

PhosAgro Proposes Silvinit Merger

By [The Moscow Times](#)

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PhosAgro sent a letter to the government proposing a merger with potash producer Silvinit, chief executive Maxim Volkov said Tuesday.

“There was a letter telling of a dialogue around the merger of PhosAgro and Silvinit,” Volkov said. He declined to give further details or comment on the government’s reaction.

PhosAgro has offered the government and Sberbank a stake in the combined company as shareholders of Silvinit and PhosAgro discuss a merger, Interfax reported, citing a copy of the letter signed by PhosAgro chairman Vladimir Litvinenko. The state already owns 20 percent of Apatit, a unit of PhosAgro.

Reports of potential potash-industry mergers have increased since billionaire Suleiman Kerimov and partners bought Uralkali in June. Uralkali may now seek a tie-up with larger rival Silvinit, Vedomosti reported Aug. 2, while state-run Russian Technologies is also interested in creating a fertilizer holding company, Interfax said Tuesday.

Should closely held PhosAgro agree on a merger with listed Silvinit or Uralkali, it would be “an elegant way to float the asset” since the phosphate producer said this year that it will seek to become a public company, Troika Dialog analyst Mikhail Stiskin said by e-mail.

Troika values PhosAgro at an estimated \$6 billion to \$7 billion. Silvinit fell 3.9 percent to 18,693.42 rubles at the close of trading Tuesday, valuing the company at 146.3 billion rubles (\$4.9 billion).

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