TRANSPARENCY INTERNATIONAL MALAYSIA

CORRUPTION PERCEPTIONS INDEX 2018

DATO' SRI AKHBAR SATAR, TI-M PRESIDENT

29 JANUARY 2019

180 COUNTRIES. 180 SCORES.

HOW DOES YOUR COUNTRY MEASURE UP?

The perceived levels of public sector corruption in 180 countries/territories around the world.

WHAT IS CPI?

A global (180 countries/territories)
aggregate Index (up to 13 different data sources)
capturing perceptions (experts/business people)
of corruption (abuse of power for private gain)
in the public sector (public officials and institutions)

WHAT DOES THE CPI MEASURE

All of our sources measure public sector corruption, or certain aspects of public sector corruption, including:

- **Bribery**
- **Diversion of public funds**
- **Use of public office for private gain**
- **Nepotism in the civil service**
- **State capture**
- **The government's ability to enforce integrity mechanisms**
- **The effective prosecution of corrupt officials**
- **Red tape and excessive bureaucratic burden**
- **The existence of adequate laws on financial disclosure, conflict of interest prevention and access to information**
- **Legal protection for whistleblowers, journalists and investigators**

SURVEY SOURCES

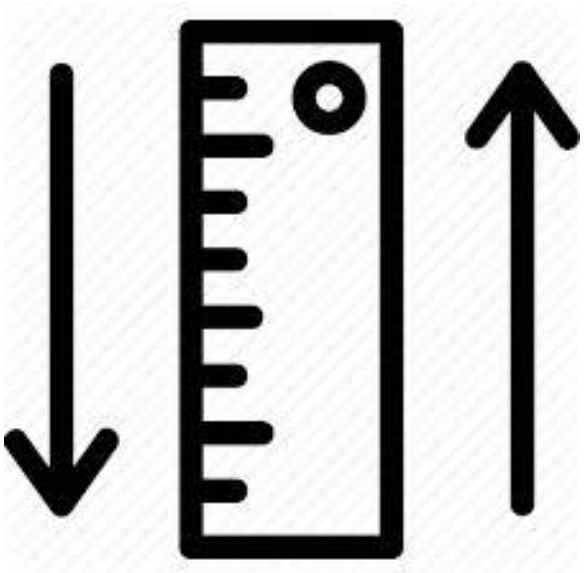
1. Bertelsmann Stiftung Transformation Index 2017-2018
2. Economist Intelligence Unit Country Risk Service 2018
3. Global Insight Country Risk Ratings 2017
4. IMD World Competitiveness Center World Competitiveness Yearbook Executive Opinion Survey 2018
5. Political and Economic Risk Consultancy Asian Intelligence 2018
6. The PRS Group International Country Risk Guide 2018
7. World Economic Forum Executive Opinion Survey 2018
8. World Justice Project Rule of Law Index Expert Survey 2017-2018
9. Varieties of Democracy (V-Dem) 2018

10. African Development Bank Country Policy and Institutional Assessment 2016
11. Bertelsmann Stiftung Sustainable Governance Indicators 2018
12. Freedom House Nations in Transit 2018
13. World Bank Country Policy and Institutional Assessment 2017

METHODOLOGY -RESCALING SOURCES

Reverse the data (if necessary)

- Low number = Highly corrupt
- High number = Very clean



Standardise original data to z scores

Standardise data to CPI scale (0-100)

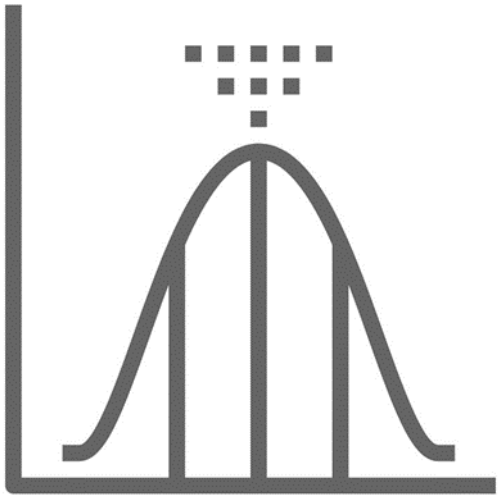
- Transform Z scores to 0 -100 scale
- Fix the spread of data to have a max 100, min 0

METH- CALCULATE THE AVERAGE

At least three scores for each country

Simple average of scores

Each source counts equally (no weighting)



METHODOLOGY - SOURCES

What makes a valid source?

