

TRANSPARENCY INTERNATIONAL (UK)

the coalition against corruption



Tuesday July 18

Press Release

Transparency International UK [TI(UK)] welcomes the announcement of the creation of a European defence industry anti-corruption working group

The European aerospace and defence industry announced on Friday, just before the Farnborough Air Show, the creation of an international industry working group dedicated to combating corruption. This is intended initially to cover all European defence companies and their national defence associations, and then to be open to defence companies from other countries.¹ On the same day, the UK defence industry announced the formation of the UK Defence Industries Anti-Corruption Forum.²

TI(UK) welcomes these steps to take the fight against defence corruption to a new level and will continue to support this work.

The industry itself has huge potential for cooperative action to eliminate corruption. For too long the defence industry has been seen as an extremely corrupt sector: it has been rated the world's second most corrupt business sector³. Despite improvements driven by the OECD Convention against bribery, scandals continue to plague the industry⁴.

Mark Pyman, project leader of TI(UK)'s defence project, said 'We very much hope that the industry will make this working group into the recognised authority for driving out corruption from the defence industry. The defence industry collectively can push to raise standards, develop common anti-corruption approaches to international tenders, and take the lead in active disclosure of possible problems to their audit committees and to authorities. Success in this sends a strong signal of intent that arms importing countries will welcome.'

TI(UK) has actively supported the formation of such an international industry group and has brought defence companies together in ad-hoc gatherings to discuss this. Lord Robertson, former NATO Secretary General and Chairman of this group of defence companies facilitating this industry grouping, commented "The European forum is an excellent initiative and very welcome. This is a bid by the industry itself to clean up defence sales and to drive out corruption. It will be judged by its effectiveness in reassuring the public and governments and therefore it has to be tough, clear and credible. I am assured that it will be all three".

¹ ASD Press Release July 14, 2006 www.asd-europe.org

² Defence Manufacturers Association and Society of British Aerospace Companies announcement on July 14, 2006. www.The-dma.org.uk and www.sbac.co.uk

³ Transparency International's Bribe Payer's Index 2002

⁴ See TI(UK) Defence Anti Corruption Digest, at www.transparency.org.uk/PCOATdocs/digest.htm

Notes for editors

Transparency International (UK) is the UK chapter of Transparency International, a non-profit making, independent, non-governmental organisation, dedicated to increasing government accountability and curbing both international and national corruption. TI works constructively with governments, companies, development agencies, NGOs and international organisations to build alliances to combat corruption. TI(UK) is part of a network of 90 national chapters carrying out the TI mission around the world

The ASD announcement was the subject of a brief Wall Street Journal article on July 17 by Andy Pasztor.

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