

## Overview

With middling to low overall indicators for transparency and a high rate of FCPA enforcement in proportion to the size of the economy, Thailand presents high third-party corruption risks. FCPA enforcement has targeted transactions in a variety of sectors which involved bribes paid to secure sales to government agencies and to obtain regulatory concessions.

Corruption and Governance Indicators	Thailand	G7 Average
Transparency International Corruption Perceptions Index	36	73
World Bank Control of Corruption Score	41	88
World Justice Project Rule of Law Score	50	76
Major Correlates of Corruption		
Nominal GDP Per Capita Percentile Rank	55	89
World Bank Government Effectiveness Score	67	90
World Bank Enterprise Survey Responses (2016)	Thailand	Top 10 Countries
Share of firms reporting at least one bribe request	10%	1.4%
Share of firms expected to give gifts to secure government contract	41%	1.9%
Share of firms expected to give gifts to officials to “get things done”	18%	1.5%
Share of businesses reporting corruption is a major constraint	3%	7.5%

*\*All indicators are scores/100 or are percentile ranks, 100=best; 1-33 34-66 67-100*

## Illustrative FCPA Cases (as reported)

Total FCPA Enforcement: 11 Cases

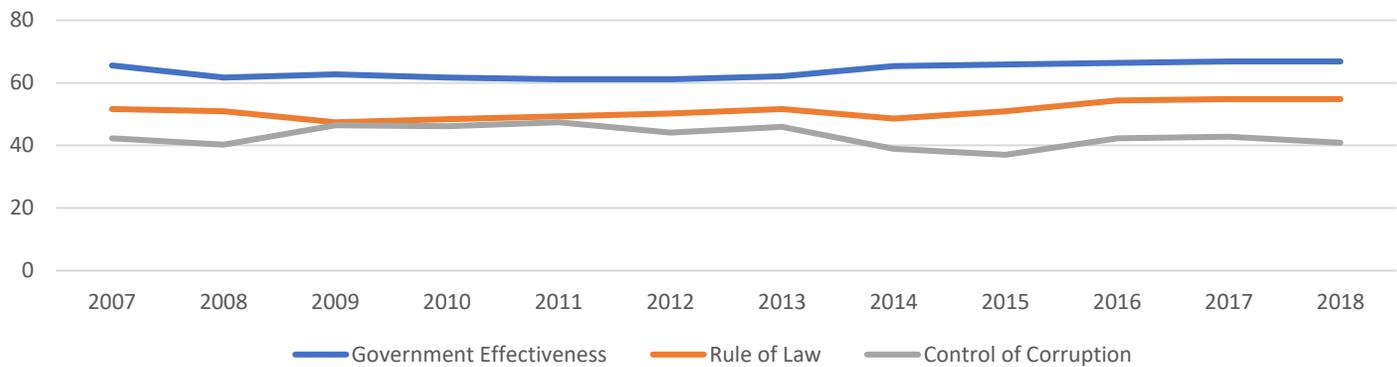
- **Diageo**—The Thai subsidiary of the liquor producer and distributor allegedly paid USD 12,000 per month to retain the services of a consultant who was also a government official. This official successfully lobbied on the company’s behalf regarding multiple regulatory issues.
- **Dimon**—The Virginia-based tobacco company allegedly paid more than USD 1 million to officials of the government-operated Thailand Tobacco Monopoly in order to secure business.
- **Green Businesses**—American entrepreneurs Gerald and Patricia Green allegedly paid USD 1.8 million in kickbacks on USD 14 million in contracts with the Tourism Authority of Thailand. The kickbacks were reportedly funneled to associates of a Thai governor who served as senior official at TAT.
- **UTStarcom**—A telecom company with business primarily in China was found to have used training programs to offer perks to government officials in target countries. The company also allegedly offered employment in the US to family members of Thai officials and gave a USD 10,000 gift of fine wines to agents of a Thai government customer.

## Transparency and Accessibility of Information

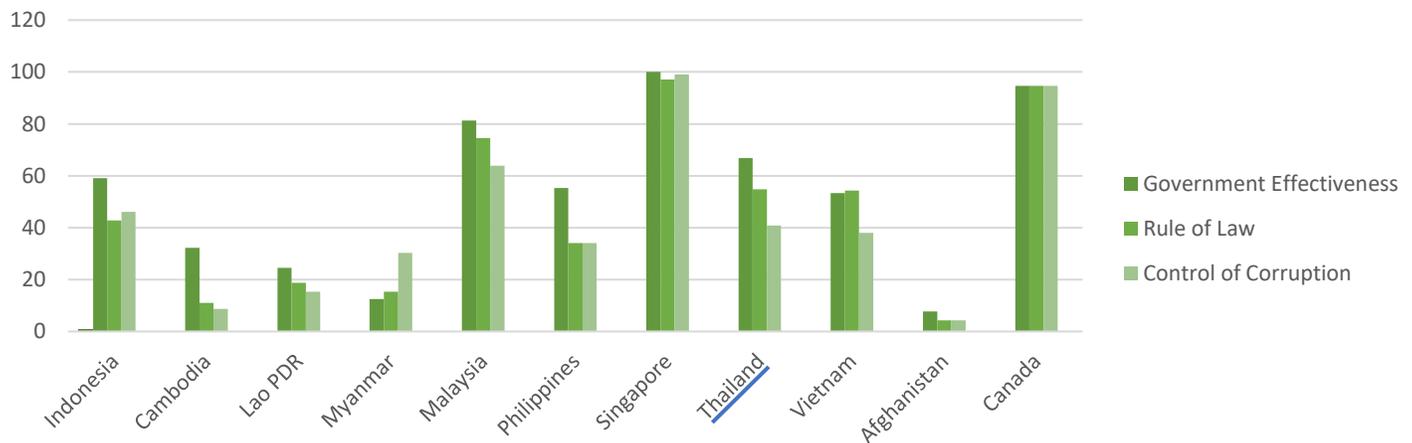
Corporate Records	●	Basic registration information on non-public entities is easily accessible and complete, although information on SOEs may be unavailable. Shareholding information must be retrieved manually and may involve significant fees.
Freedom of Press	●	Reporters without Borders rank 136/180 (180=worst) Freedom House score 77/100, “not free” (100=least free)
Language Accessibility	●	Non-Latin script may pose challenges. Machine translation of Thai can be very poor.
Financial Disclosure	●	Tax Justice Network Financial Secrecy Score—80/100 (100=most secret).

● Poor ● Moderate ● Accessible

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



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



## Analysis: Country Third Party Corruption Risk

The distribution of FCPA cases in Thailand shows a wide array of cases including numerous cases in which bribes sought to influence regulatory decisions as well as government procurement. The current military government assumed control in 2014—ostensibly to curb widespread corruption—and has intensified some anticorruption efforts. From many private-sector perspectives, corruption is declining, but this is not reflected in any of the indicators surveyed in this country profile. Public perceptions of the severity of corruption don’t map well on to other indicators. Transparency International notes 41% of Thais have paid a bribe in the past year, one of the highest rates in Asia. Despite this, only 14% of Thais believe corruption is getting worse, and 28% believe their government is handling it poorly— both very low rates for the region.