

Antitrust Probes Gazprom Over Sulfur Price

By The Moscow Times

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The Federal Anti-Monopoly Service has opened a case against Gazprom and its subsidiaries on suspicion of artificially inflating the price of sulfur.

The legal action follows complaints from Russia's largest fertilizer producers EuroChem and PhosAgro, Prime reported Tuesday.

A representative for the FAS said that if found guilty the company faces a large fine.

The maximum penalty for anti-competitive conduct can reach up to 15 percent of the company's turnover, Prime reported.

Gazprom claimed that their pricing depends on the global market prices of sulfur and diammonium phosphate, as well as other variables.

The FAS dismissed the claim by saying that neither the diammonium phosphate price nor

the global pricing structures can be transferred directly to Russia's domestic market.

This is not the first anti-monopoly case against Gazprom.

According to the FAS, in March 2011, the price on liquid sulfur jumped 246 percent from the previous month and continued to grow throughout the year.

In June 2012 the company's pricing formula was deemed unlawful based on article 10 of Russia's competition protection law. The company was fined 17.5 million rubles (\$532,000) but is currently appealing the decision.

Most of Gazprom's sulfur is produced in the Astrakhan and Orenburg regions. More than two-thirds of the sulfur produced in Russia is exported. The chemical industry accounts for 76 percent of domestic sulfur consumption, Interfax reported.

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