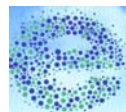


SUGAR SURPLUS AVAILABLE AND SUGAR ETHANOL

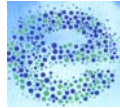
A WIN – WIN SOLUTION FOR MARKETS AND
THE ENVIROMENT

LIC. ISABEL GOMEZ MACIAS
FUNDACION E-MISION
JUNIO 2003

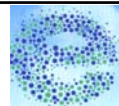


ETHANOL, THE SOLUTION

- THE USE OF THIS FUEL, BRINGS ECONOMICAL AND ENVIROMENTAL BENEFITS.
- THIS IS AN OPTION TO REDUCE POLLUTION EMISSIONS, AND TO IMPROVE AGRICULTURE PRODUCTIVITY.



ACTIONS IN MEXICO



1. ETHANOL PILOT PROJECT IN JALISCO

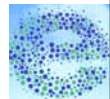


- USE OF A 10/90 MIXTURE AS FUEL BY GOVERNMENT VEHICLES.
- USE OF A 15/85 MIXTURE BY PUBLIC TRANSPORTATION.
- USE OF A 10/90 MIXTURE IN GENERAL BY PRIVATE VEHICLES.



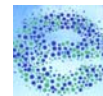
2. ETHANOL TEST

- CARRIED BY UNIVERSITY OF GUADALAJARA TO OBTAIN RESULTS ABOUT ETHANOL BEHAVIOR WITH CHARACTERISTICS OF GUADALAJARA CITY.
- THE RESULT WERE FAVORABLE.



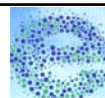
3. FIRST INTERNATIONAL BIOFUELS CONGRESS

- FEBRUARY 1 – 2, 1999
- OBJECTIVE: TO JOIN PEOPLE CONCERNED ABOUT TECHNOLOGY USE, PRODUCTION, POLITICS, ECOLOGICAL ISSUES AND AGRICULTURE, RELATED TO ETHANOL AND TO FIND EFFECTIVE SOLUTION TO ENVIRONMENTAL PROBLEMS.



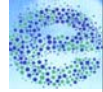
4. GOVERNORS COALITION ON BEHALF OF ETHANOL FROM MEXICO

- CREATED WITHIN FIRST INTERNATIONAL BIOFUELS CONGRESS
- SIGNED BY USA, CANADA, BRAZIL, SWEDEN AND MEXICO (JALISCO).
- OBJECTIVE: TO PROMOTE THE PRODUCTION AND USE OF ETHANOL.



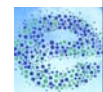
5. AGREEMENT

- SIGNED IN JUNE 1999
- BETWEEN GOVERNMENTS OF MEXICO CITY, JALISCO AND THE SUGAR AND ALCOHOL INDUSTRY CHAMBER.
- OBJECTIVE: TO WORK TOGETHER FOR THE PROGRAM ETHANOL – CLEAN AIR



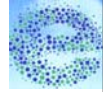
6. WORK GROUP FOR THE ETHANOL USE AND PRODUCTION

- NEGOTIATIONS WITH **PEMEX**, AND MANY ORGANIZATIONS AND GROUPS AS THE SECRETARIAT OF ENERGY, THE NATIONAL INSTITUTE OF ECOLOGY, THE MEXICAN PETROLEUM INSTITUTE, THE SUGAR AND ALCOHOL INDUSTRY CHAMBER, THE SUGAR EXPORTERS GROUP OF LATIN AMERICAN AND CARIBBEAN, THE GOVERNMENTS OF MEXICO CITY AND JALISCO.



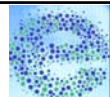
7. JALCOHOL GROUP

- CREATED IN AUGUST 1999 IN AHUALULCO BY JALISCO REGION CANE SUGAR'S PRODUCERS
- PROJECT: INSTALLATION OF AN ETHANOL PLANT WITH BRAZILIAN TECHNOLOGY CALLED "KEY IN HAND" REALIZING AND INTEGRAL PROCESS EFFICIENTLY USING ALL RESULTANT SUBPRODUCTS.



8. CLEAN TRANSPORTATION PROJECT

- BUSES WITH SWEDISH TECHNOLOGY FROM SCANIA COMPANY USING 100% ETHANOL ARE GOING TO BE INTRODUCED IN A JALISCO'S PUBLIC TRANSPORTATION.
- TWO OF THESE BUSES WERE CIRCULATING FOR THREE MONTHS IN MEXICO CITY.



9. TOURIST TAXIS PROJECT

- BETWEEN THE SECRETARIAT OF TOURISM AND THE TAXIDRIVERS UNION.
- VEHICLES USING E-85% ARE GOING TO CIRCULATE IN DIFERENT HOTEL ROUTERS THROUGHOUT THE CITY.



