

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:2322
ANSWERED ON:15.12.2008
ETHANOL PRODUCTION IN BRAZIL
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government is considering any proposal for undertaking sugarcane cultivation in Brazil to set up units for its conversion into Ethanol;
- (b) if so, whether any agreement has been reached between the two countries in this regard; and
- (c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a), (b) & (c): An industry task force comprising of the three PSU Oil Manufacturing Companies (OMCs) i.e. BPCL, IOC & HPCL was formed in December, 2006 and a feasibility study for ethanol investment in Brazil was commissioned in January, 2007 for which report was finalized in May, 2007. The consultant concluded in their feasibility report that ethanol investments in Brazil are feasible, attractive, and highly strategic for Indian Oil Industry.

The Oil Industry team subsequently carried out a Partner Search Study in November, 2007 to identify suitable local partners in Brazil. Following the discussions held with top partnership candidates as identified in the study, broad MoUs were signed.

Indian Oil Industry is presently considering the possibility of acquiring a sugar mill and setting up a Greenfield distillery along with a Brazilian partner for ethanol production in Brazil. This is subject to necessary approvals.

Additionally an MoU with Brazil's National Company, Petroleo Brasileiro S.A. Petrobras was also signed by BPCL on 30.08.2007 at the HQ of M/s Petrobras in Rio-de-Janerio. Under the objects of MoU both the parties endeavor to jointly undertake studies in matters related to:-

The use and trading of fuel ethanol globally. Cooperation in areas of ethanol plant investments in Brazil in order to meet global demand of fuel ethanol. Extending cooperation to bio-diesel production and manufacturing process as well as R&D technology, including transfer of technology for ethanol. Conduct joint studies on efficient means of transportation and joint investments in Logistics Infrastructure for ethanol in Brazil.