



**Cuba is collapsing,  
also dims down**

**Emilio Morales**

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# Cuba is collapsing, also dims down

By Emilio Morales

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## Cuba is collapsing, also dims down

### Summary

**The recently launched economic package with its sky rocketing prices has further blocked citizens' access to reliable electricity service. But that is not where the problems began. After decades of negligence in repairing and modernizing the electrical infrastructure, the power generation deficit has become a permanent and increasingly acute problem for the Cuban economy and the quality of life of the population. Frequent breakdowns in power plants, the lack of fuel to generate electricity and the current absence of financing for repairing the power plants have produced prolonged blackouts and growing desperation among the population. In the 21st century, no civilized society can return to the era that preceded the invention of the electric light bulb by Thomas Edison in 1879.**

The Unión Eléctrica (UE) has an availability of 2,097 MW and a maximum demand of 3,000 MW, which means a deficit of 903 MW representing 31.1%, one third of its current capacity to meet demand. This figure could be even higher in the coming weeks.

Cuba's energy challenges have no immediate solution. The nation lacks domestic resources of oil or natural gas to meet the demand for electricity production, forcing it to rely on imports. Alternative power production is not a magic wand and takes time to develop. This situation is complicated by the Cuban government's lack of credit because it is a bad payer. It is important to remember that the oil supplied by both Mexico and Venezuela is not paid with cash and the accounts and modalities of this exchange have not been disclosed.

Cuba's power generation infrastructure is obsolete, and in many cases, it is impractical to attempt its repair. It will take 6 to 8 years (some estimate ten) and a multi-million-dollar investment (approximately \$10 billion) to rebuild the thermoelectric generation capacity.

The goal of reaching 37% of renewable energies in the energy matrix by 2030 is a fantasy of the Cuban government. Investments in renewable energies have been insufficient and poorly planned. In 2013, the installed capacity of electricity generation in the country based on renewable sources was only 4.3%. Ten years after defining those goals, the renewable energy generation capacity grew only 0.96%. Projects such as the biomass plant at the Ciro Redondo sugar mill have failed due to the decrease in sugar cane production. Wind energy has also faced difficulties in materializing.

The Cuban government has just announced a set of highly unpopular economic measures (paquetazo), such as the increase in fuel and electricity prices, which will not solve the energy crisis. The low number of cars in circulation in Cuba does not justify the fuel hike. **The main consumers of fuel in the country are precisely the power generation plants and inefficient industries.**

**Raising the prices of domestic tariffs and fuels will only increase inflation, distort the prices of products and services in the market, increase the distortion of wages and will not contribute to a stabilization of the economy.**

The current economic model is not attractive to attract the foreign investment that the country needs to replace the current energy plants with modern and efficient ones. There is no mechanism to return the capital invested to investors by consumers, since their purchasing power is very low and they cannot pay the real cost of the energy they consume.

**The only possible solution is to eliminate the state controlled (totalitarian) centralization model of the economy and move to a free market economy. This is the only way for the Cuban economy to rebuild itself. It must eliminate the internal blockade of prohibitions and regulations** that prevent citizens from generating wealth. It must implement a profound internal structural reform that truly liberates the productive forces of the country, under a legal regulatory framework that guarantees, protects and stimulates productive development based on private property. This is the only way that energy production can be commercially inserted into the national economy and that an attractive market environment can be created for the flow of investment capital from abroad based on trust, security, and opportunity. In short, until the current totalitarian statist system is eliminated, Cuba is beyond repair.

## Current overview

**Cuba not only collapses but also dims down.** The blackouts not only paralyze homes, but also the overall functioning of the economy. The population outside the country's capital has complained that they only receive two-hour lightning, nights are spent without being able to sleep, refrigerators are broken, bakeries, warehouses and polyclinics are paralyzed<sup>1</sup>, as well as factories, irrigation and other productive infrastructures.

**The situation of the energy matrix on the island continues to go from bad to worse.** Trapped between the constant breakdowns of the plants and their sudden disconnection from the National Electric System (SEN), -plus the constant lack of fuel and the lack of financing to repair them-, the country's economy continues to stagnate, and the hardship of the population increases due to the blackouts.

**The deficit in power generation has become a permanent problem in the Cuban economy and has sunk the quality of life of the population.** Every week there are breakdowns in the aging power generation plants operating in the country. This deficit has rapidly increased in the last few months, reaching on several occasions more than 30% of the country's installed generation capacity. These breaks occur very frequently in the different units of the Rente de Santiago de Cuba Thermoelectric Plant, the Felton plant units, and the Mariel Thermoelectric Plant. In addition to this, all the Boca de Jaruco Power Units have been out of service due to repairs at the gas processing plant in Puerto Escondido. To this somber scenario must be added the disconnection of the Turkish floating power plants to the Melones substation in Havana Bay and, in general, the stoppage of most of them due to lack of fuel<sup>2</sup>.