A. Methodological reliability and institutional reputation

B. Conceptual alignment of the data

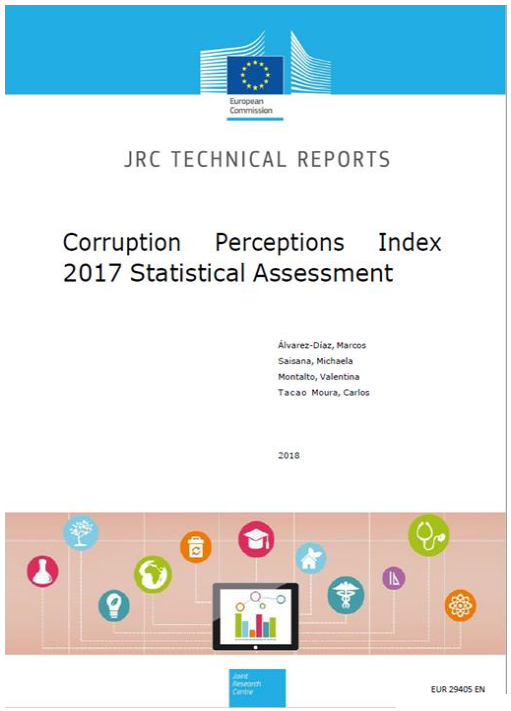
C. Cross country comparability

D. Multi year data availability

METHODOLOGY -EXTERNAL AUDIT

Conducted by **European Commission Joint Research Centre.**

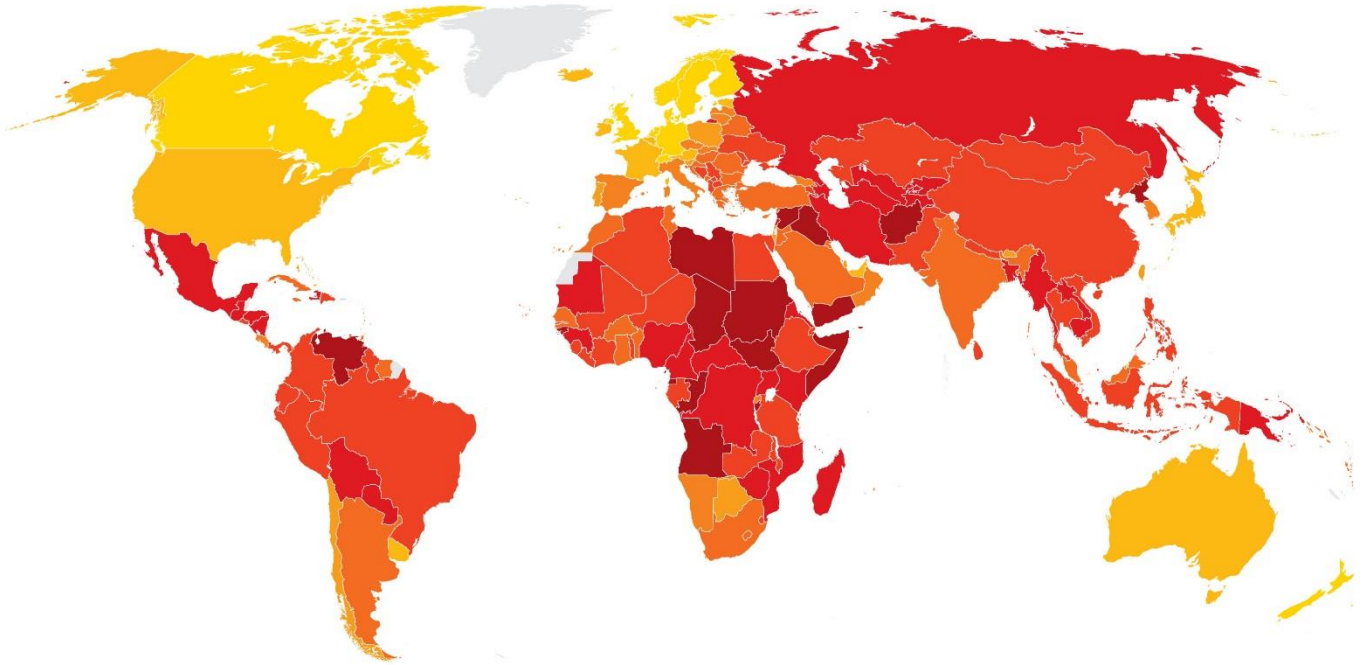
…the Corruption Perceptions Index (CPI), besides being appealing for reasons of transparency and replicability, is also conceptually and statistically coherent and with a balanced structure (i.e. the CPI is not dominated by any of the individual sources)… Results also provided statistical justification for the use of simple average across the sources.



TRANSPARENCY INTERNATIONAL
the global coalition against corruption

CORRUPTION PERCEPTIONS INDEX 2018

The perceived levels of public sector corruption in 180 countries/territories around the world.



SCORE

Highly Corrupt — Very Clean

0-9 10-19 20-29 30-39 40-49 50-59 60-69 70-79 80-89 90-100 No data

#cpi2018

www.transparency.org/cpi

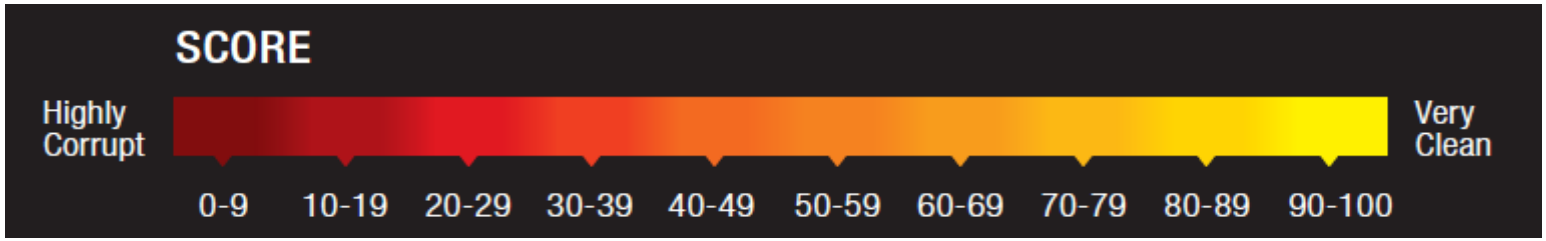
25 Years since 1998

CPI 2018: THE TOP

RANK	COUNTRY/TERRITORY	SCORE
1	DENMARK	88
2	NEW ZEALAND	87
3	FINLAND	85
3	SINGAPORE	85
3	SWEDEN	85
3	SWITZERLAND	85
7	NORWAY	84

Denmark holds first place with a score of 88, with New Zealand, other Nordic countries, Switzerland and Singapore following.

