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TI BiH presented the Global Corruption Report 2009

Revolving doors between public office and the private sector provide a smooth path to deceitful public procurement deals where non-competitive bidding and opaque processes lead to immense waste and unreliable services or goods.

Banja Luka, September 24 2009—Transparency International Bosnia and Herzegovina (TI BiH) presented this year's Global Corruption Report, released by Transparency International, which was focused on corruption in the private sector. Global report features more than 75 experts examining the scale, scope and devastating consequences of corporate corruption, from small entrepreneurs to multinational corporations. The massive scale of global corruption resulting from bribery, price-fixing cartels and undue influence on public policy is costing billions and obstructing the path towards sustainable economic growth, according to the new report.

Global Corruption Report 2009: Corruption and the Private Sector shows how corrupt practices constitute a destructive force that undermines fair competition, stifles economic growth and ultimately undercuts a business's own existence. In the last two years alone, companies have had to pay billions in fines due to corrupt practices. The cost extends to low staff morale and a loss of trust among customers as well as prospective business partners. The report documents many cases of managers, majority shareholders and other actors inside corporations who abuse their entrusted power for personal gain, to the detriment of owners, investors, employees and society at large. In developing and transition countries alone, companies colluding with corrupt politicians and government officials, have supplied bribes estimated at up to US \$40 billion annually, according to the GCR, and it is estimated that corruption raised project costs by at least 10 per cent.

Revolving doors between public office and the private sector, another practice documented in the report, provide a smooth path to deceitful public procurement deals where non-competitive bidding and opaque processes lead to immense waste and unreliable services or goods. Many of the countries found at the bottom of TI's yearly *Corruption Perceptions Index*, which includes BiH, are not only victim to unscrupulous governments but to major firms that are more than willing to enter into corrupt deals with these governments. These intricate webs, involving more than simple bribes, are possible because companies believe that they can get away with such criminal practices.

"Basing a company or fund's future on personal relationships and unpredictable systems or simply operating in a dark space without oversight and accountability is a path to guaranteed failure," said Huguette Labelle, TI Chair.

Global Corruption Report was an opportunity for a panel discussion, where it was debated about the main finding of the GCR, looking back on the situation in Bosnia and Herzegovina when it comes to corruption in the private sector, with an emphasis on the findings of TI BiH latest research on the process of the privatization of state capital in BiH. This was also the opportunity to discuss about the state and perspectives of capital market in BiH, legal framework regulating the relationship between the state and the private sector, and other issues significant for a more efficient fight against corruption in relations between public and private sector.

The panellists were Srdjan Blagovcanin, TI BiH Executive Director, Mervan Mirascija, Open Society Fund BiH representative, Nebojsa Milanovic, lawyer and TI BiH associate, Branko Kecman, President of Association of Authorised Participants in Capital Market of RS, and Aleksandra Martinovic, member of TI BiH Board of Directors. Bosko Ceko, Principal Auditor of the public sector in RS and Dusan Stojicic, President of National Assembly

Committee for Monitoring and Implementation of Privatization Process, also participated in the discussion, and pointed out to examples of corruptive practices occurring in the contact between the state and business sector, above all in public procurement and contracting processes, which was recognized as the area most susceptible for corruption.