

Overview of Data

With middling scores for transparency and other governance indicators, South Africa poses moderate third-party corruption risks. With FCPA enforcement in the country limited to only one direct case, there are no discernible trendlines in regulation. Favoritism and nepotism in public procurement is a significant problem according to both anecdotal evidence and survey research.

Corruption and Governance Indicators	South Africa	G7 Average
Transparency International Corruption Perceptions Index	43	73
World Bank Control of Corruption Score	57	87
World Justice Project Rule of Law Score	58	76
Major Correlates of Corruption		
Nominal GDP Per Capita Percentile Rank	52	89
World Bank Government Effectiveness Score	66	89

**All indicators are scores/100 or are percentile ranks, 100=best. Some scores have been adjusted accordingly. 1-33 34-66 67-100*

World Bank Enterprise Survey Responses	South Africa	Top 10 Countries
Share of firms reporting at least one bribe request	4%	1.4%
Share of firms expected to give gifts to secure government contract	34%	1.9%
Share of firms expected to give gifts to officials to “get things done”	15%	1.5%
Share of businesses reporting corruption is a major constraint	16%	7.5%

FCPA Cases (as reported)

Total FCPA Enforcement: 2 Cases

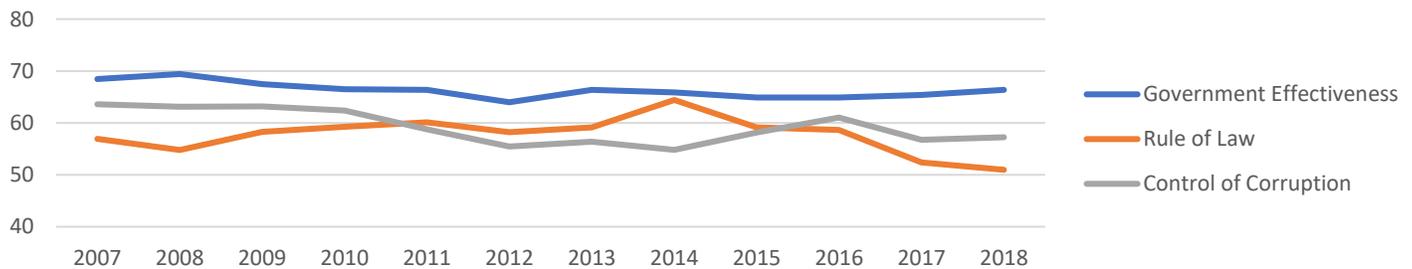
- **Titan Corporation**— In the course of a larger multi-country FCPA investigation, the military intelligence and communications company was among other things found liable for actions of briefly-held subsidiary Datron World Communications. Datron allegedly made significant commissions payments, at times up to 50% of annual revenues, without conducting due diligence into whether these funds would be used for bribing foreign officials.
- **Hitachi, Ltd.**— Hitachi allegedly set up a profit-sharing scheme with the ANC political party to secure public contracts to build power plants in South Africa. Hitachi then sold 25% of its local subsidiary to a front company owned by the ANC, reportedly to ensure that public officials supporting Hitachi’s bids could directly benefit from the awarded contracts. Hitachi also allegedly paid bonuses to the front company in return for contracts. Both practices reportedly secured more than USD 5B worth of work.

Information Accessibility and Transparency

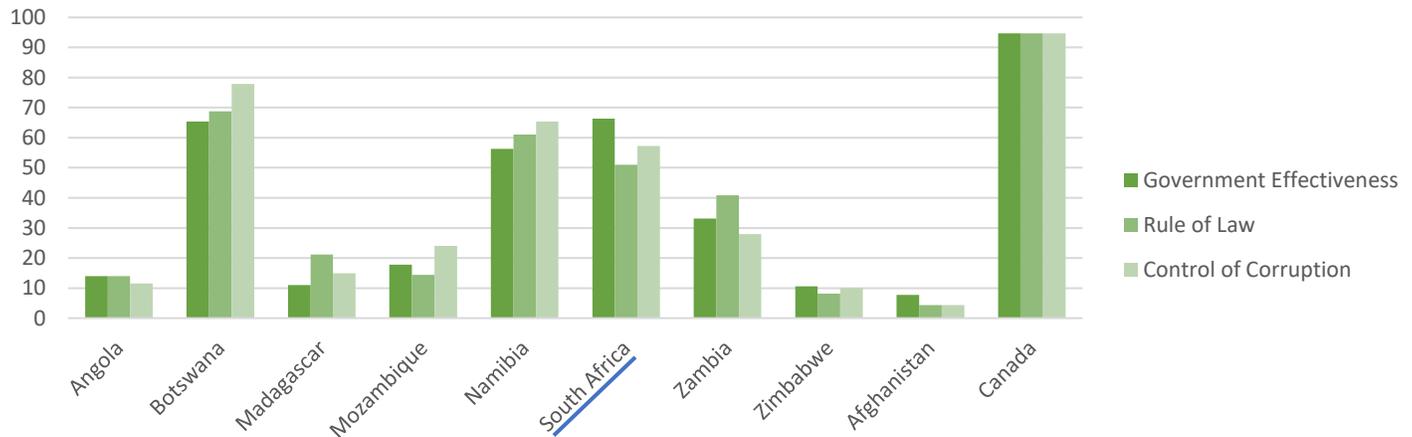
Availability of Records	●	Corporate registration information is available online to South African citizens, but shareholding information is not available. Litigation records have until recently been available online, although records are often poorly updated, even when records are manually retrieved.
Freedom of Press	●	Reporters without Borders rank 28/180 (180=worst) Freedom House score 38/100 (100=least free)
Language Accessibility	●	Most news is in English. Records are in either English or Afrikaans.
Financial Disclosure	●	Tax Justice Network Financial Secrecy Score—56/100 (100=most secret).

● Poor ● Moderate ● Accessible

Trendlines—World Bank Worldwide Governance Indicators (100=best)



Country Comparison—World Bank Worldwide Governance Indicators (100=best)



Context: Corruption in South Africa

Ranking 9th in sub-Saharan Africa, South Africa's transparency scores hover near the global average. A 2014 OECD report criticized South Africa for failures to adequately implement the Anti-Bribery Convention, noting a very poor success rate in prosecuting corruption. According to Transparency International, more than 80% of South Africans think that corruption is getting worse and that the government is doing a poor job in dealing with it. Much of this pessimism can be attributed to high-profile corruption issues, most notably the scandal resulting in the recent expulsion of President Jacob Zuma who stands accused of numerous corruption and money laundering charges. Zuma's relatives and his family's business interests were frequently alleged to have benefited from his position. His relations with the prominent Gupta family suggested pervasive corruption in procurement to the point of "state capture." Public procurement more generally is reportedly an area of corruption risk, as is the mining sector, where inherent corruption risks are exacerbated by poor governance.