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## Egypt blames rumours for acute fuel shortage



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CAIRO - Egypt's embattled government on Tuesday blamed rumours and corruption for an acute fuel shortage that has had drivers waiting in long lines to fill their gas tanks — straining already taught nerves ahead of planned mass demonstrations this weekend demanding the resignation of the president.

Four Cabinet ministers lined up in front of cameras inside the presidential palace late Tuesday, trying to calm citizens' fears, as the Islamist government appeared desperate to grapple with successive political and economic crises that are hitting the country, adding to public discontent.

Government officials blamed nervous hoarding and black market diversions for the shortages. People are stocking up on staples, including fuel, ahead of the protests. Heavy subsidies on Egypt's fuel have caused distortions in the economy, encouraging some to make quick profits by illegally reselling gasoline and diesel.

The long lines and short tempers at gas stations are just a symptom of the malaise in Egypt as President Mohammed Morsi completes his first year in office. His opponents plan to mark the June 30 anniversary with a huge demonstration, presenting petitions that organizers say have as many as 15 million signatures calling on him to step down and call an early election.

Morsi's Islamist supporters plan their own demonstrations, and the fear of clashes has people on edge, leading to crisis behaviours like hoarding, according to officials.

"Worries led citizens to buy gasoline even when their cars' gas tanks are not empty, which leads to longer lines in front of gas stations," said Minister of Local Development Mohammed Ali Bishr.

Another factor, ministers said, is the government's plan to phase out the subsidies with a smart card system to ration fuel. The plan is due to take effect in July, but the government has said that at first, there will be no limits on the quantities of fuel that can be bought.

Supplies Minister Bassem Ouda dismissed accusations that the government was intentionally limiting supplies of fuel to disrupt the upcoming demonstrations as "baseless." He also said that Egypt produces 85 per cent of its own key grades of gasoline.

"The state is able to control the product and provide it across different areas," he said.

The fuel shortages are just a symptom of the economic crisis Egypt is facing.

Since the popular revolution that toppled longtime President Hosni Mubarak in 2011, constant turmoil and a security vacuum have frightened away foreign investors and tourists, and Egypt's foreign currency reserves have plummeted to the critical point.

The government's ability to pay for key imports like food and fuel has been brought into question. Frequent electric power outages during the searing heat of summer, attributed to inadequate infrastructure and a fuel shortage, have made the situation worse.

Morsi's opponents blame him for the troubles, charging that he and his Muslim Brotherhood are concentrating on amassing power and excluding others, instead of dealing with Egypt's challenges. Morsi's backers counter that the opposition is trying to force him out of office from the streets, because they have failed in elections.

Morsi was scheduled to deliver a speech to the nation on Wednesday, which many hope might defuse tensions before the planned protests.

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