

Transparency International EU

The global coalition against corruption

EU Trade deals to include “ambitious” anti-corruption proposals

Alex Johnson · Wednesday, October 14th, 2015

Transparency International welcomes the European Commission’s pledge to include “ambitious” anti-corruption provisions and to increase transparency in all future trade deal negotiations. This new approach to the EU’s bilateral trade agreements was announced as part of a communication on the future of trade policy published today by the European Commission. The EU accounts for one-sixth of the world’s trade in goods.

The announcement marks a new departure for the Commission. Previous bilateral agreements with major trading partners, South Korea and Canada for example, have not included these provisions. The proposed Transatlantic Trade and Investment Partnership (TTIP) will be a first test of the new policy.

Corruption is a major obstacle to global trade and foreign investment flows. It distorts the fair awarding of contracts, reduces the quality of basic public services, limits opportunities to develop a competitive private sector and undermines trust in the rule of law. Despite evidence of persistently high levels of foreign bribery in international business transactions [1], Transparency International has highlighted the poor record of anti-bribery law enforcement worldwide [2].

Substantive and robust anti-corruption provisions – such as those Transparency International have [recommended](#) for inclusion in TTIP – will help raise standards and focus attention on implementation. These provisions should include no impunity for officials charged with corruption offences, steps to reduce the secrecy and abuse of anonymous shell companies, and the requirement for governments to consult with civil society on their anti-corruption commitments.

“The EU’s trade policies can be an important tool to combat the scourge of bribery, secret dealings and abuse of power around the globe,” said Carl Dolan, Director of the Transparency International EU Office. *“Strong anti-corruption provisions in these agreements will focus the minds of governments on enforcing their existing anti-corruption obligations”.*

Corruption in the EU alone costs an estimated €120 billion per year [3]. Transparency International’s most recent report on the enforcement of foreign bribery legislation showed that 11 EU countries – Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Ireland, Luxembourg, Poland, Slovenia, Slovak Republic and Spain – have shown evidence of little or

no enforcement of obligations under the OECD convention prohibiting bribery of foreign officials. Only two EU countries – UK and Germany – are considered to be actively enforcing the convention.

The anti-corruption and transparency principles enshrined in these bilateral trade agreements must be consistent with the highest possible levels of transparency in the conduct of the negotiations, particularly where they have an impact on regulatory standards and decision making by public institutions, as is the case with TTIP. We welcome the Commission's commitment to improve the transparency of these negotiations and acknowledge the steps taken so far. However, these steps do not go far enough.

Transparency International's demands for greater transparency in these negotiations can be read [here](#).

Editor's Notes:

[1] [Bribe Payers Index 2011](#)

[2] [Exporting Corruption 2015](#)

[3] [European Commission 2014 anti-corruption report](#)

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