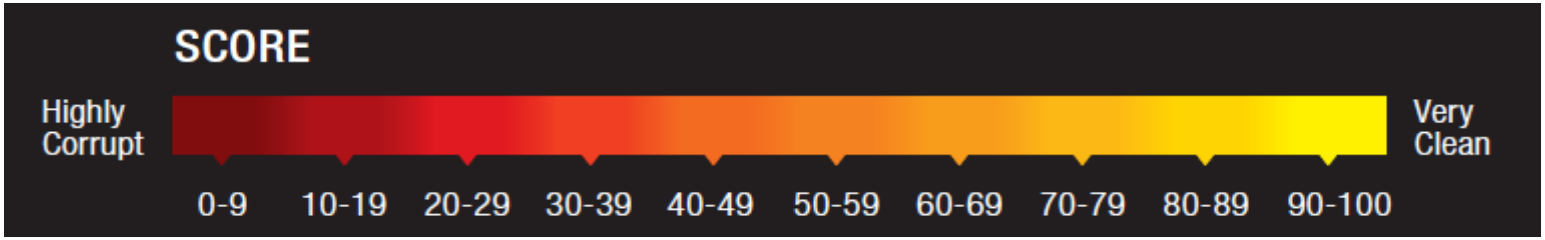
All are helped by **robust rule of law**, **independent oversight institutions** and a **broad societal consensus** against the misuse of public office and resources for private interests.



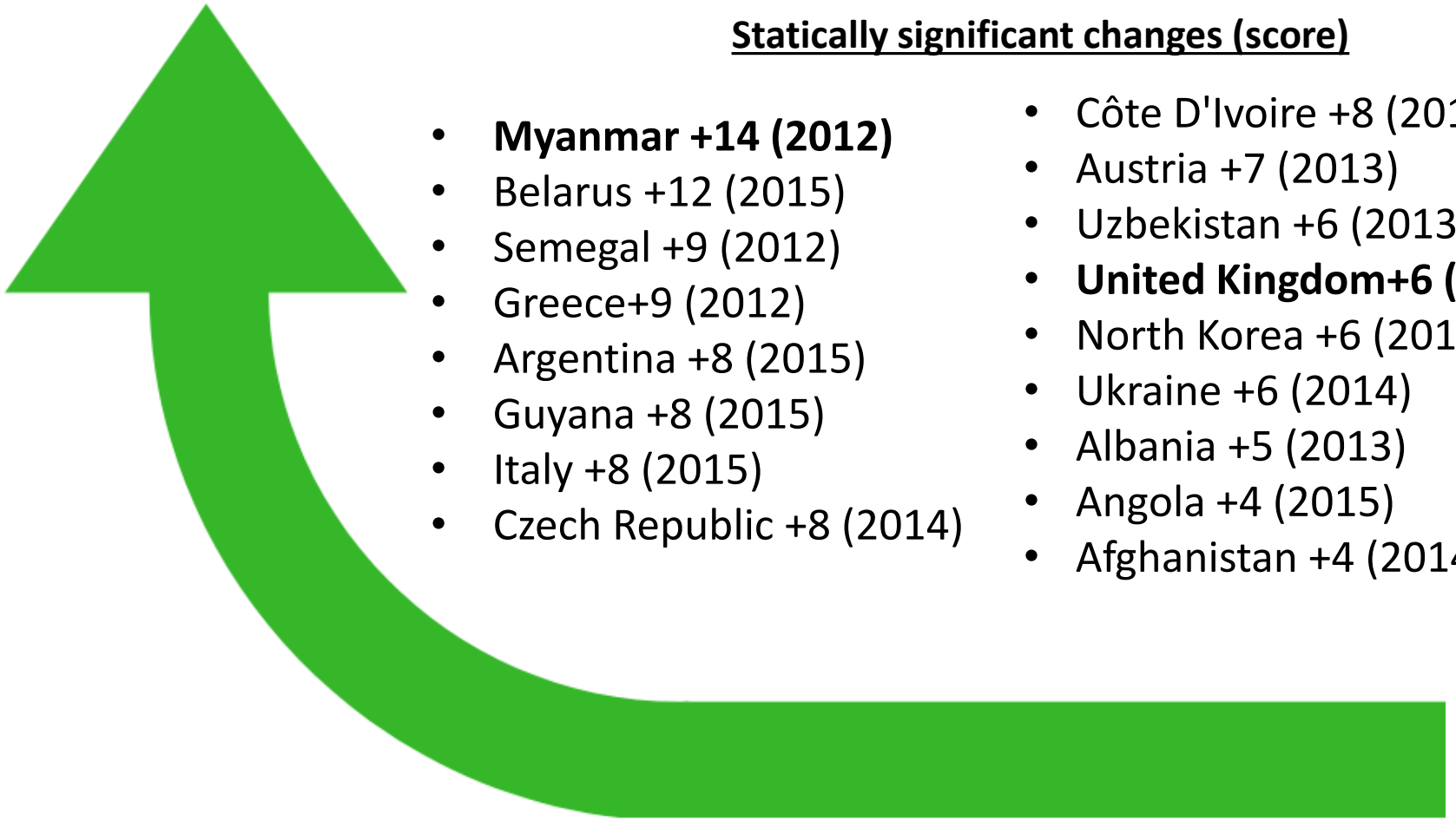
CPI 2018: THE BOTTOM

RANK	COUNTRY/TERRITORY	SCORE
172	SUDAN	16
176	NORTH KOREA	14
176	YEMEN	14
178	SOUTH SUDAN	13
178	SYRIA	13
180	SOMALIA	10

Consistent with results from previous years, the index indicates that corruption tends to **thrive in fragile states** and **countries enmeshed in conflicts**.



