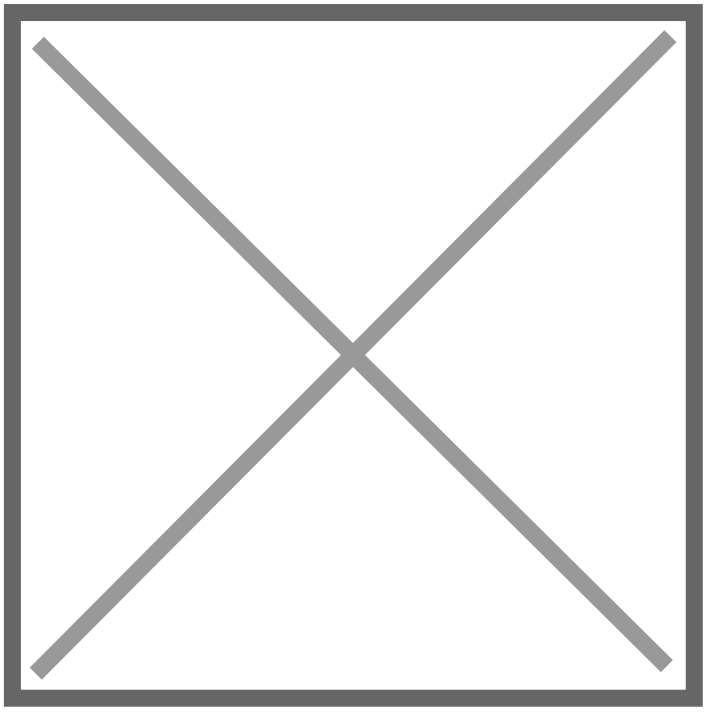
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How soon can the government do enough for biofuels?

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How soon can the government do enough for biofuels?

Biofuels have caught the attention of many entrepreneurs. Few have taken the plunge, enticed by the large tracts of oil-bearing plants like Jatropha and Ponghamia. However, the scores of entrepreneurs are facing many roadblocks.

It has been more than a year now since Naturol Bioenergy started pursuing a biodiesel project. Inspired from similar projects in Brazil, complete with a plan to bring about 120,000 acres of dry wasteland under energy crop cultivation in Andhra Pradesh, the company went ahead and announced its Rs 135 crore integrated biodiesel plant this June.

However, this joint venture of Naturol with Energea Gmbh, Austria and Fe Clean Energy Group Inc., USA is far from taking concrete shape, admits Bhaskar Chalasani, CEO and MD of the company. To be located in Kakinada the timeline of the project is difficult to predict. Construction will take about 15 months and closure of finances is in limbo as the investors play wait and watch to the government policy.

Same is the case with just about every entrepreneur currently sizing up the biodiesel opportunity. "We are looking forward to the government stand on incubating the biodiesel industry," said Satish Kumar, MD , Southern Online Biotechnologies Ltd. It has been over two years since the company has been trying to diversify into biodiesel manufacturing and 2007 is when Kumar foresees some real action on the scene.

That an ISP provider like Southern Online saw potential in the biodiesel industry enough to stick around even when the progress is snail-paced speaks volumes about the promise of the opportunity and the attendant sustainable development. There are many like him waiting to seize the opportunity.

Some are even taking the captive cultivation route. But Kumar finds it impractical to even try and exercise control over the raw material. "It should be left open and treated like any other commodity and it will find a balance. The point is to educate the farmers that this has economic potential," he said. The viewpoint is contended by Chalasani, who believes raw material availability on a commercial scale is what the industry would revolve around. "It is important to have some government assurance as a guarantee against the fluctuating prices in the commodity market," he elaborated.

The dynamics of the issue are complex as the government grapples with preparing a workable package for the farmers, said MG Gopal, the secretary for Rain Shadow Area Development, Government of Andhra Pradesh. "In a couple of months there will be clarity on the policy as well," he added citing inability to commit to a timeline.

