

## Bio-Diesel's \$100m Project Waiting in Queue

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Hovev Agriculture Ltd, an Israeli company, has shown interest in investing 100 million dollars to produce diesel from plants.

The company is awaiting green signal from Ethiopian Investment Commission for a 40,000hct plot required for implementation.

Hovev, established 40 years ago runs projects in India, China, Indonesia, Spain, Ghana, Nigeria and Kenya. The company is involved mainly in food processing and agriculture with its head office in Rishon-Le Zion, Israel.

Alon Hovev, vice president of Hovev Agriculture Ltd, told Fortune, that his company has been marketing fresh and processed products around the globe and was a pioneer in cultivating and exporting Jaffa brand oranges from the turn of the century.

“If we are granted the land that we have asked for, we will produce bio-diesel mainly from the Jatropha shrub” he said.

The poisonous shrub is commonly used in southern and western Ethiopia to build fences. In some parts of the country traditional medicines to cure skin diseases are extracted.

The seeds also have high oil content and are resistance to drought. Once a Jatropha tree is planted, it can produce oil seeds for up to 50 years. The plant, native to Central and South America, was introduced to Southern and Eastern Africa as well as India 100 years ago. The shrub reaches a maximum height of five meters.

Alhtough the company appears to be ready to make the plunge in to the Ethiopian market; the Investment Bureau is yet to register a foreign company by the name of Hovev.

Tamrat Berhanu, Hovev's representative in Ethiopia said that the reason that the company has not taken out an investment license is because of the size of the land that it asked for.

“We need to make sure that our request will be met before we register with the Commission. Recently we have been getting positive indications that the land is going to be granted in the coming few weeks” he said adding that the company would begin cultivation as soon as it receives the title deed.

The Jatropha farm is expected to create job opportunities for 22,000 people. When it becomes fully operational it will have the capacity to produce 100,000tns of bio-diesel a year which will be doubled every five years.

The production will not begin immediately as the cultivation process will take at least five years to reach the bio-diesel production stage. The by-products will be used for fertilizer and cattle feed, said Mr. Hovev.

National Bio-diesel Corporation Plc (NBC), the other company that is involved in the sector has already started cultivating Jatropha in the Benishangul Gumuz Regional State. NBC has invested 1.8 million dollars and expects to cover 15pc of Ethiopia's diesel demand.

In the 2004/2005 budget year Ethiopia consumed 742,000tns of diesel, as per data from the Ethiopian Petroleum Enterprise (EPE).