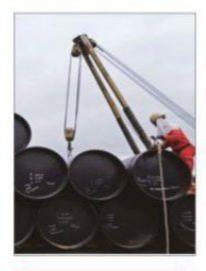
HIgh crude prices may spur blending of fuels with ethanol

DEEPA JAINANI Lucknow, March 2

WITH THE PRICE of Brent crude surging past \$113 per barrelon Wednesdayamid concerns over supply disruptions after Russia's invasion of Ukraine, and a steep hike in domestic fuel prices looking imminent, the Centre's ambitious ethanol blending programme (EBP) may get a shot in the arm. The country is dependent on oil imports to meet more than 80% of its oil demands.In2020-21,state-run oil marketing companies sold 3672 crore litres of ethanolblendedfuel, representing a foreign exchange saving of ₹9580 crore (\$1.3 billion).

According to the Indian Sugar Mills Association (ISMA), the country has a capacity to make 722 crore litres a year of ethanol currently, which will reach 1,500 crore litres a year by 2025. India's ethanol blending has seen a sharp rise in the last five years, from 2.07% in 2016-17 to 8.10% in 2020-21. To help reduce its dependence on costly oil imports and provide farmers with an additional



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source of income, the Union government last year brought forward the target to achieve 20% ethanol blending with petrol from 2030 to 2025."In 2020-21, the OMCs were sup-

plied 302 crore litres of ethanol, from which the country achieved an average blending of 8.10%. We hope to see the country achieving 10% blending target by the end of FY2022 and 20% by 2025," ISMA DG Abinash Verma said, adding thatto meet the target, both the production and demand sides need to work in tandem.

According to the Niti Aayog's roadmap for ethanol blending, India's net import of petroleum in 2020-21 was 185 million tonnes at a cost of \$55 billion. "A successful E20 programme can save the country \$4 billion per annum (₹30,000 crore),"it said.

With a view to enhance ethanol production capacity in the country, the central government has notified two interest subvention schemes in 2018 and 2019 for molasses-based distilleries, under which interest subvention at the rate of 6% per annum or 50% of the rate of interest charged.

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