
China seeks foreign assistance to pursue fugitive foreign investors

Special Report: Global Financial Crisis

BEIJING, Dec. 20 (Xinhua) -- China is seeking foreign help to pursue overseas investors who flee the country without properly liquidating their assets.

China's ministries of commerce, foreign affairs, justice and public security jointly issued on Friday a guideline for cross-border investigation and litigation of fugitive foreign investors.

The country would follow both international rules and domestic regulations to address such cases and seek assistance from foreign countries, the ministries said.

China would also request extradition or case transfer when a "huge amount of money" was involved, it said.

There are increasing cases in China of foreign investors who do not go through the formalities of declaring bankruptcy, but instead slip away, leaving behind equipment, unpaid wages and debts. Most of those fleeing investors were in small and labor-intensive companies.

Most foreign-funded companies in China are supported by domestic companies, and any capital withdrawal by the foreign-funded companies would affect the domestic ones, industry experts said.

According to previous media reports, 87 companies funded by investors from the Republic of Korea (ROK), withdrew from Shandong Province without proper liquidation of assets last year. The figure was 21 in 2003.

In January, more than 10 ROK company officials suddenly abandoned their Yantai Shigang Fiber Co. in Shandong and fled because of financial difficulties. They left without paying the wages of more than 3,000 employees and large debts.

