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Sberbank Gets 35% of Belaruskali

By The Moscow Times

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Sberbank will get 35 percent of Belarusian potash producer Belaruskali as collateral for a $2 billion loan, Sberbank chief executive German Gref told Prime Minister Vladimir Putin on Friday.

The Russian state-owned bank and Deutsche Bank agreed to lend $2 billion to Belaruskali, Gref told Putin, according to a transcript on the government's web site. The loan is also secured by Belaruskali export contracts, the transcript said. Deutsche Bank declined to comment, according to an e-mail from its Moscow press office.

Belaruskali owns an export trader with Russian potash producer Uralkali, controlled by Suleiman Kerimov and his partners. Uralkali may be interested in Belaruskali if the price creates value for shareholders, chief executive Vladislav Baumgertner said June 28.

"The value of 35 percent in Belaruskali as collateral is clearly way above $2 billion," said Troika Dialog analyst Mikhail Stiskin. "Such a deal blessed by the Kremlin increases the chances that Kerimov could acquire a controlling stake in Belaruskali using the debt

funding of the state banks."

Jointly, Uralkali and Belaruskali control 42 percent of the world's potash exports, Uralkali said in a June presentation on its web site. This compares with the 25 percent market share of Canpotex, a trader representing North American producers Potash Corp. of Saskatchewan, Mosaic and Agrium.

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