

## Economy

## Another Spanish firm mulling \$250M biofuel investment in RP

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Another Spain-based energy company is considering to invest up to \$250 million for biofuel feedstock production in the Philippines, the Department of Agriculture (DA) on Monday said.

DA Sec. Arthur Yap said Abengoa Bionergy - which operates bioethanol facilities in Europe, Brazil and the United States - is planning to develop a 50,000-hectare cassava plantation, to provide feedstock for biofuel facilities in the country.

The company expects its feedstock production from its planned distillery to produce about 150 to 200 million liters of bioethanol a year.

Under a Memorandum of Understanding (MOU) signed with the Philippine Agricultural Development and Commercial Corporation (PADCC) which is valid for one year, Abengoa Bioenergy will provide assistance to the DA in identifying varieties of cassava for cultivation trials and share its knowledge on undertaking such activities.

The MOA was signed during President Gloria Macapagal-Arroyo's two-day state visit to Spain.

For her part, DA Undersecretary Bernadette Romulo Puyat said Abengoa will also provide the design engineering and supply the machinery required for the development of cassava plantations and study the possibility of establishing bioethanol production plants in the Philippines .

Through the Abengoa-PADCC Working Committee, the PADCC will be tasked to assist the Spanish company in conducting capability enhancement training for farmers, particularly in the area of enterprise management, she said.

Puyat said Abengoa will also lend its technical expertise in the agricultural production side with the end view of developing high yielding varieties and increased feedstock productivity.

Yap added that Abengoa and PADCC, along with the DA Biofuel Feedstock Development Program, can enter into partnerships focusing on energy crops development and cost-competitive biomass technology.

"We hope that Abengoa will immediately move forward its initial understanding with PADCC into concrete timelines to cover the early completion of the feasibility study and the immediate implementation of the project, preferably within 2008," Yap said.

Earlier, a Bilbao-based biodiesel leader in Europe - Bionor Transformacion S.A. - disclosed its plans to invest \$200 million in the Philippines to develop at least 100,000 hectares of land into jatropha plantations to be used as feedstock for biofuel facilities in the country.

Yap said Bionor, a well-established global multi-feedstock company, bared its plans to invest in the Philippines ' biofuel sector following the signing on Dec. 3 of a Memorandum of Agreement (MOA) at the Palacio Real el Pardo between him and Alfonso Ausin, the president and CEO of the Spanish company.

Last January, President Arroyo signed Republic Act 9367 or the Biofuels Law, which aims to ease the country's dependence on imported energy sources by making the blending of ethanol and coco biodiesel in petroleum products mandatory.

RA 9367 also provides a package of incentives for investors in the biofuels sector, including exemptions from the payment of specific and value added taxes; and financing for those engaged in the production, handling, and transport of biofuel and biofuel feedstock. - **Cheryl Arcibal, GMANews.TV**



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