



Mathurin Hybrid Initiative

Global Advisory  
Report

**A Snapshot of Cuba's  
Energy Crisis:  
Internal Challenges  
and External  
Influences**

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## Introduction

Cuba's energy security is a complex topic, shaped by its unique geo-political, economic, and geographical factors. This Caribbean nation's energy landscape is marked by its reliance on imported fossil fuels, challenges in developing renewable energy sources, and the impact of historical U.S. sanctions. The fuel and energy crisis in Cuba today, which has evolved over several years due to a mix of internal inefficiencies and external pressures, has escalated significantly in recent months, posing increasing challenges for both the government and citizens, and casting a shadow of uncertainty over the country's future.

## Internal Challenges in Energy Infrastructure

Internally, Cuba faces [challenges in modernizing its energy infrastructure](#). The country's limited domestic oil production, coupled with unsuccessful offshore oil explorations, has left it heavily dependent on aging power plants and outdated technology. This reliance has led to frequent power outages and inefficiencies over the last few years. Moreover, the advancement of a proposed [renewable energy projects](#) is progressing slowly, hindered by a lack of funding and technical expertise.

The impact of climate change has also added to the pressure on Cuba's energy sector, demanding the adoption of more sustainable and resilient solutions. Compounding these issues, the [COVID-19 pandemic has led to a significant decline in Cuba's GDP](#) and goods production, exacerbating the ability to finance essential resources including fuel.

## External Factors and U.S. Embargo

The historical U.S. embargo, particularly its tightening in recent years, has significantly affected Cuba's access to the international oil market. The nation's dependency on foreign fuel imports, mainly from Venezuela, Russia, and Mexico, has made its energy security more precarious.

For instance, the recent [Venezuelan oil crisis](#), once a primary energy source for Cuba, has had an incredible impact on Cuba. Venezuela has been forced to decline oil shipments due to its own production decline, economic recession, and the PDVSA financial struggles due to [sanctions imposed by the Trump administration](#) in 2019. The imposed sanctions on Venezuela's state-owned oil firm were primarily aimed at pressuring President Nicolas Maduro to step down and in part, part of the U.S. government's support for Juan Guaido. The sanctions were designed to severely curb Venezuela's crude exports to the United States, thereby restricting the funds available to Maduro's government. This severely impacted the Venezuela-Cuba oil trade route and made it difficult for the nations to find tankers to transport oil. These sanctions, while aimed at Venezuela, have indirectly affected the Cuba-Venezuela oil trade by making it difficult to transport oil, demonstrating the influence of geopolitical shifts on Cuba's energy security.

## Socio-Political Ramifications and Government Response

These [shortages of key resources](#) are having a serious impact on Cubans and their ability to meet their daily needs. Government officials highlighted the country's inability to afford necessary imports, leading to shortages in basic necessities such as milk, coffee, pork and public transportation, alongside reduced electricity availability to homes. Local governments have also announced a number of restrictions on power usage at state-run companies and other entities,

including moves to [postpone sporting events and university classes](#). This has severely impacted the socio-political landscape in the country. The socio-political landscape in Cuba has been volatile, especially in the wake of the [2021 nationwide protests](#), the largest since Castro's 1959 Revolution. These protests reflect the public's growing discontent, exacerbated by the government's stringent control over civil liberties. The recent emigration trends, particularly to the United States, highlight the extent of the crisis. In the past two years alone, [about 3% of Cuba's population has sought refuge in the United States](#).

In response, the [Cuban government has undertaken various strategies](#) to mitigate the crisis. These include efforts to increase domestic oil production and expand renewable energy projects. However, the effectiveness of these measures amidst political, economic, and environmental challenges remains a subject of analysis.

## Conclusion

Cuba's energy vulnerabilities are a significant concern, with internal policy decisions and governance issues contributing to its fuel fragility. Recent economic reforms aimed at alleviating shortages have had limited success. The impact of U.S. sanctions on Cuba's access to global energy markets and necessary energy development technology has further complicated the situation by not allowing the country to diversify its resource and economic structure.

The energy security landscape in Cuba presents a complex challenge, rooted in both internal inefficiencies and external pressures. Addressing these issues requires a nuanced approach that balances immediate needs with long-term planning. This strategy is essential for guiding Cuba towards a more stable and sustainable future, ensuring energy security amidst evolving global dynamics.

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