MAIN MOVERS

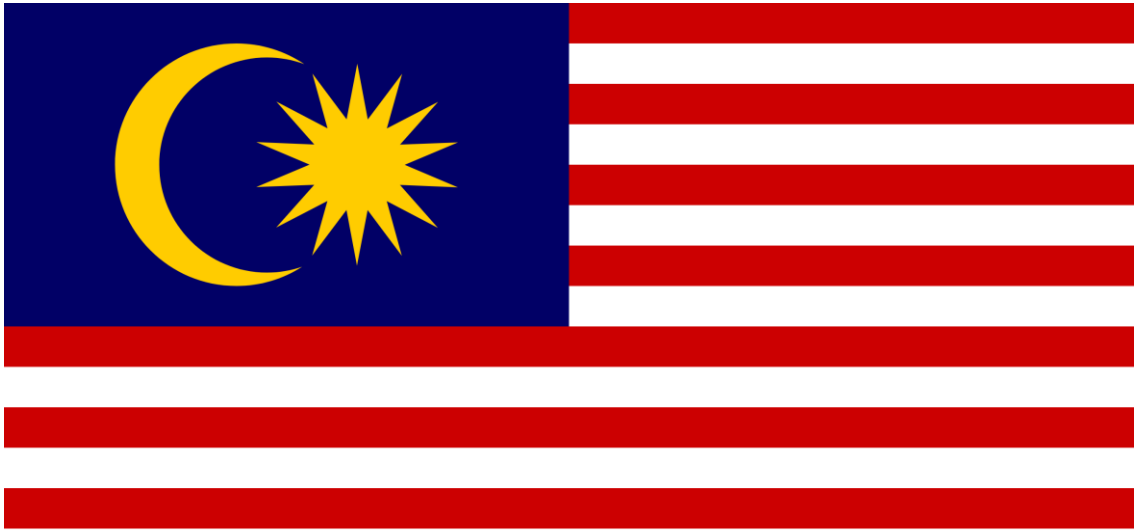


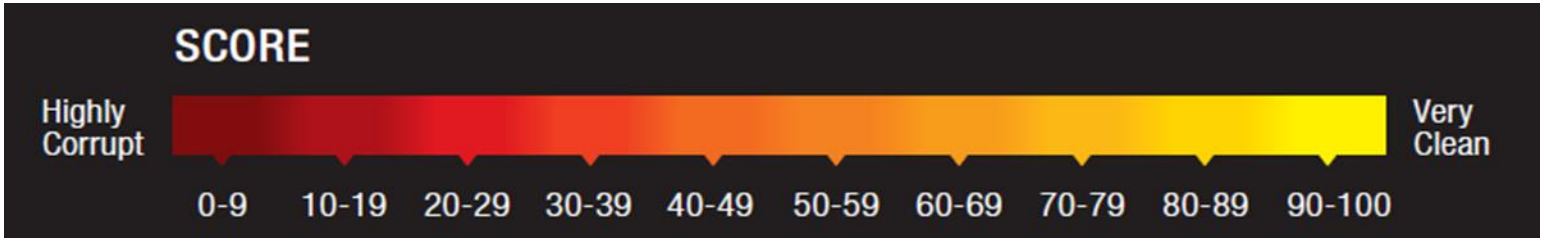
Statically significant changes (score)

- **Myanmar +14 (2012)**
- Belarus +12 (2015)
- Semegal +9 (2012)
- Greece+9 (2012)
- Argentina +8 (2015)
- Guyana +8 (2015)
- Italy +8 (2015)
- Czech Republic +8 (2014)
- Côte D'Ivoire +8 (2013)
- Austria +7 (2013)
- Uzbekistan +6 (2013)
- **United Kingdom+6 (2012)**
- North Korea +6 (2015)
- Ukraine +6 (2014)
- Albania +5 (2013)
- Angola +4 (2015)
- Afghanistan +4 (2014)

MAIN MOVERS

- Saint Lucia - 16 (2014)
- Syria - 13 (2012)
- Bahrain -13 (2014)
- Guinea Bissau -9 (2012)
- Turkey - 9 (2013)
- Hungary - 8 (2014)
- Mozambique -8 (2015)
- Congo - 7 (2012)
- Mexico - 7 (2014)
- Yemen - 5 (2015)
- Nicaragua - 4 (2012)
- **Australia - 4 (2013)**
- Chile - 6 (2015)
- Malta - 6 (2015)




SCORE
Highly Corrupt
Very Clean
0-9
10-19
20-29
30-39
40-49
50-59
60-69
70-79
80-89
90-100

Last Year

CPI 2017

Score

47

Rank

62

This Year

CPI 2018

Score

XX

Rank

XX

20 Years since 1998

CPI 2018

Score

47

Rank

61

20 Years since 1998

CPI 2018

2017		2018	
Score	Rank	Score	Rank
47	62	47	61

TRANSPARENCY INTERNATIONAL MALAYSIA

CPI 2018: ANALYSIS

Country	CPI Score 2018	CPI Score 2017	Change in scores 2017-2018	CPI Rank 2018	CPI Rank 2017	Change in rank 2017-2018
Solomon Islands	44	39	↑ 5	70	85	↑ 15
Korea, South	57	54	↑ 3	45	51	↑ 6
Vanuatu	46	43	↑ 3	64	71	↑ 7
Philippines	36	34	↑ 2	99	111	↑ 12
Singapore	85	84	↑ 1	3	6	↑ 3
Japan	73	73	→ 0	18	20	↑ 2
Taiwan	63	63	→ 0	31	29	↓ -2
Malaysia	47	47	→ 0	61	62	↑ 1
Sri Lanka	38	38	→ 0	89	91	↑ 2
China	39	41	↓ -2	87	77	↓ -10
Vietnam	33	35	↓ -2	117	107	↓ -10
Maldives	31	33	↓ -2	124	112	↓ -12
Bangladesh	26	28	↓ -2	149	143	↓ -6
Timor-Leste	35	38	↓ -3	105	91	↓ -14

