

# business

CHINA DAILY HONG KONG EDITION 中國日報

TUESDAY, APRIL 26, 2011 | PAGE 1

ONE US DOLLAR EQUALS

▼ RMB 6.5146

▼ HKD 7.7716

▼ JPY 81.94

▲ EUR 0.6843

▲ GBP 0.6049

▲ AUD 0.9300

▼ INR 44.48

▲ CAD 0.9506

▼ KRW 1080.80

▲ THB 29.91

■ BRL 1.768

SOURCE: REUTERS, 9PM MONDAY



A COFCO booth at the World Expo in Shanghai last year.

WU CHANGQING / FOR CHINA DAILY

## Nation urged to hike ethanol production

### New process uses bio-waste instead of grains to make gasoline additive

By BAO CHANG  
CHINA DAILY

BEIJING — China should boost its fuel ethanol industry as part of its efforts to reduce carbon emissions and oil dependency, said China National Cereals, Oils and Foodstuffs Corporation (COFCO), a

**ENERGY** State-owned food processor and manufacturer.

"Instead of posing a threat to China's food supply, fuel ethanol will be in the spotlight of international energy consumption, as oil price hikes continue and environmental protection awareness grows," Xinhua News Agency quoted Yue Guojun, assistant president

of COFCO, as saying.

Yue is also general manager of the group's biochemical and bio-energy division.

Last week, the National Bio-fuel Research and Development Center was established in Zhaodong, Heilongjiang province, the headquarters of COFCO's biofuel and bio-energy subsidiary developing cellulosic ethanol, which can be made from biomass such as corn stalks and perennial grasses.

Used mostly in motors as an additive for gasoline, fuel ethanol was originally produced from main grain crops including corn and wheat.

Due to the great market demand, China imported 1.6 million tons of corn in

2010, 19 times what it did the previous year. The US Grains Council estimated that this year, the nation's corn imports will increase by 4 million to 5 million tons, accounting for 5 percent of the global corn trade volume.

Yue said the development of fuel ethanol will not affect China's food supply because no more than 4 million tons of crops will be used for producing it, less than one percent of China's total crop harvest each year.

"In addition, COFCO is now working with biofuel institutions and enterprises domestically and abroad in an effort to master the technology of producing second-generation ethanol from corn stalks, perennial grasses and waste wood instead of main crops," Yue said.

Funded by COFCO, the

Danish biotech company Novozymes and Sinopec, China's largest cellulosic ethanol factory will go into production in September in Heilongjiang province.

Its production target is 10,000 tons of fuel ethanol a year.

China is the third-largest fuel ethanol market in the world, following Brazil and the United States.

According to COFCO, its bio-ethanol production will reach 10 million tons a year by 2020, permitting a 10 percent drop in oil imports.

The International Energy Agency predicts that global biofuel consumption will increase from 55 million tons of oil equivalent today to 750 million tons in 2050, raising biofuel's share of the transportation fuel market from 2 percent to 27 percent.