10. RESULTS OF THE MEXICAN PETROLEUM INSTITUTE

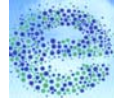
- THE INSTITUTE MADE SEVERAL TESTS WITH ETHANOL – GAS AND ETHANOL - DIESEL MIXTURES, ACHIEVING FAVORABLE RESULTS.
- THE INSTITUTE WILL PROVIDE AN AUTHORIZATION FOR THE USE OF A MIXTURE 10/90.



PROBLEMS RELATED TO ENVIRONMENTAL ISSUES

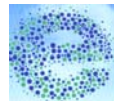
- LARGEST CITIES IN MEXICO:
 - MEXICO CITY, GUADALAJARA, MONTERREY.
- PROBLEMS:
 - AIR POLLUTION, ACID RAINS, CLIMATOLOGICAL CHANGES
 - RESPIRATORY SICKNESSES IN CHILDREN RELATED WITH POLLUTION GET WORSE IN THE WINTERTIME.

CHILD MORTALITY PERCENTAGES FROM RESPIRATORY SICKNESS

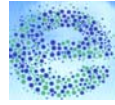


- 44.1% PNEUMONIA
- 8% CRONIC BRONCHITIS AND UNSPECIFIED BRONCHITIS
- 5.9% EMPHYSEMA
- 5.3% ASTHMA
- 2.7% BRONCHITIS AND KEEN BRONCHITIS
- 0.4% INFLUENZA
- 33.6% OTHER RESPIRATORY SICKNESS.

AN INTRODUCTION TO OUR SOLUTIONS

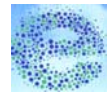


- “NO DRIVING DAY” PROGRAM: CARS IN MEXICO CITY DON’T DRIVE DAY A WEEK, THIS PROGRAM HAS NOT PROVEN EFFECTIVE.
- “ETHANOL CLEAN-AIR” PROGRAM: BETWEEN GOVERMENTS OF MEXICO CITY, JALISCO STATE AND THE SUGAR AND ALCOHOL INDUSTRY CHAMBER.



THE POWER OF THE SUGAR ETHANOL IN THE MEXICAN MARKET

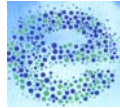
- POPULATION DEPENDS ON SUGAR INDUSTRY : 2'424,969 PERSONS.
- IN 1998 : 715,000 HECTARE AREA PLANED TO SUGAR CANE.
- TONS OF SUGAR CANE GRINDED 97-98: 47'400,000 TONS
- TONS OF SUGAR PRODUCED IN THE SAME PERIOD: 5'000,171
- PERFORMANCE AVERAGE: 10.89%



REQUIREMENT OF ETHANOL

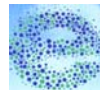
- ALL THE ETHANOL PRODUCTION WILL BE CONSUMED BY GOVERNMENT VEHICLES BY THE SUBSTITUTION OF MTBE FOR ETHANOL AND URBAN TRANSPORT USING 100% ETHANOL





THEN, THE MEXICAN PRODUCTION OF ETHANOL WILL HAVE:

A SECURE NATIONAL CONSUMPTION AND THERE WILL BE NO SUGAR ETHANOL SURPLUS



OBSTACLES AGAINST THE ETHANOL INDUSTRY



- **PAST NEOLIBERAL GOVERNMENTS WHO ALLOWED THE WEAK MEXICAN SUGAR INDUSTRY TO CONFRONT THE FOREIGN COMPETITION AGAINST SIMILAR PRODUCTS MAKING EVEN MORE DIFFICULT THE SITUATION.**



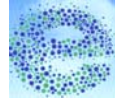
OBSTACLES AGAINST THE ETHANOL INDUSTRY

- MEXICAN SUGAR INDUSTRY HAS PROBLEMS TO PLACE 1'151,000 TONS OF SUGAR IN ITS DOMESTIC AND FOREIGN MARKETS.



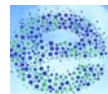
NATIONAL PETROLEUM INDUSTRY MONOPOLIZED BY PEMEX

- IN THE BEGINNING OF THE NEGOTIATIONS, PEMEX DIDN'T LICENCE THE USE OF ETHANOL.
- TODAY, WITH FAVORABLE RESULTS FROM THE MEXICAN PETROLEUM INSTITUTE, PEMZ ACCEPTED THE COLLABORATION WITH THIS PROJECT.

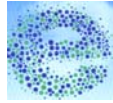


REQUIREMENTS

- TO INFORM THE PUBLIC ABOUT THE BENEFITS OF ETHANOL.
- TO OBTAIN POLITICAL, FINANCIAL, HUMAN AND TECHNOLOGICAL RESOURCES.



**TO OBTAIN CLEANER
AIR, CLEANER CITIES,
A CLEANER FUTURE,
IN FEW WORDS.....**



SUSTENTABILITY IN OUR CITIES DEVELOPMENT

