China Charges Rio Tinto Workers With Theft, Bribery

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BEIJING (AP) — China will put an Australian national and three other detained employees of mining giant Rio Tinto Ltd. on trial on charges of stealing commercial secrets and taking bribes, a state news agency said Wednesday.

The four Rio employees were detained in July during contentious iron ore price talks with China's steel industry group. The case strained relations between Beijing and Australia, a key supplier of iron ore to China's steel mills.

The Xinhua News Agency said the case against Australian Stern Hu and three Chinese nationals was accepted for trial by the Shanghai No. 1 Intermediate Court but gave no date. Phone calls to the court were not answered.

Nearly all criminal cases that go to trial in China end in conviction. The maximum penalty for commercial espionage is seven years in prison if the case is found to have caused extreme damage. The maximum penalty for taking large bribes is five years.

The case comes as Beijing tries to tighten control over China's dozens of steel producers and consolidate the industry through mergers. Industry analysts suggest the Rio employees might have been snared in an effort to clamp down on information being given by executives to foreign miners.

China is the world's biggest steel producer and consumer of iron ore and is pressing Rio and other suppliers to give its mills lower prices than those paid by Japanese, South Korean and other competitors. Rio balked last year and talks ended without agreement, forcing Chinese mills to pay the same price as other customers. Analysts are forecasting iron ore price hikes of 40 percent or more this year due to strong demand.

The Rio employees were detained July 5 in Shanghai while Rio acted as lead negotiator for global ore suppliers in price talks. Hu was the manager of Rio's Chinese iron ore business. The Chinese employees are Wang Yong, Ge Minqiang and Liu Caikui.

Xinhua said they are charged with stealing commercial secrets on multiple occasions from Chinese steel producers and taking bribes from mills — a shift from earlier accusations that the Rio employees paid bribes. It gave no other details.

The government has given few details of the case.

Chinese news reports last year said the employees were accused of paying bribes

to obtain information on China's negotiating stance. Rio has denied its employees paid bribes.

The Chinese newspaper National Business Daily said last year that investigators found confidential information on sales and production from dozens of Chinese mills on a computer seized from Rio's Shanghai office. The communist government treats a wide range of commercial information as state secrets.

Australia's foreign ministry said earlier that Chinese authorities told Australia on Jan. 11 the investigation had been completed and the case sent to prosecutors.

Australian officials have pressed Beijing to resolve the case promptly, warning that delay could erode Australian public support for close commercial ties with China. Prime Minister Kevin Rudd warned Beijing shortly after the arrests that the world was watching its handling of the case and said China should consider its economic ties.

Chinese officials have rejected Australian comments as interference in this country's judicial system.

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