

Biofuel hailed as answer to fuel crisis

With about two-thirds of all new cars sold in Brazil this year running on biofuel, the country is gearing up to export its alternative fuel technology worldwide as the answer to rising oil prices.

In the early 1990s ethanol suffered a temporary setback in the Latin American country because of supply problems, with many motorists returning in frustration to conventional petrol cars.

Volkswagen do Brasil then introduced in 2003 its first so-called flexible fuelled (FFV) car, running on both unleaded petrol and alcohol fuel or ethanol. Since then demand for FFV vehicles has continued unabated.

The big carmakers VW, General Motors and Fiat this year were offering most of their new models in Brazil as FFV vehicles. According to APEX Brasil, some 80 percent of new cars sold so far this year were FFV cars with the trend rising.

Investment in the ethanol and the sugar industry is rising. Some 140 new factories are planned by 2014 in south and southeastern Brazil with an investment volume of \$9 billion, according to APEX.

No other country has such an advanced network of biofuel and distribution systems as Brazil. It would take years for other countries like the US to introduce a similar network of filling stations and alcohol-producing factories, according to most analysts.

But in principle most new cars can be adapted to flex-fuel technology. The fuel lines and tanks have to be protected against corrosion and the timing adjusted to the different fuel composition.

A special sensor recognises what type of fuel is used - petrol or ethanol or a mixture of both.

Flex-fuel cars are considered the best short-term solution to keeping motoring affordable as oil prices continue to rise and stricter air quality legislation comes into effect.

Currently the only new cars offered in [Europe](#) running on E85 fuel, a mixture of 85 percent ethanol and 15 percent petrol, are the Ford C-Max and Saab 9-5. But Volkswagen's head of research, Matthias Rabe, says the carmaker's current engine range is built to run on a 10 percent ethanol additive to petrol.

The Green Motorists' Organisation in Sweden meanwhile expects flex-fuel vehicles to make up 20 percent of new car sales by the end of the year. Bioethanol is freed from tax and FFV vehicles do not pay parking fees in city centres. Sweden imports most of its bio-ethanol from Brazil.

But biofuel as it is currently produced is not without problems. Big petrol companies are slow to introduce E85 pumps. Klaus Picard, CEO of the German Oil Industry Association, says E5 or E85 fuel require additional storage capacity because it cannot be mixed with conventional petrol.

The World Wide Fund for Nature (WWF) also warns that biofuel production and use 'can have massive environmental consequences on other areas, such as water management, deforestation, or farming and food production'.

While in principle welcoming sustainable biofuels as one way of reducing greenhouse gases the WWF says it needs to be combined with landscape and water basin planning that protects biodiversity.

- DPA

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