China corruption purge snares 115 SOE 'tigers'

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More than 100 top executives from some of China's largest state-owned enterprises have been detained on suspicion of corruption since the start of last year, according to official statistics.

Since the beginning of 2014, China's anti-corruption authorities have publicly named 115 C-suite officials from state groups including global giants such as PetroChina, China Southern Airlines, China Resources, FAW and Sinopec, who have been placed under investigation for graft.

Because virtually all of them are also senior Communist party officials, they have mostly disappeared into the feared system of internal party "discipline inspection", where they can be held indefinitely without trial and where torture is believed to be rife.

Since ascending to the top of the Chinese system in late 2012, Chinese President Xi Jinping has been engaged in a ferocious anti-corruption campaign that has already gone further and continued for longer than any other since the founding of the People's Republic in 1949.

Mr Xi has vowed to tackle high-ranking corrupt "tigers" as well as lowly "flies" in his quest to clean up the sprawling party bureaucracy.

According to official announcements from China's Central Commission for Discipline and Inspection, more than a fifth of the SOE tigers who have been "toppled from their horses" came from the energy sector.

Executives at China's enormous state energy monopolies command vast armies of employees and control budgets worth hundreds of billions of dollars. They are often accused of acting like rulers over mini-states within the state.

The enormous influence of companies such as Sinopec and PetroChina over government policy is sometimes blamed as one reason for weak enforcement of environmental standards and China's shocking levels of pollution.

But the energy sector is also the former power base of Zhou Yongkang, the most senior casualty of Mr Xi's purge and the most senior party official to go on trial for corruption in the history of the People's Republic.

Until Mr Xi took power, Mr Zhou was a member of the all-powerful Politburo Standing Committee and controlled the Chinese courts, police, secret police, paramilitary and intelligence services. He is currently awaiting trial.

The preponderance of corruption suspects in the energy sector is clearly linked to Mr Zhou's downfall, as many of those detained were his protégés or close allies.
Other sectors where senior SOE officials have been toppled include machinery and manufacturing, construction, telecoms, transport and finance.

"Since industries like energy and telecoms provide daily necessities and involve huge sums of money and because these companies occupy monopoly positions . . . it is easy for them to become severe disaster zones of rent-seeking and power abuse," China Discipline, Inspection and Supervision Institute assistant professor He Xiarong was quoted as saying by Chinese media.

As part of the anti-corruption campaign, China is also looking outside its borders for officials who have absconded to other countries, particularly western democracies, most of which do not have extradition treaties with Beijing.

So far this year, 150 corruption suspects have been repatriated from 32 countries as part of the anti-corruption authorities' efforts, dubbed "Operation Foxhunt" and "Operation Skynet", according to official figures.