**Without an efficient and stable energy matrix, no economy in the civilized and modern world can prosper.** In the impoverished state of the island's SEN (Sistema Electrico Nacional), it is impossible for the economy to move forward. Currently less than 50% of the total power generation capacity based on oil and distributed generation is operational. As a result, blackouts occur between 8 and 16 hours.

To make matters worse, the country has serious problems with the supply of oil from abroad, since Venezuela has not been able to send the quantities of oil agreed and the country has no capital to buy it on the international market, nor does it have access to financing lines that would allow it to have a long-term financing program to be able to acquire the fuel it needs. Russia has its own limitations due to the war in Ukraine. The Cuban government is barely surviving on the oil that President Manuel López Obrador has been donating to them, which already amounts to more than 537 million dollars<sup>3</sup>, a situation that is unsustainable for the Mexican company PEMEX<sup>4</sup>.

As regards Cuba's payment for the oil received from Pemex, the lack of transparency in these transactions begs the question of whether the barrels delivered constitute a donation to the Cuba, or

whether the Mexican company really expects a retribution from the Cuban regime. What is certain is that the López Obrador government has not clarified whether these barrels are long-term credit sales or are part of a bilateral foreign cooperation agreement between Mexico and the island. In any case, the Mexican president has denied that the shipments were donations, and seemed to link it to an exchange of favors -oil in exchange for the Cuban doctors present in Mexico-, in similar terms to what happens between Venezuela and Cuba.

In this regard, this kind of preferential treatment by the Mexican president is very striking given that Pemex's production and financial status is not in a good place. The production of the company's own liquid hydrocarbons fell in 2023 to 1.57 million barrels per day on average, down from 1.66 million in 2022 and 1.8 million in 2018, continuing a decline that is becoming more pronounced every year. Crude oil export revenues in 2023 were estimated to fall below those of 2022.

Everything indicates that this López Obrador's operation is purely political. The Mexican president, who will conclude his six-year term at the end of 2024, has been strengthening his relations with the Díaz-Canel government. Apart from oil shipments, he has encouraged aid to the island with agricultural donations such as the 'Sembrando Vida' (Sowing Life) program. Cuba has also been one of the few countries that López Obrador, a president who usually refuses to travel abroad, has visited as president<sup>5</sup>. Also to be included is the millionaire purchase of Cuban vaccines against COVID-19, which expire in the warehouses since Mexicans refuse to take them because they are not endorsed by the World Health Organization (WHO)<sup>6</sup>. The other lifesaver that Manuel López Obrador has thrown to the Cuban regime has been the hiring of hundreds of Cuban doctors<sup>7</sup>, when the country, according to multiple experts and sources, does not need them.

On the other hand, domestic crude oil production does not help either, it barely covers 50% of the demand. Another major difficulty is that 85% of power generation from thermoelectric plants depends on Cuban oil, which has a high sulfur content that is highly corrosive due to the presence of vanadium and sulfur-rich compounds. These elements produce ash deposits in components such as heat exchangers, boilers or turbine blades, as expert Jorge Piñón has described<sup>8</sup>. This situation causes further damage to the weak and obsolete infrastructure, requiring constant repairs and prolonged maintenance, which is made difficult by the government's own lack of financing.

## Fact and fiction

On the other hand, **the bet to move to renewable energies has remained a wish** since these investments require millionaire financing to which the country does not have access because it is a bad payer and has a bulky foreign debt that it is not used to honor. In any case, if an investor willing to invest in the island in renewable energy projects were to appear, it would be a failure because there is no way to recover the invested capital, the population has no income to be able to pay the electric bill that such an investment would generate. The country hardly exports and the little income it has is invested in insufficient food purchases and in projects for the construction of new hotels in which, as statistics for the last fifteen years show, more than 24,000 million dollars have been invested<sup>9</sup>.

This crossroads in which the SEN finds itself does not have a solution in the short and medium term. **A gigantic investment of around 10,000 million dollars is required to replace the country's impoverished energy matrix<sup>10</sup>**. This project could take at least 6 to 8 years if such resources were available.

Currently, only 5.26% of the total installed capacity for energy generation corresponds to renewable energy. See figure 1.