2017 SURVEYS USED

		Score
1	Bertelsmann Stiftung Transformation Index 2017-2018	37
2	Economist Intelligence Unit Country Risk Service 2018	55
3	Global Insight Country Risk Ratings 2017	47
4	IMD World Competitiveness Center World Competitiveness Yearbook Executive Opinion Survey 2018	47
5	Political and Economic Risk Consultancy Asian Intelligence 2018	41
6	The PRS Group International Country Risk Guide 2018	41
7	World Economic Forum Executive Opinion Survey 2018	66
8	World Justice Project Rule of Law Index Expert Survey 2017-2018	45
9	Varieties of Democracy (V-Dem) 2018	47

SURVEYS USED

	2018
1. Bertelsmann Stiftung Transformation Index 2017-2018	37
2. Economist Intelligence Unit Country Risk Ratings 2018	55
3. Global Insight Country Risk Ratings 2017	47
4. IMD World Competitiveness Yearbook 2018	47
5. Political and Economic Risk Consultancy Asian Intelligence 2018	41
6. Political Risk Services International Country Risk Guide 2018	41
7. World Economic Forum Executive Opinion Survey (EOS) 2018	66
8. World Justice Project Rule of Law Index 2017-2018	45
9. Varieties of Democracy (V-Dem) Project 2018	47
Total:	426

Aggregate CPI Score = 426/9

= 47

20 Years since 1998

SURVEYS USED

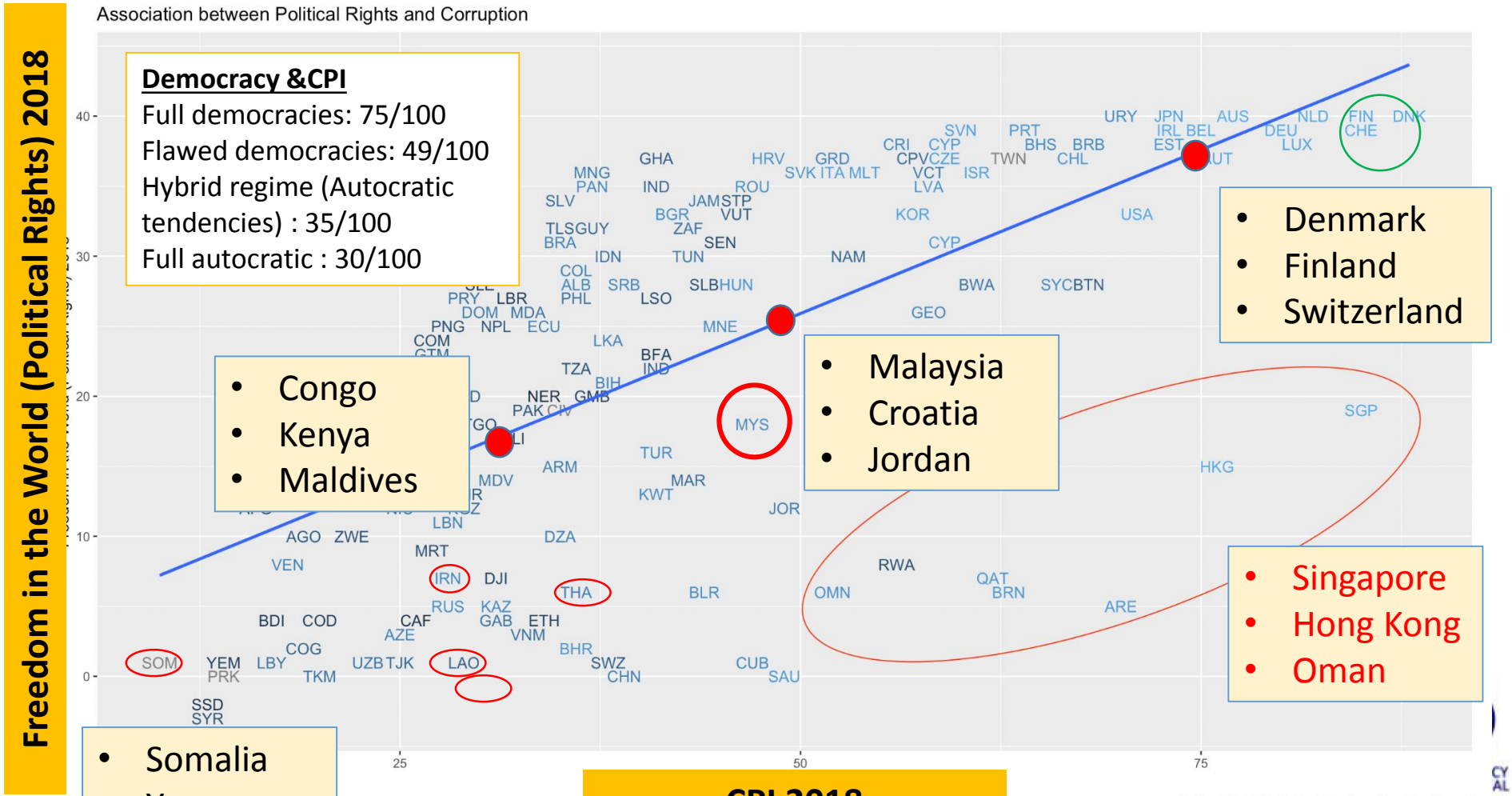
	2018	2017
1. Bertelsmann Stiftung Transformation Index 2017-2018	37	37
2. Economist Intelligence Unit Country Risk Ratings 2018	55	55
3. Global Insight Country Risk Ratings 2017	47	47
4. IMD World Competitiveness Yearbook 2018	47	48
5. Political and Economic Risk Consultancy Asian Intelligence 2018	41	42
6. Political Risk Services International Country Risk Guide 2018	41	41
7. World Economic Forum Executive Opinion Survey (EOS) 2018	66	63
8. World Justice Project Rule of Law Index 2017-2018	45	45
9. Varieties of Democracy (V-Dem) Project 2018	47	43
Total:	426	421

