

Regulators to Consider Potash Merger

By [The Moscow Times](#)

August 26, 2010

The  Moscow Times

The Federal Anti-Monopoly Service said Thursday that it might consider allowing the merger of Russia's two largest potash producers, Uralkali and Silvinit, while placing restrictions on what would become a national monopoly.

"It will be a monopolist, so we should weigh pros and cons. But I can't say, 'No, we'll never allow it,'" Andrei Tsyganov, a deputy head of the service, said in an interview.

"If such a deal goes ahead, it can only be permitted with restrictions," he said. Neither of the companies, nor their trading units, has yet filed an application seeking permission to merge, Tsyganov said.

Developments in the Russian potash industry may become "even more interesting" following BHP Billiton's \$40 billion bid for Potash Corporation of Saskatchewan, he said, without commenting further.

Billionaire Suleiman Kerimov and partners acquired controlling stakes in Uralkali and Silvinit

between June and August. Kerimov may merge the two Russian potash producers, using Uralkali's balance sheet to acquire Silvinit, VTB Capital said Thursday.

"Different merger plans involving Russian potash producers are being discussed," including retaining them as separate companies, Tsyganov said.

One option could be the combination of Uralkali and Silvinit with Minsk-based Belarusian Potash, a trader representing Uralkali and Belaruskali, Tsyganov said.

Silvinit sells production through its trading unit, International Potash.

Rio Tinto Group, the world's third-largest mining company, and Potash Corp., the world's largest producer of the soil nutrient, are each seeking to buy between 10 percent and 15 percent of Uralkali, Vedomosti reported Aug. 13.

The two companies will need permission from the government commission on foreign investments, chaired by Prime Minister Vladimir Putin, should they buy a stake of more than 10 percent, Tsyganov said.

No such applications have been filed with the watchdog, he said.

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