

China Set To Begin Rio Tinto Bribery Trials

Elaine Kurtenbach, AP Business Writer

SHANGHAI (AP) — A Shanghai court will Monday begin hearing China's case against four employees of mining giant Rio Tinto, including one Australian, on charges of stealing commercial secrets and bribe-taking.

Stern Hu, the Australian national, will be among the four defendants appearing at the Shanghai No. 1 Intermediate People's Court, defense lawyer Zhai Jian said Wednesday.

The hearing is unlikely to be open to media or the public, since the charges involve business secrets, said another lawyer for the defense, Tao Wuping.

The four Rio Tinto employees were detained July 5 in Shanghai while the company was acting as lead negotiator for global iron ore suppliers in annual price talks with the Chinese steel industry.

The arrests have strained ties between China and Australia.

Australia's Department of Foreign Affairs and Trade issued a statement saying officials from its consulate would attend open sessions of the trial involving alleged acceptance of bribes. It said it has asked the court to reconsider its decision to keep sessions dealing with charges of infringing business secrets closed.

"We are pleased that this case is now moving to trial," it said.

Rio Tinto said in a statement it was hoping for a "transparent and expeditious process" for its employees.

China treats a wide range of commercial information as state secrets. Chinese reports that the Rio employees were originally suspected of obtaining state secrets suggest they may have been caught up in an effort to control information exchanged during the iron ore talks.

A statement issued earlier by the court charged the four with allegedly "taking advantage of their position to seek profit for others, and asking for, or illegally accepting, huge amounts of money from Chinese steel enterprises," according to the state-run China Daily newspaper.

Almost 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 trial begins as China is again bogged down in iron ore price negotiations with

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

foreign miners.

As the world's biggest steel producer and consumer of iron ore, China has sought to convince Rio Tinto and other suppliers to give its mills lower prices than those paid by Japanese, South Korean and other competitors.

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Associated Press researcher Ji Chen contributed to this report.

Source URL (retrieved on 12/28/2014 - 3:33pm):

<http://www.impomag.com/news/2010/03/china-set-begin-rio-tinto-bribery-trials>