
Russian FAS to hear Mechel pricing case on August 26th

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According to the head of the regulator's social sector and trade control department that Russia's Federal Anti-Monopoly Service will hold on August 26th the first proceedings against Mechel Trading House, Yuzhny Kuzbass and Yakutugol on account of abuse of a dominant market position, Timofei Nizhegorodtsev.

Nizhegorodtsev said the case was opened on July 11th due to signs of a violation of Russia's anti monopoly legislation, such as economically and technologically unreasonable suspension of supplies of coal concentrate to Novolipetsk Steel.

Among other claims made by the antitrust watchdog against Mechel are sales on external markets at prices that are less than the true cost.

If the violations are confirmed, the company will have to pay a penalty in the amount of 1% to 15% of its coking coal sales, but not more than 2% of its total sales.

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