

PRESS CLIPPING SHEET

PUBLICATION:	Egyptian Gazette
DATE:	18-May-2015
COUNTRY:	Egypt
CIRCULATION:	60,000
TITLE :	Uncertainty grows over fuel smart card
PAGE:	02
ARTICLE TYPE:	General Industry News
REPORTER:	Mohssen Arishie

PRESS CLIPPING SHEET

Uncertainty grows over fuel smart card

Mohssen Arishie

UNCERTAINTY is growing over a new government fuel smart card system which is meant to control fuel consumption. The fresh consumption-rationalising measure, which is scheduled to start at filling stations across the country on June 15, was initially suggested in 2013. Since then, implementation has been postponed for various reasons.

When motorists were told that the government was determined to proceed with its new measure, some of them could not resist being worried that the smart card was a new way of reducing the fuel subsidy and increasing the price of fuel and petrochemicals. However, in defence of its new measure, the government confirmed that its aim was to frustrate corrupt owners of filling stations, who smuggled huge amounts of fuel and petrochemicals to the black market for higher prices.

The new system was initially begun at filling stations in the governorate of Dakahlia, where motorists are received by attendants holding e-finance machines. Some motorists protested that it took longer for them to obtain the services for which they had gone to the station in the first place.

"Inserting the smart card into the e-finance machine is time-consuming and takes at least five minutes," said a driver, who refused to give his name. "Filling the car tank takes even more time," he added. His protest was substantiated by a long queue of motorists waiting their turn.

Initiating the system two years ago, the government said that the measure would lead to a key reduction in fuel consumption and in the money spent on the fuel subsidy since it would ensure that the subsidised fuel went to those who deserved it. The subsidy costs the government about 13 per cent of the state budget, which has been suffering big deficits for decades. But there are motorists who claim that the system will limit their fuel consumption so they will

have to pay higher prices for extra amounts of fuel. Filling station owners defended themselves against what the government had said about fuel smuggling. They reminded the government that their quota of fuel was controlled electronically, which prevented any smuggling. The owners have been warning their customers that the fuel smart card would lead to a drastic cut in the fuel subsidy.

However, some motorists who have had a bad experience with the owners of filling stations have supported the smart card system. Samir Mohamed, a cab driver, said that the new fuel distribution system would end fuel smuggling on the black market.

"The system will also save us from the high black market prices when the supply of fuel is short," he said. During the fuel crisis, Mohamed noted, the price of a jerrycan of petrol increased from LE36 to LE80.

"When there is a shortage of fuel, drivers have to give in to blackmail by corrupt owners of filling stations, who are in league with the black market," he said.

Mohamed Youssri, a minibus driver, has real fears that the smart card will reduce his daily quota of fuel. He is worried that the government will limit his quota and any extra fuel would only be available at a higher price.

Yasser Reda, who works in Cairo and lives in the Delta province of Menoufia, 80km from the capital, said he would be in a real dilemma if his quota on the smart card was limited. He added: "Shuttling between Cairo and Menoufia every day consumes 35 litres of fuel. What shall I do if the smart card reduces my daily consumption?"

A cabdriver named Desouki Abdel-Moneim told the local press that without strict control of the filling stations, the system would not achieve its aims. "In the meantime, the government should reassure drivers that the smart card will by no means cancel its commitment to provide subsidies to those who deserve them."



A WORKER filling a tank at a Cairo petrol station.