

**Global biofuel free trade:
The Vision of a Mexican sugar mill**



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Este documento recopila las opiniones de el Ingenio azucarero los Mochis y no representa una postura oficial del Gobierno Mexicano ni de otros empresarios

Premises

The energy, social and economic conditions that arise in Mexico, justify the diversification of its energy basket. Mexico requires of wise public policies.

Mexico is highly dependent on the hydrocarbon consumption; it is a country which although is an important oil producer, it imports gasoline.

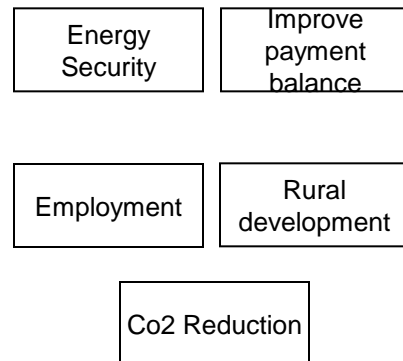


Potential benefits for Mexico

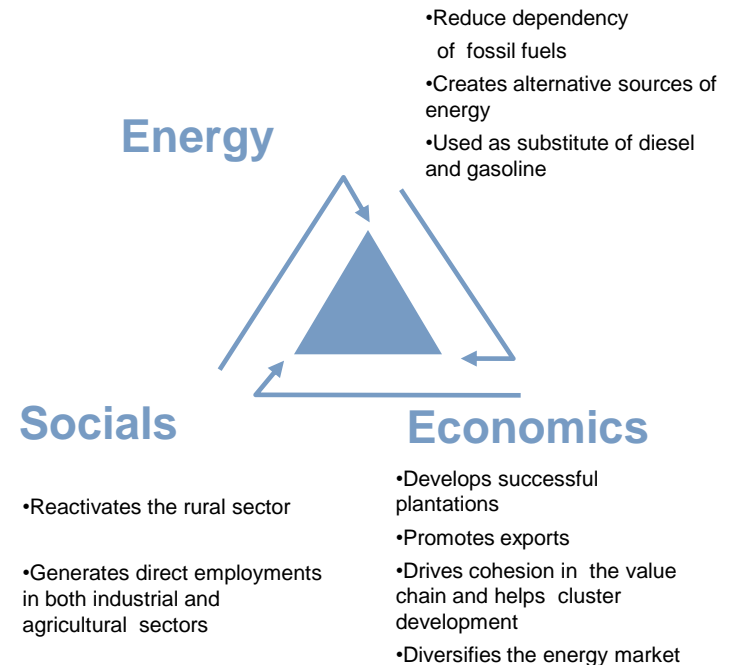
A diversified energy basket will bring benefits to energy security matters, improvements in the payment balance, rural development and public safety.

With clear public policies that encourage investments and define clear rules to allow stability and technology development, Mexico will be able to join the biofuel free trade in a highly competitive market..

Some strategic objectives



Some benefits related to the biofuel market development



The role of Public Politics

Mexico requires of solid public policies that encourage the development of the biofuel industry.

Mexico inclusion in a world of biofuel free trade, requires the creation of the proper environment, in which public policies are in accordance with the country's development plan and the private sector.



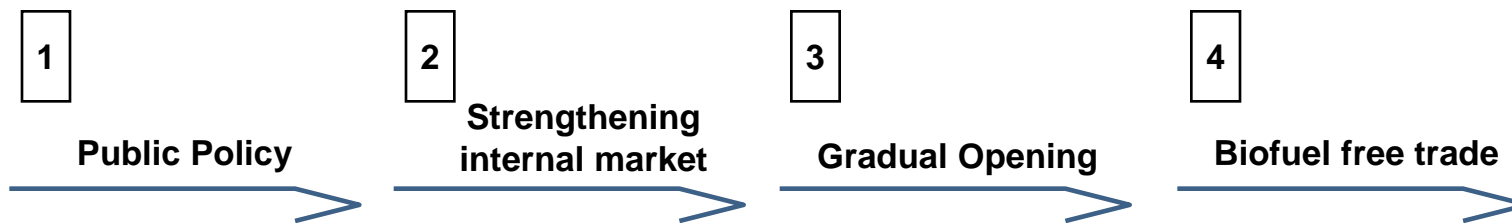
Public Policies

- Imperativo que la agenda legislativa en México incluya a la brevedad el debate sobre el impulso a la producción nacional de biocombustibles
- El verdadero desarrollo e implementación de estas políticas requiere de un consenso entre sector gobierno y sector privado.
- Igualmente se requieren inversiones en materia de infraestructura ya sea por medio de inversiones públicas directas o por el sistema de concesión
- Si bien, existe un marco que regula la producción de energía en México, actualmente no existe un paquete de políticas públicas integral que fomente la producción de biocombustibles
- La política pública debe propender y estimular el desarrollo del sector privado, por tanto la actitud de la política mexicana debe cambiar en este aspecto.

