

Optimistic OMK Seeks U.S. Assets

By [The Moscow Times](#)

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United Metallurgical Company, supplier of pipes for the Nord Stream pipeline, is studying acquisitions in the United States, even as competitors scale back North American operations.

"We are interested in the U.S. tubular market, the world's second-largest after China," said Anatoly Sedykh, chairman of the company known as OMK. "We won't perform billion-dollar acquisitions. We'd rather buy some small production assets and develop them."

By looking at smaller acquisitions, OMK says it may succeed where others have struggled. OMK is the most profitable Russian pipe producer, reporting a 31 percent EBITDA margin last year, according to its annual report. It posted net income of 26.2 billion rubles (\$936 million) and sales of 118 billion rubles.

Markets abroad may account for as much as 40 percent of OMK's pipe sales in the "near future," Sedykh said in an interview last week in Vyksa, central Russia. That compares with 11 percent export sales last year, or about 30 percent including the Nord Stream contract, according to the company.

OMK plans to increase shipments to Total in West Africa and Royal Dutch Shell in Oman, and may seek to supply pipes to the Nabucco pipeline project and to Gazprom's rival South Stream venture, both of which would carry natural gas to Europe. Gazprom's Nord Stream pipe will take Russian gas via the Baltic Sea to Germany.

Sedykh said he sees "no contradiction" in potentially supplying all the pipeline ventures, adding that Nabucco would be built "whether we supply pipes or not."

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