

Belarus Potash Miner Eyes New Markets, Partners

By [The Moscow Times](#)

August 06, 2013

The  **Moscow Times**

MINSK — Belarussian potash producer Belaruskali aims to tap new markets and strengthen trading relationships in Qatar and Brazil, the state-owned company said, laying out new strategic aims following the break-up of a Russian trading venture.

The shift comes after Russia's Uralkali quit a marketing venture formed with Belaruskali, called Belarusian Potash Company (BPC), on July 30 and said it would funnel sales through a Swiss-based operation instead.

By breaking ranks, Uralkali sent prices for potash tumbling and with it the shares of a number of potash miners. Potash is a crop nutrient used in fertilizers.

Belaruskali said Monday that it had reached a framework agreement with a Qatar-based fertilizer marketing company, Muntajat, to cooperate on potash sales, giving it a second pillar alongside its previous marketing partner BPC.

"We will have not only one source of trading. We will sell jointly with the Qatar company, so we will have two sources of trading," said Anatoly Makhlai, deputy chief executive of Belaruskali.

The former Soviet republic is under pressure to boost income from potash exports or risk losing a key foreign-currency earner, contributing to a weakening of its currency.

Muntajat is ready to sell up to 3 million tons of Belaruskali potash per year as part of a new trading strategy, the company said in the statement. Belaruskali produced about 8 million tons of potash last year.

Belaruskali is also in talks with the Brazilian government on building infrastructure and potash distribution facilities there, it said in a separate statement.

Belaruskali did not provide further details and was not immediately available for comment. Uralkali declined to comment. The Muntajat office in Doha did not immediately respond to phone calls and emails from Reuters.

"Belaruskali is in a rush to find a new partner," said Vladimir Dorogov, an analyst from Alfa Bank. "[But] it is hard to estimate the survivability of the new tandem as the sale volumes of the Qatar trader and its previous partners are not clear."

Belaruskali partnered with Uralkali for eight years in BPC, which once held 43 percent of the global potash export market as one of the world's two big potash companies.

Uralkali predicted the break-up of BPC would cause the global potash price to fall by 25 percent to below \$300 per ton in the second half of 2013, and analysts say it could also halt global potash projects.

Belarus, led by President Alexander Lukashenko since 1994, is a staunch Russian ally but its economy has stagnated since a financial crisis in 2011.

Moody's rating agency says Belarus has annual debt repayment obligations of \$2 billion until 2015. Belarus' foreign-currency reserves are about \$5.5 billion.

Germany's K+S, the world's fourth-largest potash miner, will stick to its expansion project in Canada following Russian rival Uralkali's decision to abandon an export cartel that led to expectations of a slump in potash prices.

"Our [Canadian] Legacy project is on track, we will not call this important venture into question in response to mere speculation," chief executive Norbert Steiner said in a statement on Tuesday.

Analysts had expected K+S to further postpone its planned 4.1 billion Canadian dollar (\$3.9 billion) investment in the new Canadian mine.

In April, it said the venture would absorb a quarter more investment and that start of production would be delayed by half a year until mid-2016.

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