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Belarus to Prosecute Uralkali Owner

By Irina Filatova

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Potassium salts seen in a Uralkali potash mine near the city of Berezniki. **Sergei Karpukhin**

The conflict around Uralkali's breakup with its Belarussian partner took another dramatic twist Thursday after Minsk announced their intention to open a criminal case into billionaire Suleiman Kerimov, the major owner of the potash giant.

The documents received by Belarus' Investigative Committee are a sufficient reason for opening the case and putting Kerimov on the international wanted list, the agency's spokesman Pavel Traulko said.

"One does not have to have a special legal background" to understand the essence of the possible charges against the businessman, Traulko said. He added that "other individuals, including Belarussian citizens" face similar sanctions but didn't specify names.

Traulko didn't comment on the possible timing for opening the case.

Kerimov's investment group Nafta Moskva owns 21.75 percent in Uralkali, making it

the biggest shareholder of the potash giant. A spokesman for Nafta Moskva on Thursday declined to comment on the investigators' announcement.

Putting Kerimov on the international wanted list would complicate his business and private trips, since he would risk being detained in many countries and subsequently deported to Belarus, said Vasily Vasilyev, a lawyer with Khrenov and Partners. However, the tycoon could possibly feel safe in Europe in light of Belarussian President Alexander Lukashenko's negative image in the West, Vasilyev added.

Kerimov ranks 20th on the Forbes Magazine's list of Russia's wealthiest businessmen with an estimated fortune of $7.1 billion. He reportedly owns the world's largest private yacht, the 90-meter-long Ice, the 37-meter Millennium yacht and two jets.

Kerimov was invited earlier this month, along with Uralkali's chief executive Vladislav Baumgertner, to meet with Belarussian Prime Minister Mikhail Myasnikovich. However, Kerimov failed to attend the meeting.

Baumgertner, who was arrested in Minsk hours after the meeting, faces three to 10 years in prison on charges of abuse of power. The Belorussian government claimed that the loss from Uralkali's breakup with its partner Belaruskali totaled $100 million.

Shortly after Baumgertner's arrest on Monday Belarus investigators said they were also checking Kerimov's possible involvement in the case.

Representatives of Russia's Embassy in Belarus expect to meet with Baumgertner early Friday, head of the embassy's consular department Igor Koryagin told RIA Novosti on Thursday.

Russia's apparent response to the detention of Uralkali's head could hit hard the economy of its neighboring country, with Transneft informing Belarussian oil major Belneftekhim that it would reduce oil exports to Belarus next month.

Deputy Prime Minister Arkady Dvorkovich warned Thursday that Russia could also review its relations with Minsk on a number of issues, with the oil industry being only one possible area.

Belneftekhim received an updated supply schedule, the company's spokeswoman Marina Kostyuchenko told RIA Novosti Thursday without providing any figures.

Transneft's vice president Mikhail Barkov said the company will cut supplies by 400,000 tons in September. "The decision was made in March. No need to look for any intrigues against Belarus on the part of Transneft," he told Vedomosti.

However, Kostyuchenko told Interfax that the cut in oil supplies came as a surprise for Belneftekhim.

Belarus expects to import 23 million tons of oil from Russia this year, but existing agreements envisage supplies of only 18.5 million tons.

In yet another surprise for Minsk, Russia's Chief Sanitary Inspector, Gennady Onishchenko, warned that Russia is not satisfied with the quality of dairy products imported from Belarus.

Russia's reaction to Baumgertner's detention was fast, since the move came as a "kick in the teeth" and threatens to damage the country's reputation, said Fyodor Lukyanov, chief editor of the Russia in Global Affairs magazine.

The conflict is unlikely to be resolved without interference by President Vladimir Putin, who usually acts as an arbiter in most high-profile disputes in Russia, he added.

Dvorkovich said that the government is "following the situation closely," RIA Novosti reported. He didn't rule out that Russia might put to justice Belarussian exporters that allegedly evaded export duties while selling oil products to Russia back in 2011 and 2012.

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