

# Pipe Maker TMK to Bring Suit Against EC

By [The Moscow Times](#)

August 14, 2012



TMK plants produce pipes used in sectors including oil and gas, the chemical and petrochemical industries, energy and machine-building, aerospace and agriculture.

TMK, the country's largest maker of steel pipes for the energy sector, said it would sue to block a European Commission decision to extend import tariffs on seamless pipes through 2017.

Last month the European Commission prolonged import duties on seamless pipes for Russia and Ukraine, which cover roughly 2 percent of EU total pipes imports, for five more years.

While TMK does less than 5 percent of its current business in the European Union by volume, analysts say the case may be easily winnable given expectations that Russia will officially join the World Trade Organization later this month.

Winning, in turn, would benefit any push it makes in the future to expand exports to Europe, as well as Russian companies in the sector in general.

Russian exporters have been campaigning to bring down barriers they believe are directed unfairly at them by EU and U.S. authorities, especially in the area of gas infrastructure, a key input for steel industry players.

"We have the right to file a suit and we are now preparing to do it, we have time until the end of September," a TMK company spokesman said. "This suit will automatically affect the interests of all Russian pipe makers."

"TMK is a global company and we are a rightful European market player with production facilities in the EU. This market is interesting to us, although it is not a strategic one for us."

Bank of America Merrill Lynch said in a research note that TMK's case may benefit from Russia's accession to the World Trade Organization on Aug. 23.

"We believe that TMK will likely win the case because there will be no grounds for such duties after Russia's accession to the WTO," it said. "Nevertheless, we believe that any outcome would be neutral for TMK because Europe is not a key market for the company."

TMK, controlled by businessman Dmitry Pumpyansky, shipped a total of 2.11 million tons of steel pipes to consumers in the first six months of 2012, down 2.8 percent year on year on the back of a slump in large-diameter pipe shipments through the period.

Original url:

<https://www.themoscowtimes.com/2012/08/14/pipe-maker-tmk-to-bring-suit-against-ec-a17046>