Aggregate CPI Score = 426/9

= 47

20 Years since 1998

CPI 2018: CORRUPTION & DEMOCRACY



GLOBAL SCORES AND RANKINGS

SCORE	COUNTRY/TERRITORY	RANK
88	Denmark	1
87	New Zealand	2
85	Finland	3
85	Singapore	3
85	Sweden	3
85	Switzerland	3
84	Norway	7
82	Netherlands	8
81	Canada	9
81	Luxembourg	9
80	Germany	11
80	United Kingdom	11
77	Australia	13
76	Austria	14
76	Hong Kong	14
76	Iceland	14
75	Belgium	17
73	Estonia	18
73	Ireland	18
73	Japan	18
72	France	21
71	United States	22
70	United Arab Emirates	23
70	Uruguay	23
68	Barbados	25
68	Bhutan	25
67	Chile	27
66	Seychelles	28
65	Bahamas	29
64	Portugal	30
63	Brunei Darussalam	31
63	Taiwan	31
62	Qatar	33
61	Botswana	34
61	Israel	34
60	Poland	36
60	Slovenia	36
59	Cyprus	38
59	Czech Republic	38
59	Lithuania	38
58	Georgia	41
58	Latvia	41
58	Saint Vincent and the Grenadines	41
58	Spain	41
57	Cabo Verde	45
57	Dominica	45
57	Korea, South	45
56	Costa Rica	48
56	Rwanda	48
55	Saint Lucia	50
54	Malta	51
53	Namibia	52
52	Grenada	53
52	Italy	53
52	Oman	53
51	Mauritius	56
50	Slovakia	57
49	Jordan	58
49	Saudi Arabia	58
48	Croatia	60
47	Cuba	61
47	Malaysia	61
47	Romania	61
46	Hungary	64
46	Sao Tome and Principe	64
46	Vanuatu	64
45	Greece	67
45	Montenegro	67
45	Senegal	67
44	Belarus	70
44	Jamaica	70
44	Solomon Islands	70
43	Morocco	73
43	South Africa	73
43	Suriname	73
43	Tunisia	73
42	Bulgaria	77
41	Burkina Faso	78
41	Ghana	78
41	India	78
41	Kuwait	78
41	Lesotho	78
41	Trinidad and Tobago	78
41	Turkey	78
40	Argentina	85
40	Benin	85
39	China	87
39	Serbia	87
38	Bosnia and Herzegovina	89
38	Indonesia	89
38	Sri Lanka	89
38	Swaziland	89
37	Gambia	93
37	Guyana	93
37	Kosovo	93
37	Macedonia	93
37	Mongolia	93
37	Panama	93
36	Albania	99
36	Bahrain	99
36	Colombia	99
36	Philippines	99
36	Tanzania	99
36	Thailand	99
35	Algeria	105
35	Armenia	105
35	Brazil	105
35	Côte d'Ivoire	105
35	Egypt	105
35	El Salvador	105
35	Peru	105
35	Timor-Leste	105
35	Zambia	105
34	Ecuador	114
34	Ethiopia	114
34	Niger	114
33	Moldova	117
33	Pakistan	117
33	Vietnam	117
32	Liberia	120
32	Malawi	120
32	Mali	120
32	Ukraine	120
31	Djibouti	124
31	Gabon	124
31	Kazakhstan	124
31	Maldives	124
31	Nepal	124
30	Dominican Republic	129
30	Sierra Leone	129
30	Togo	129
29	Bolivia	132
29	Honduras	132
29	Kyrgyzstan	132
29	Laos	132
29	Myanmar	132
29	Paraguay	132
28	Guinea	138
28	Iran	138
28	Lebanon	138
28	Mexico	138
28	Papua New Guinea	138
28	Russia	138
27	Comoros	144
27	Guatemala	144
27	Kenya	144
27	Mauritania	144
27	Nigeria	144
26	Bangladesh	149
26	Central African Republic	149
26	Uganda	149
25	Azerbaijan	152
25	Cameroon	152
25	Madagascar	152
25	Nicaragua	152
25	Tajikistan	152
24	Eritrea	157
23	Mozambique	158
23	Uzbekistan	158
22	Zimbabwe	160
20	Cambodia	161
20	Democratic Republic of the Congo	161
20	Haiti	161
20	Turkmenistan	161
19	Angola	165
19	Chad	165
19	Congo	165
18	Iraq	168
18	Venezuela	168
17	Burundi	170
17	Libya	170
16	Afghanistan	172
16	Equatorial Guinea	172
16	Guinea Bissau	172
16	Sudan	172
14	Korea, North	176
14	Yemen	176
13	South Sudan	178
13	Syria	178
10	Somalia	180