Our position

As an active participant in the Mexican private sector, Ingenio Los Mochis considers that the country should be open to the free trade of biofuels.

An effective Public Policy is key to fortify the internal market, is a must to encourage fair competition facing global free trade.



- As a company of the private sector in general and particularly as Ingenio Los Mochis (Cia Azucarera Los Mochis SA de CV), I consider that the opening and free trade in the biofuels market, should move gradually while the country gets prepared and integrates itself in a competitive way for the free trade.
- Protectionism is not a solution for the development of low Co2 economies
- Economic advantages: environmental responsibilities help to develop job creation and also develops many commercial opportunities.

Our Project

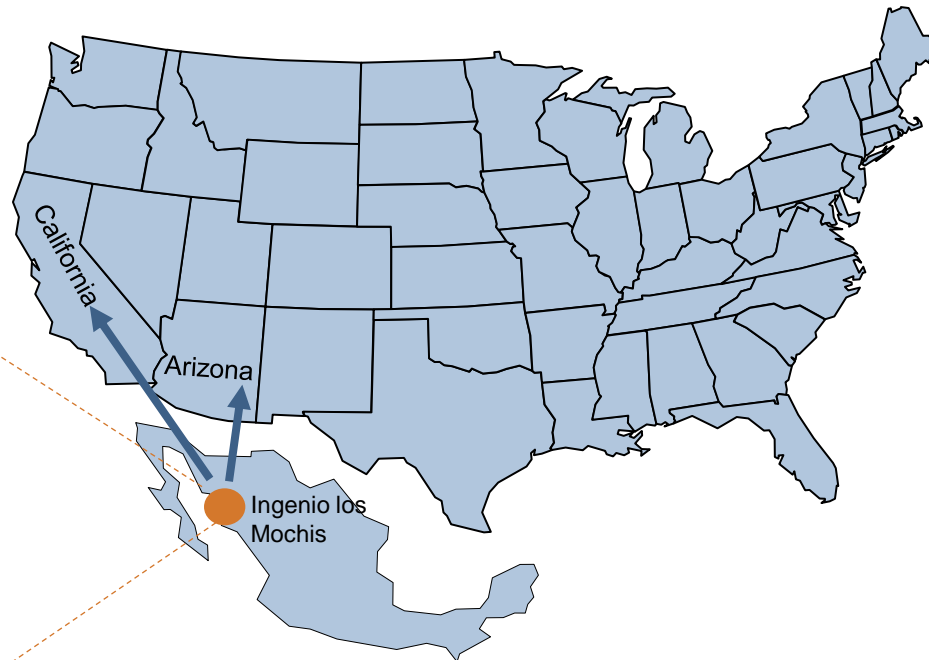
Ingenio Mochis (Cia. Azucarera Los Mochis) has plans to develop the most modern and efficient sugar mill in Mexico.

The new sugar mill promoted by Cia. Azucarera Los Mochis will be the first one built in Mexico in more than 40 years.

- Sugar cane is a plant that produces energy in several ways: food, ethanol and kwh. The sucrochemical chain is a mirror image of the petrochemical chain, technology today is almost readily available to economically produce and compete producing bioplastics and biohydrocarbons.
- Sugar cane (today) is the most efficient plant in solar energy conversion, and with the proper agricultural labors, today no other crop competes with it. It is renewable, highly productive, it is cultivated in both tropical and subtropical regions.
- The sugar cane plant produce intelligent energy in different ways: sugar as food, ethanol as fuel and electric energy for home and industries.
- Nowadays, we are in the search of potential joint ventures with high-tech companies, to participate in the development and trading of biotechnological products.

The route of our products obtained from sugar cane

- The sugar cane products route to California and Arizona, our most important export markets
- Ingenio Los Mochis is the closest Sugar mill to the US western market



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