

# Significant taxation loss prevented by Tracerco's fuel marking programmes

A major industrialised nation identified fuel adulteration practices as a major source of lost tax revenue. Due to the differential between consumer fuels (gasoline and diesel) and industrial solvents (benzene, toluene, hexane and Kerosene), fuel adulteration by the addition of solvents to fuel became an endemic within the national market.

**\$550m** estimated losses

As well as lost tax revenue for the government (stated to be around \$550 million), which in turn reduced their ability to spend on social programmes, the fuel adulteration problem also led to serious damage to motor vehicles. Whilst this directly impacted consumers in terms of damage to their own vehicles (engine failure), as well as reduced fuel quality, this also had a significant impact on the government from an environmental standpoint as a rise in poor air quality was recognised – particularly in urban areas.

The government body responsible for ensuring the quality of fuel approached Tracerco to devise, develop and implement a tailored nationwide fuel marking programme to identify the full extent of fuel dilution. By using bespoke fuel markers and TagTrax™ – Tracerco's universal cloud-based reporting platform, designed to remotely receive and display data from all fuel testing equipment, governments can pinpoint where exactly in the supply chain fuel is being tampered with, and have the data to hand that allows prosecutions to be carried out.



After a relatively short period of project collaboration, Tracerco implemented the programme by adding a range of markers to domestically manufactured solvents and imports, allowing the source of any adulterated fuel to be traced. In total, 120 million litres of solvent were marked per month.

**\$10bn** recovered since inception

Since the programme started, the government has recovered revenues of over \$10 billion and has seen a 40% reduction in the volume of solvents used to adulterate road fuels. The improvement in fuel quality has led to significant improvements in air quality, especially in urban areas.