

Pumpyansky Plans More Contracts

By [The Moscow Times](#)

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Dmitry Pumpyansky, billionaire owner of pipe maker TMK, plans to add to the \$2.8 billion train contract his venture with Siemens won in June, saying the tie-up is crucial to expanding into the industry.

"With Siemens it took us seven months to develop a new electric locomotive, three times less than it would've taken on our own," Pumpyansky, 47, said in an interview late last week.

Siemens, based in Munich, also needed a local partner to adapt its products for the Russian market, he said.

The 50-50 Ural Locomotives venture between Siemens and his Sinara Group holding company agreed to supply government-run Russian Railways with 1,200 electric-train carriages by 2020. The venture led from a decision by Pumpyansky seven years ago to diversify into railroad machinery from the steel pipes for the oil and gas industry that made his \$3.2 billion fortune.

He also followed the example of copper and coal billionaire Iskandar Makhmudov, who bought most of Russia's rail-machinery plants and in 2009 tied up with Siemens' rival Alstom. The French company this year completed a deal to buy 25 percent of Makhmudov's Transmashholding.

Pumpyansky, Siemens chief executive Peter Loescher and Russian Railways head Vladimir Yakunin signed a 2.1 billion euro (\$2.8 billion) supply deal for trains on Sept. 7, according to Sinara's web site. The venture with Siemens is seeking more contracts from Russian Railways, the billionaire said.

"We considered it promising to invest in railroad machinery as Russia hasn't renewed its locomotive fleet since Soviet times," Pumpyansky said, adding that the business has become profitable. "It was possible to enter this market" by setting up a modern alternative to Transmashholding, he said.

Sinara began commercial output of locomotives in Sverdlovsk three years ago, and while the unit cannot yet compare with TMK, it is profitable and will supply electric trains for the 2014 Winter Olympics and possibly the 2018 FIFA World Cup, he said. The venture with Siemens was set up last year.

A joint venture between leading TMK and Belgium's Lhoist plans to launch a plant in the Sverdlovsk region in 2015 to produce lime and associated products, the regional governor's information policy department said in a statement, Interfax reported.

Sverdlovsk Governor Alexander Misharin has met with representatives of the joint venture and promised them tax breaks, the statement said.

The companies plan to invest 50 million euros in the project. Lhoist will be the majority partner, with a 70 percent stake. TMK, with a 30 percent share, is interested in supplies of flux lime for its steel production facilities, the statement said.

TMK has plants in Russia, the United States, Romania and Kazakhstan.

Lhoist is one of the world's largest producers of lime, burned dolomite and unburned products based on limestone and dolomite. These products are used to produce steel, glass, paper and construction materials, and in the chemicals industry. The group has 90 plants, spanning 20 countries.

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