

Praj Industries inks JV to tap European biofuel demand

Bureau

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Indigenous technology developed in Pune is to play a significant role in increasing Europe's bio-fuel consumption. Europe is expected to increase its consumption of biofuels, which is blended with conventional forms of fuel, from 2.5% to 5.75% in 2012 and to 10% by 2020.

This will mean that more biofuel projects will be set up, with at least 10 plants likely to be set up soon. To seize this opportunity, \$8 billion-Aker Kvaerner BV of Netherlands has inked an JV with Praj Industries, Pune, to set up BioCnergy Europa BV.

"The bio-fuel demand in Europe will go up by three to four times of the present consumption, by 2010," said Wim van der Zande, MD, Aker Kvaerner Netherlands BV. The 60:40 JV, BioCnergy, will supply ethanol and biodiesel.

The JV has been an outcome of a strategic alliance between both the companies over the past two years, said Pramod Chaudhari, chairman, Praj. In India, Praj has been setting up plants of about

1 lakh litre to 2 lakh litre, but in Europe the plant sizes are 6-10 times the size in India, Chaudhari said.

"We have our strength in the oil and gas business. Praj is an innovative company and continuously brings new knowledge on board. There will be significant development in this area in the next five to six years and the kind of feedstock used," Wim said.

The JV will be located in Zoetermeer, Netherlands, 50 km from Amsterdam and have an investment of around 3 million euro.

BioCnergy is betting on oil and gas companies investing in biofuel projects in the future. The JV will leverage the existing facilities of Praj in India and Aker Kvaerner's base in Europe, Mumbai and Pune.

The JV will offer technology packages, engineering services, equipment and systems, project management services, construction and erection services, and commissioning as well as turnkey biofuel plants. BioCnergy is working on market leads and will be announcing client wins.