

Brazil offers to share ethanol production tech with India

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Brazil has offered to share its ethanol production technology with India as part of efforts to resolve a sugar related dispute between the two countries at WTO (World Trade Organisation), an official said.

The South American nation in its proposal has stated that the ethanol production technology would help India to use surplus sugar in making ethanol. The offer can help India utilise its excess sugar output and ease competition for Brazil in the international sugar market.

Brazil is the largest producer of sugarcane and ethanol in the world. It is a leader in the technology used for ethanol production. It is also the largest exporter of sugar in the world. India is the world's second-largest producer.

The proposal could benefit India as it aims to gradually increase the percentage of blending of ethanol in petroleum auto fuels and reduce dependence on imported crude oil.



"Brazil has a flex technology. They do ethanol blending. That technology is good for India also. Brazil has argued that India can use its surplus sugar for ethanol production and through that India can deal with its fuel issue also and that surplus sugar would not enter into the global markets and not impact world prices," the official said.

"They have given a proposal. Discussions are happening," the official added.

Ethanol is used to blend with oil to power vehicles. Use of ethanol, extracted from sugarcane as well as broken

rice and other agri produce, will help the world's third largest oil consumer and importing country cut its reliance on overseas shipments. Also, it cuts carbon emissions.

India is dependent on imports for meeting 85 per cent of its oil needs. There is a target of 20 per cent ethanol blending with petrol by 2025.

In 2019, Brazil, Australia and Guatemala dragged India into the WTO's dispute settlement mechanism alleging that New Delhi's support measures like Fair and Remunerative Price (FRP) to sugarcane farmers are inconsistent with global trade rules.