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NEWS ARTICLE

Rio makes changes in China after bribery

Anglo-Australian mining giant Rio Tinto has made changes to how it does business in China, following the convictions of four employees on bribery and trade secrets charges, a report said Saturday.

Chief executive Tom Albanese said in Shanghai that the cases brought against Australian former executive Stern Hu and three of his ex-colleagues had prompted a wide-ranging reassessment of the company's China operations.

"Recommendations from that review have been put in place," the Wall Street Journal quoted Albanese as saying. "We all have to learn from our experiences," he added.

Albanese offered few specifics about the changes made, but in February, the company named a new managing director for China, based in Shanghai. On Friday, Albanese also introduced a new Beijing-based vice president for China. The company has more than 150 employees in Beijing, Shanghai and the southern Chinese city of Guangzhou.

"The key for what we want to do in China is to develop long-term relationships," Albanese said, according to the WSJ. In March, Hu and three Chinese colleagues were convicted of stealing trade secrets and taking more than \$US13 million (\$A14.6 million) in kickbacks from Chinese steel firms during tense talks over iron ore last year.

The case rattled relations between Beijing and Canberra, and stoked concerns among foreign investors about the rule of law in China. Rio sacked the four men following their conviction, citing their "deplorable" behavior, and Albanese then said he was "determined" not to let the case keep the firm from building its "important relationship with China".

Earlier this month, when Rio posted a 260 per cent jump in first-half net earnings, chairman Jan du Plessis said developing ties with China was a "key priority" for the company. In July, Rio Tinto and China's Chalco, the listed subsidiary of state-owned Chinalco, signed an agreement to jointly develop a huge iron ore field in the West African state of Guinea.