Tying the industry with the welfare of the farmers is adding to the complexity but is central to the industry. The biggest announced project so far by Naturol, is said to have a potential to create 12,000 jobs in the agri sector in AP. This value proposition is the driving force but the progress is too slow to be in tune with the strides in biodiesel use around the world.

When an industry has a potential to create employment and benefit especially the marginalized farmers, which is a high priority on the agenda of the present government at the center the expectations from the government are also high. The question is how soon can the government do enough to boost the industry?

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Stalling: Is it a right move?

Stalling: Is it a right move?

Succumbing to pressure from the employees' union of the Haffkine Institute, the government of Maharashtra has stalled the sale of a piece of land at the Institute.

On 9 June over 300 employees of the Haffkine Institute for Training, Research & Testing staged a dharna in front of the institute in Mumbai to protest the Maharashtra government's decision to sell 1,826 sq. m of land to the Enterovirus Research Centre (EVRC) of the Indian Council of Medical Research (ICMR). With the intervention and assurance from the state health minister Digvijay Khanvilkar the dharna was withdrawn. And the EVRC was not able to buy the land.

The EVRC, housed at the premises of the Haffkine Institute, was upgraded in 1981 as a permanent research center of ICMR from a research unit. It has been engaged in studies on all major enteroviruses, including poliomyelitis and is now interested to expand its activities at the premises. The EVRC is located in the midst of nine major hospitals and research institutions at central Mumbai, Parel. Even the other permanent research centers of ICMR, like the National Institute for Research in Reproductive Health, Institute of Immunohaematology and Genetic Research Center are also located close to EVRC. Based on the experimental data obtained, the center offers suggestions on national policies relating to the control of poliomyelitis, especially on the strategies of vaccination.

The problem

Sprawling over 27 acres in Parel, central Mumbai, the Haffkine Institute established in 1897 was handed over to the Maharashtra government in 1960. The institute is governed under the Society and Trust Act and comes under the purview and administrative jurisdiction of the charity commissioner. It is provided with 100 percent grants by the state government. Considering the facilities available at the Institute many pharmaceutical companies have become its clients and are using its bioavailability testing facilities. The institute has emerged as a multi disciplinary, full-fledged biomedical research center engaged in research on various aspects of infectious diseases.

In 1975 the production unit of the institute was segregated to form Haffkine Biopharmaceuticals Corporation Ltd, under Company's Act and the training, research and testing activities of the institute was strengthened through the inception of several new departments. The general secretary of the employees' organizationÃ¢â?¬â??Shramik Utkarsha Sabha (SUS), Vijay Kamble, who led the dharna told BioSpectrum, "We are not against the selling of the land or research activities at the Institute's premises. Our interest is in the welfare of the employees and at same time growth of the R&D activities in the state."

In 1989 the Maharashtra government decided to use the vacant space at the Haffkine Institute to develop a Biotechnology Park. But it did not materialize. In 1996, the state government allotted a piece of land to ICMR but retracted its order later. Sources now say that there is no vacant piece of land at the institute.

The past

The Karnataka government too had faced a similar situation after the announcement of its Millennium Biotechnology Policy in 2001. The state government was interested in setting up a biotechnology park at the premises of the University of Agriculture Sciences, Bangalore. In a similar drama the state government succumbed to pressure from the employees and students of UAS, who expressed concerns about the environmental issues, raised their voice against this decision and staged a protest, forcing the government to roll back its decision.

The situation in Mumbai is a similar one. The dharna, which was held in support to express the anguish of the employees and in fulfilling their demands, is expected to create problems for those who are interested in setting up R&D and clinical research units in Mumbai. At present the state government is working on a focused project to develop Mumbai as clinical research hub utilizing the facilities it has at Parel.

The latest developments have forced the EVRC to think twice about its expansion plan at Haffkine Institute's premises. According to the sources, the EVRC is looking at some other locations in Mumbai. This may prove to be a setback for the research initiatives at Parel. In the interest of the growth of the sector, the government without bowing to the pressures has to take an appropriate step to sort out the employees' problems and to promote clinical research in the state and particularly in

Mumbai.

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