

Emami Biotech to set up biofuel project in Ethiopia

To churn out 100,000 tonnes crude biofuel per annum

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Emami Biotech, a part of the Rs 2,000-crore Emami Group, will invest Rs 400 crore in a plantation project over five years in Oromia in Ethiopia. The company will engage in plantation of biofuel crops (jatropha) and other edible and non-edible oil seeds on 100,000 acres allotted to Emami Biotech by the Oromia Investment Commission.

At a press conference in Kolkata today, Emami Group Director Aditya Agarwal informed that Emami had already taken possession of 27,500 acres and work had begun, involving a capital outlay of about Rs 120 crore. The project also envisages setting up an extraction plant.

"While Emami Biotech will bear 30 per cent of the project cost, the remaining funds will be mobilised from banks and financial institutions," Agarwal said.

Once completed, the project will be able to churn out 100,000 tonnes of crude biofuel or edible oil per annum. While the biofuel will be exported to India for producing biodiesel, the edible oil produced in Ethiopia will be used for local consumption. The commercial plantation work has already begun on the land, which has been offered to Emami Biotech on a 45-year renewable lease. Emami Biotech had engaged Mott McDonald for conducting a feasibility study for the project.



(From Left) President of Oromia (Ethiopia) Abadulla Gameda, Ambassador of Ethiopia Gennet Zewide and Emami Group of Companies Directors Manish Goenka and Aditya Agarwal at the meeting
SUBRATA MAJUMDER

"So far, this is the biggest overseas project of Emami Group. Also, Emami Biotech has entered into a technical collaboration with the Tamil Nadu Agricultural University for the institution's expertise in agri-related projects," Agarwal said.

Another Emami Group Director Manish Goenka said: "We chose Ethiopia for investment because of availability of labour, contiguous land, congenial business environment and stable law & order situation. Besides catering to our domestic needs, the Ethiopian project has a huge potential for the global export market."

Emami Biotech is also planning to develop two edible oil plants in Gujarat and Tamil

Nadu.

"We have already signed a memorandum of understanding with the Gujarat government for developing the plant and are scouting for an appropriate site in Tamil Nadu near the ports. The initial capacity at the Gujarat plant would be around 1,000 tonnes of edible oil a day," Goenka said.

Meanwhile, betting big on the potential of the agro-based and leather segments of West Bengal as well as the eastern and north-eastern states, the Federal Republic of Ethiopia has decided to open its Consular Office in Kolkata and has appointed Aditya Agarwal of Emami Group as the Honorary Ethiopian Consul in the city.

India Inc ups investment in Ethiopia to \$4.1 bn in 3 yrs

Ethiopia has seen total investment by Indian companies jump to \$4.1 billion in the last three years, up from \$350 million. Gennet Zewide, an ambassador extraordinary and plenipotentiary, Embassy of Ethiopia, said: "Around 400 companies are seeking licenses currently in Ethiopia to set up businesses, up from some 60-70 companies a year ago, due to the investment-friendly environment in the country. Also, the security provided to investors and opportunities for privatisation is growing in the country. Availability of land and water, which is a constraint in several other countries, is a non-issue in Ethiopia. That's also a reason for Indian investors' faith in Ethiopia."

According to Zewide, among the Indian companies looking at setting up shop in Ethiopia, Tata International is scouting for land to set up leather and textile units. The Kanan Devan Hills Plantations Company, which succeeded Tata Tea in April 2005 when it exited most of its plantations in Munnar to focus on the growth of its branded tea business.