

Belarussian Potash Producer Considering Legal Action Against Russian Partner

By [The Moscow Times](#)

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Major Belarussian potash fertilizer producer Belaruskali may sue its Russian counterpart Uralkali for unfair business practices in their joint venture, Belarussian Potash Company, which spectacularly fell apart last month.

The two companies sold their product abroad through the joint company before Uralkali announced in late July that it would begin exporting independently.

Belaruskali's CEO Valery Kiriienko said Monday that Belarus was considering legal action against the Russian company for canceling contracts with clients and transferring joint contracts to their affiliate Uralkali Trading, Kommersant reported.

Uralkali has not responded to the accusations.

Besides pulling out of BPC, Uralkali also changed its strategy to focus on volume, sending prices tumbling in an industry where they had long been propped up by low production and tight control over supply, exercised by a small number of big producers.

The collapse of the partnership caused a sharp drop in potash producers' stock prices, which have not yet recovered.

Uralkali predicted a 25 percent price drop for fertilizer this year, bringing it to \$300 a ton, the Wall Street Journal reported.

Meanwhile, the Russian side claims Belarussian President Alexander Lukashenko's directive allowing Belaruskali to export its product outside Belarusian Potash Company had destabilized the market, which Minsk denies.

Viriyenko added Monday that his company would only consider reengaging with its Russian counterpart if it undergoes a change in ownership.

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