

colluded in dividing up the markets for various AN products. Sasol Nitro reached a \$30 million settlement with the commission in 2009 which involved a restructuring of the company's fertilizer business. The competition commission attempted to amend the case against Omnia and Yara relating to price-fixing in urea, potassium chloride, DAP and MAP markets, but the Competition Appeals Court ruled that the commission could not change the substance of the case and, implicit in that finding, that no complaint was pending against Omnia and Yara.

RUSSIA

Uralchem aim to increase European sales

Uralchem deputy chairman Dmitry Osipov has said that the company's strategy is to strengthen its position in European markets. In 2010, Uralchem supplied 1.48 million tonnes of fertilizers to the European market, with nearly one-third of this (357,000 tonnes) was supplied to the UK and Ireland. Europe (especially the British Isles and Scandinavia) remains the main

market for the company's NPKs. The company is planning to reduce its costs, based on favourable gas prices – it currently pays \$2.80/mmBtu, compared to \$3.80/mmBtu in the USA and \$6.50/mmBtu in the Ukraine, said Osipov. The management is also planning to extend long term agreements with natural gas producers in Russia.

In order to control the costs the company will continue to invest into its own railway carriages to deliver its products to the sea ports in St. Petersburg and Riga. Today the company has a fleet of 5,000 rail cars, almost half of which belong directly to the company, and it plans to purchase more.

With 35% of domestic sales, Russia is still the company's most important market. After the drastic collapse in domestic consumption during the 1990s, Russian agriculture is reviving, Osipov said, showing a steady 10% increase year-on-year over the last few years. Even with the unusual heat and droughts that affected crops last year, Russian farmers bought 10% more fertilizers in 2010, compared to 2009. In 2011 Uralchem expects to further increase its domestic sales by 12%.

Eurotecnica and NIIK sign cooperation agreement

The Research and Design Institute of Urea (JSC 'NIIK') has signed a cooperation agreement with Eurotecnica Contractors and Engineers, covering urea and melamine. The main aim of the agreement is to pool the strengths of the two companies across the two products. Eurotecnica has its own melamine technology and is the world's leading melamine licensor, while Research and Design Institute of Urea has experience of research and engineering in both urea and melamine, and the integration of urea and melamine units to minimise the influence of melamine off-gases on the urea unit. The agreement also covers cooperation between NIIK and Eurotecnica on new melamine units in Russia and the FSU countries, with Eurotecnica acting as technology licensor and supplier of major equipment and provision of basic design and parts of detailed design. Research and Design Institute of Urea will ensure the compliance of the basic design to the norms of the host country, develop authority packages and provide the remainder of detailed design.



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Schoeller-Bleckmann Nitec, Hauptstrasse 2, A-2630 Ternitz, P: +43/2630/319-0, F: +43/2630/319-19, E: sbn@christof-group.com, I: www.christof-group.com