SCORE	COUNTRY/TERRITORY	RANK
88	Denmark	1
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85	Singapore	3
85	Sweden	3
85	Switzerland	3
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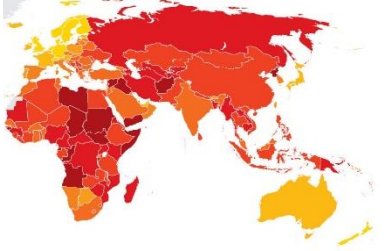
81	Canada	9
81	Luxembourg	9
80	Germany	11
80	United Kingdom	11
77	Australia	13
76	Austria	14
76	Hong Kong	14
76	Iceland	14
75	Belgium	17
73	Estonia	18
73	Ireland	18
73	Japan	18
72	France	21
71	United States	22
70	United Arab Emirates	23
70	Uruguay	23
68	Barbados	25
68	Bhutan	25
67	Chile	27
66	Seychelles	28
65	Bahamas	29
64	Portugal	30
63	Brunei Darussalam	31
63	Taiwan	31
62	Qatar	33
61	Botswana	34
61	Israel	34
60	Poland	36
60	Slovenia	36
59	Cyprus	38
59	Czech Republic	38
59	Lithuania	38
58	Georgia	41
58	Latvia	41
58	Saint Vincent and the Grenadines	41
58	Spain	41
57	Cabo Verde	45
57	Dominica	45
57	Korea, South	45
56	Costa Rica	48
56	Rwanda	48
55	Saint Lucia	50
54	Malta	51
53	Namibia	52



52	Grenada	53
52	Italy	53
52	Oman	53
51	Mauritius	56
50	Slovakia	57
49	Jordan	58
49	Saudi Arabia	58
48	Croatia	60
47	Cuba	61
47	Malaysia	61
47	Romania	61
46	Hungary	64
46	Sao Tome and Principe	64
46	Vanuatu	64
45	Greece	67
45	Montenegro	67
45	Senegal	67
44	Belarus	70
44	Jamaica	70
44	Solomon Islands	70
43	Morocco	73
43	South Africa	73
43	Suriname	73
43	Tunisia	73
42	Bulgaria	77
41	Burkina Faso	78
41	Ghana	78
41	India	78
41	Kuwait	78
41	Lesotho	78
41	Trinidad and Tobago	78
41	Turkey	78
40	Argentina	85
40	Benin	85
39	China	87
39	Serbia	87
38	Bosnia and Herzegovina	89
38	Indonesia	89
38	Sri Lanka	89
38	Swaziland	89
37	Gambia	93
37	Guyana	93
37	Kosovo	93
37	Macedonia	93
37	Mongolia	93
37	Panama	93
36	Albania	99
36	Bahrain	99
36	Colombia	99
36	Philippines	99
36	Tanzania	99
36	Thailand	99
35	Algeria	105

35	Armenia	105
35	Brazil	105
35	Côte d'Ivoire	105
35	Egypt	105
35	El Salvador	105
35	Peru	105
35	Timor-Leste	105
35	Zambia	105
34	Ecuador	114
34	Ethiopia	114
34	Niger	114
33	Moldova	117
33	Pakistan	117
33	Vietnam	117
32	Liberia	120
32	Malawi	120
32	Mali	120
32	Ukraine	120
31	Djibouti	124
31	Gabon	124
31	Kazakhstan	124
31	Maldives	124
31	Nepal	124
30	Dominican Republic	129
30	Sierra Leone	129
30	Togo	129
29	Bolivia	132
29	Honduras	132
29	Kyrgyzstan	132
29	Laos	132
29	Myanmar	132
29	Paraguay	132
28	Guinea	138
28	Iran	138
28	Lebanon	138
28	Mexico	138
28	Papua New Guinea	138
28	Russia	138
27	Comoros	144
27	Guatemala	144
27	Kenya	144
27	Mauritania	144
27	Nigeria	144
26	Bangladesh	149
26	Central African Republic	149
26	Uganda	149
25	Azerbaijan	152
25	Cameroon	152
25	Madagascar	152
25	Nicaragua	152
25	Tajikistan	152
24	Eritrea	157
23	Mozambique	158
23	Uzbekistan	158
22	Zimbabwe	160
20	Cambodia	161
20	Democratic Republic of the Congo	161
20	Haiti	161
20	Turkmenistan	161
19	Angola	165
19	Chad	165
19	Congo	165
18	Iraq	168
18	Venezuela	168
17	Burundi	170
17	Libya	170
16	Afghanistan	172
16	Equatorial Guinea	172
16	Guinea Bissau	172
16	Sudan	172
14	Korea, North	176
14	Yemen	176
13	South Sudan	178
13	Syria	178
10	Somalia	180

SCORES: ASEAN

	Country Score		Rank	
ASEAN COUNTRIES	2018	2017	2018	2017
Singapore	85 ↑	84	3 ↑	6
Brunei	63 ↑	61	31 ↑	33
Malaysia	47	47	62 ↑	63
Indonesia	38 ↑	37	89 ↑	97
Thailand	36	36	99 ↑	104
Philippines	36 ↑	34	99 ↑	110
Vietnam	33 ↓	35	117 ↓	108
Myanmar	29 ↓	30	132 ↓	128
Laos	29	29	132 ↑	134
Cambodia	20 ↓	21	161 ↓	162

CPI 1995-2002

Year	Scores	Rank	Countries
1995	5.28	23	41
1996	5.32	26	54
1997	5.01	32	52
1998	5.3	29	85
1999	5.1	32	99
2000	4.8	36	90
2001	5.0	36	91
2002	4.9	33	102

Average Scores: 50.8

20 Years since 1998

CPI 2003-2008

Year	Scores	Rank	Countries
2003	5.2	39	133
2004	5.0	39	145
2005	5.1	39	158
2006	5.0	44	163
2007	5.1	43	179
2008	5.1	47	180

Average Scores: 50.8

TRANSPARENCY INTERNATIONAL MALAYSIA

CPI 2009-2017

Year	Scores	Rank	Countries
2009	4.5	56	180
2010	4.4	56	178
2011	4.3	60	183
2012	49	54	176
2013	50	53	177
2014	52	50	175
2015	50	54	168
2016	49	55	176
2017	47	62	180

Average Scores: 47.7

CPI 2017 - 2018

Year	Scores	Rank	Countries
2017	47	62	180
2018	47	61	180
2019	**?**	**?**	**180**

How can Malaysia improve?

