovenia	6.4
27	Cyprus	6.3
28	United Arab Emirates	6.3
29	Israel	6.1
30	Spain	6.1
31	Portugal	6.0
32	Botswana	5.8
33	Puerto Rico	5.8
34	Taiwan	5.8
35	Bhutan	5.7
36	Malta	5.6
37	Brunei	5.5
38	Korea (South)	5.4
39	Mauritius	5.4
40	Costa Rica	5.3
41	Oman	5.3
42	Poland	5.3
43	Dominica	5.2
44	Cape Verde	5.1
45	Lithuania	5.0
46	Norway	5.0
47	Bahrain	4.9
48	Seychelles	4.8
49	Hungary	4.7
50	Jordan	4.7
51	Saudi Arabia	4.7
52	Czech Republic	4.6
53	Kuwait	4.5
54	South Africa	4.5
55	Malaysia	4.4
56	Namibia	4.4
57	Turkey	4.4
58	Latvia	4.3
59	Slovakia	4.3

RANK	COUNTRY/TERRITORY	SCORE
60	Turisia	4.3
61	Croatia	4.1
62	PYR Macedonia	4.1
63	Ghana	4.1
64	Samoa	4.1
65	Rwanda	4.0
66	Italy	3.9
67	Georgia	3.8
68	Ethiopi	3.7
69	Cuba	3.7
70	Montenegro	3.7
71	Romania	3.7
72	Bulgaria	3.6
73	El Salvador	3.6
74	Panama	3.6
75	Trinidad and Tobago	3.6
76	Vanuatu	3.6
77	China	3.5
78	Colombia	3.5
79	Greece	3.5
80	Laos	3.5
81	Peru	3.5
82	Serbia	3.5
83	Thailand	3.5
84	Malawi	3.4
85	Morocco	3.4
86	Nigeria	3.3
87	India	3.3
88	Jamaica	3.3
89	Liberia	3.3
90	Bosnia and Herzegovina	3.2
91	Djibouti	3.2
92	Gambia	3.2
93	Guatemala	3.2
94	Kiribati	3.2
95	Sri Lanka	3.2
96	Swaziland	3.2
97	Burkina Faso	3.1
98	Egypt	3.1
99	Mexico	3.1
100	Dominican Republic	3.0
101	Sao Tome & Principe	3.0
102	Togo	3.0
103	Zambia	3.0
104	Algeria	2.9
105	Argentina	2.9
106	Kazakhstan	2.9
107	Moldova	2.9
108	Senegal	2.9
109	Burini	2.8
110	Bolivia	2.8
111	Gabon	2.8
112	Indonesia	2.8
113	Kosovo	2.8
114	Solomon Islands	2.8
115	Ethiopia	2.7
116	Guyana	2.7
117	Mali	2.7
118	Maldives	2.7
119	Mongolia	2.7
120	Mozambique	2.7
121	Tanzania	2.7
122	Vietnam	2.7
123	Armenia	2.6
124	Eritrea	2.6
125	Madagascar	2.6
126	Niger	2.6
127	Bahamas	2.6
128	Ecuador	2.5
129	Lebanon	2.5
130	Nicaragua	2.5
131	Syria	2.5
132	Timor-Leste	2.5
133	Uganda	2.5
134	Aruba	2.4
135	Bangladesh	2.4
136	Honduras	2.4
137	Nigeria	2.4
138	Philippines	2.4
139	Venezuela	2.4
140	Sierra Leone	2.4
141	Togo	2.4
142	Ukraine	2.4
143	Zimbabwe	2.4
144	Maldives	2.3
145	Mauritania	2.3
146	Pakistan	2.3
147	Cameroon	2.2
148	Cote d'Ivoire	2.2
149	Haiti	2.2
150	Iran	2.2

RANK	COUNTRY/TERRITORY	SCORE
151	Libya	2.2
152	Nepal	2.2
153	Paraguay	2.2
154	Yemen	2.2
155	Cambodia	2.1
156	Central African Republic	2.1
157	Comoros	2.1
158	Congo-Brazzaville	2.1
159	Guinea-Bissau	2.1
160	Korea	2.1
161	Laos	2.1
162	Papua New Guinea	2.1
163	Russia	2.1
164	Tajikistan	2.1
165	Democratic Republic of the Congo	2.0
166	Guinea	2.0
167	Kyrgyzstan	2.0
168	Venezuela	2.0
169	Angola	1.9
170	Equatorial Guinea	1.9
171	Ukraine	1.8
172	Chad	1.7
173	Sudan	1.6
174	Turkmenistan	1.6
175	Uzbekistan	1.6
176	Iraq	1.5
177	Afghanistan	1.4
178	Myanmar	1.4
179	Somalia	1.1