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Belaruskali Says Was Not Consulted on Uralkali Pullout

By The Moscow Times

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MINSK — Belarussian potash producer Belaruskali said it was not consulted by Uralkali before the Russian company quit their joint venture, as it promised a new sales strategy to address the expected impact of its partner's exit.

Uralkali's decision to dismantle the Belarus Potash Company, BPC, one of the world's two big potash cartels, pummeled the shares of companies around the world that produce potash and heralded a price war for the key crop nutrient.

"Uralkali's decision was made independently, without consultation with BCP's founder: Belaruskali," Belaruskali said in a statement. "Belaruskali continues to cooperate with BCP in terms of export supplies."

The decision to quit the Belarus Potash Company may cut the global potash price by 25 percent to below $300 per ton in the second half of 2013, Uralkali said Tuesday. Analysts

warned that the price drop may put on hold some major projects.

Potash is the main export product for Belarus, Russia's staunchest ally among the former Soviet republics. The Belarus economy is stagnating after a financial crisis in 2011.

"We have not worked out a strategy yet so it is too early to say what it will focus on," Anatoly Makhlai, deputy chief executive with Belaruskali said Wednesday.

Belaruskali was a partner to Uralkali for eight years in BPC, which once held 43 percent of the global potash export market. Uralkali was at one point rumored to be interested in buying a stake in Belaruskali.

Uralkali, which is controlled by tycoon Suleiman Kerimov and his partners, will export potash via its Swiss-based Uralkali Trading.

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