

Silvinit Hires Ex-Uralkali CEO

By [The Moscow Times](#)

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Silvinit named former Uralkali head Vladislav Baumgertner as interim CEO on Wednesday in a move analysts said could drive a merger between the two groups.

Russia moved closer to creating a global potash champion when investors friendly to Uralkali owner Suleiman Kerimov acquired stakes in Silvinit this month.

A steady rise in demand for crop nutrients like potash is expected to accelerate as the world's population grows. The rebound in demand has made the fertilizer sector a hotbed of acquisitions over the past year, with global miner BHP Billiton offering this week to buy Potash Corp. for \$39 billion.

According to Silvinit's web site, Baumgertner will replace current head Rostyam Sabirov during his vacation period, but Vedomosti said the change would become permanent following a shareholders meeting in a few months.

Silvinit did not say why it was making the change.

Rye, Man & Gor analyst Konstantin Yuminov said that under one possible scenario, Baumgertner, 38, could head the combined group if the merger succeeds.

"He knows about potash and he knows about mining, and he is the best manager for these companies," Yuminov said.

Should a full merger take place, the combined group would have 11.5 million metric tons of capacity in 2011, according to estimates by Renaissance Capital.

Together with Belaruskali, which exports production via a joint venture with Uralkali, the companies control up to 45 percent of the global potash market.

Yuminov stressed that merging Uralkali and Silvinit was one of two possibilities, and that Kerimov could opt to run both companies as separate entities. "A merger of the two companies is a long-term play," he said.

Baumgertner is credited with providing strong results at Uralkali, which he led from 2005 until departing at the end of last year.

"He has a most respectable track record, having taken the company through its IPO in 2007, partaken in the development of its international pricing strategy and introduced high standards of transparency and communication," VTB Capital said in a note.

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