

Renova Group Plans \$150M Expansion into Herbicides

By [The Moscow Times](#)

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Orgsyntes, a division of billionaire Viktor Vekselberg's Renova group, plans to invest between \$100 million and \$150 million in building a factory for the production of glyphosate, thus becoming the first domestic manufacturer for the agricultural herbicide, Vedomosti reported.

"Negotiations are in progress with ten Chinese companies that possess the technology necessary for glyphosate production," said Yaroslav Kuznetsov, the general director of Orgsyntes. The negotiations are in their final stage, although a selection has yet to be made, he added.

The Russian herbicide market is currently estimated to be worth about \$1 billion. In 2013 the market for glyphosate, one of the most widely used herbicides in the world, was worth more than \$100 million, Itar-Tass reported. The glyphosate market in the Commonwealth of Independent States could grow by as much as 9 percent by 2020, according to Orgsyntes' research.

Orgsyntes hopes to have its facility up and running by 2017. An investment of \$150 million over the course of five to seven years could allow Orgsyntes to control between 8 to 10 percent of the market, said Dariya Snitko, an analyst at Gazprombank. Production of glyphosate in Russia would be particularly competitive in China's large herbicide market due to transport savings, said Anastasiya Zalutskaya, a director at consultancy NEO Center.

In 2013 Orgsyntes had 5.7 billion rubles (\$158 million) in revenue and 53 million rubles in net profit, according to Renova's data.

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