TRANSPARENCY INTERNATIONAL MALAYSIA

Promise 12 : Limit the PM's term of office and restructuring PM's Dept

Promise 13: Resolve 1MDB, Felda, MARA TH mega scandals

Promise 14: Reform MACC and strengthen anti-corruption efforts

Promise 18: Create a political financing mechanism that has integrity

Promise 19: Restore public trust in the judicial and legal institutions

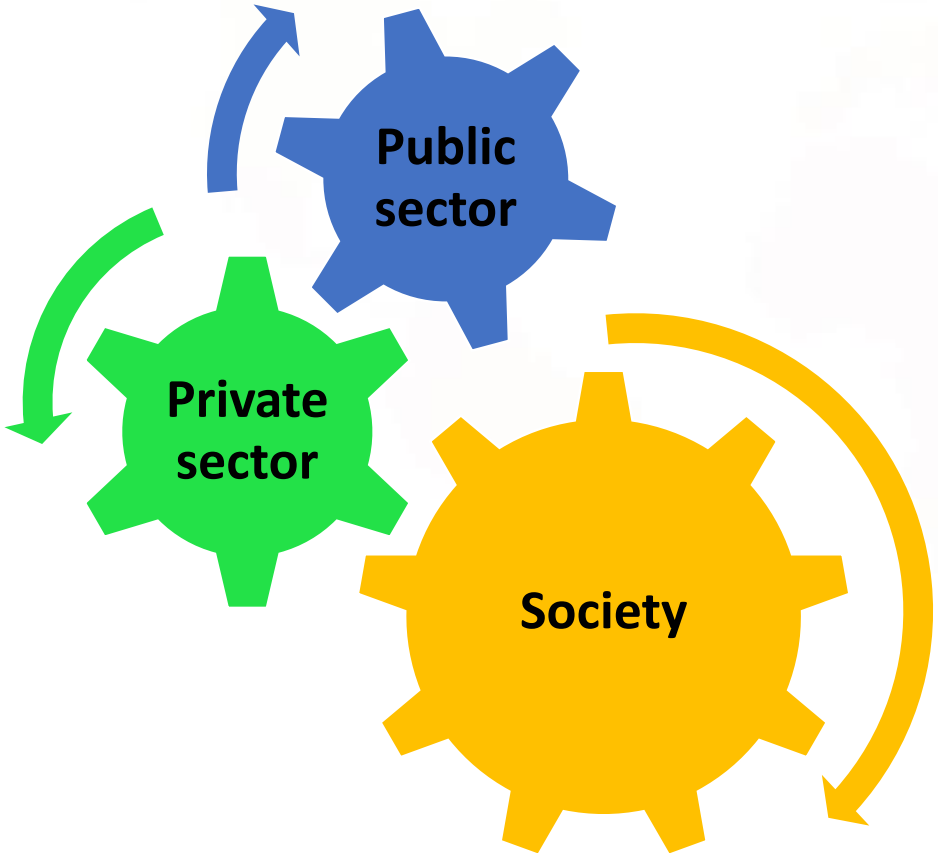
Promise 22: Make the governance of all GLC world class at par with international standards

Promise 23: Ensure government procurement procedures the best value for taxpayer's money

Promise 29: Enhance transparency and integrity of the budget and budgeting process

Promise 57: Malaysia must be known for its integrity, not corruption

TI-M'S CONCERNS



Are we out of the integrity crisis?

TI-M'S CONCERNS

Massive public mobilisation against corruption and voter turnout resulted in new governments and anti-corruption reforms in **India**, **Malaysia**, the **Maldives** and **Pakistan**.

Despite these encouraging developments, we are yet to see how they translate into solid actions, especially when it comes to combatting elusive forms of grand corruption

Sources: Transparency International

RECOMMENDATIONS

Public Sector

- Effectiveness of Public-Private Partnership
- Open Government Partnership - access to information law at Federal level, open budgeting
- Strong enforcement (Continuous improvement)
- Cut Money Politics , Less politicking
- Walk the talk
- High corruption risks areas to avoid direct nego (procurement)
- Annual budget (not include mega scale project)
- Institutional Reforms

Private Sector

- Corporate liability enforcement – add cost (fines & reputation)
- Must Develop Effective Anti-Corruption Programme
- Strong internal control to enhance business integrity
- Education & communication (all stakeholders)
- Ethical corporate culture

Corrupt-free Malaysia

Civil Society

- Beyond politics and personal interest
- Oversight both public and private sector – watchdog role
- Awareness raising and support
- Collective efforts – data scientists & investigative journalists
- Bitcoins & blockchain

Individual

- Teach the right values at home and in schools
- Stay away from corrupt practices
- Promote a culture that encourage integrity and fairness
- Support law enforcement (overall)

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- Support the Government and MACC- fighting corruption

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Thank you.

Please don't hesitate to contact us if you have any questions

Disclaimer: The information contained herein is accurate and reliable as of the date of distribution. However, we do not assume any liability whatsoever for the accuracy and completeness of the above information.

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