**Figure 1.** Historical series of the distribution of installed power plant capacity by type, 2018-2022.

<b>Potencia instalada en plantas eléctricas por tipo</b>						
<b>Plantas de Servicio Público (Megawatt)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>%</b>
Termoelectricas	2,498.0	2,498.0	2,498.0	2,608.0	2,548.0	40.86%
Turbinas de gas	580.0	580.0	580.0	580.0	580.0	9.30%
Plantas diesel	114.1	114.1	111.2	111.2	111.2	1.78%
Plantas diesel aisladas	95.8	106.1	105.2	104.3	109.1	1.75%
Tecnología nuevas	2,617.2	2,527.5	2,515.0	2,488.4	2,045.5	32.81%
<b>Hidroelectricas</b>	<b>64.0</b>	<b>64.0</b>	<b>64.6</b>	<b>64.6</b>	<b>64.7</b>	<b>1.04%</b>
<b>Parques eolicos y fotovoltaicos</b>	<b>139.0</b>	<b>159.2</b>	<b>221.5</b>	<b>241.8</b>	<b>263.0</b>	<b>4.22%</b>
Otras generación térmica	553.0	458.9	565.0	569.0	513.7	8.24%
<b>Total</b>	<b>6,661.1</b>	<b>6,507.8</b>	<b>6,660.5</b>	<b>6,767.3</b>	<b>6,235.2</b>	<b>100.00%</b>

**Source:** National Office of Statistics and Information (ONEI).

However, the government has set a fanciful goal for 2030 that projects to have 37% of its power generation capacity based on renewable energy. See figure 2.

**Figure 2.** Projection of the distribution of power plant installed capacity by type for 2030.

<b>Proyección por tipo de energía para el 2030</b>	<b>MW</b>	<b>%</b>
Energía Solar	2,104.0	21.80%
Energía Eólica	807.0	8.36%
Biomasa	612.0	6.34%
Energía Hidroeléctrica	56.0	0.58%
Combustibles Fósiles	6,071.0	62.91%
<b>Total</b>	<b>9,650.0</b>	<b>100.00%</b>

**Source:** National Office of Statistics and Information (ONEI).

**This projection is a fantasy and unrealistic under the current economic model.** This fantasy constitutes a bureaucratic formality to impress the international green agenda while at the same time it is used to create false expectations in a population that by now is tired of being made promises that are not fulfilled.

## Failures in the new energy investments

The renewable energy projects that have been carried out in the country so far have been a failure. For example, the US\$186 million investment made at the Ciro Redondo sugar mill to install a biomass plant with a capacity of 65 MW is not operational. This plant was designed to process sugarcane bagasse and marabú. However, it has a big problem, the sugar industry is practically dead, sugar cane planting levels have fallen sharply. And as is well known, bagasse comes from sugarcane. Currently, only 11 of the 22 plants that operate are operational in the current sugarcane harvest<sup>11</sup>. Therefore, this biomass plant has a big problem: there is no sugarcane. There is no mention of marabú; it seems that they have prioritized



its use in the production of charcoal for export. Cuba annually sends abroad between 40,000 and 80,000 tons to different nations of the world, especially Europe.<sup>12</sup>

Given this reality, how and when is the investor going to recover the investment? Did anyone consider the current chaos in the Cuban sugar industry before making this millionaire investment? Obviously not.

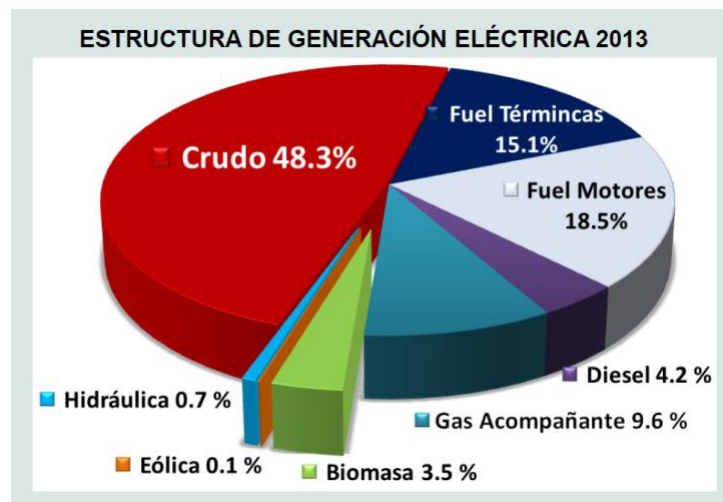
In the same vein is La Herradura 1 wind energy project, which has been trying to be completed for 8 years with financing, advice, and supervision from Chinese companies. It has not yielded the expected results either.

**There is no end to the Cuban government's capacity to inflate false expectations.** Time and again they deceive themselves with their unrealistic projects. As mentioned above, the current plan for 2030 is to have 37% of its generation capacity in renewable energies. However, it is mind-boggling how the plans become more inflated, the more impossible the goals are to achieve.

To get an idea of this reality, let's review what happened a few years ago and see how the growth of the fantasy world of the Cuban rulers has evolved.

In **2013**, a presentation prepared and submitted to the government by the Ministry of Energy and Mines stated that the installed capacity of **electricity generation in the country based on renewable sources was only 4.3%**. See Figure 3.

**Figure 3.** Distribution of installed capacity in power plants by type, 2013.



**Source:** Ministry of Energy and Mines.

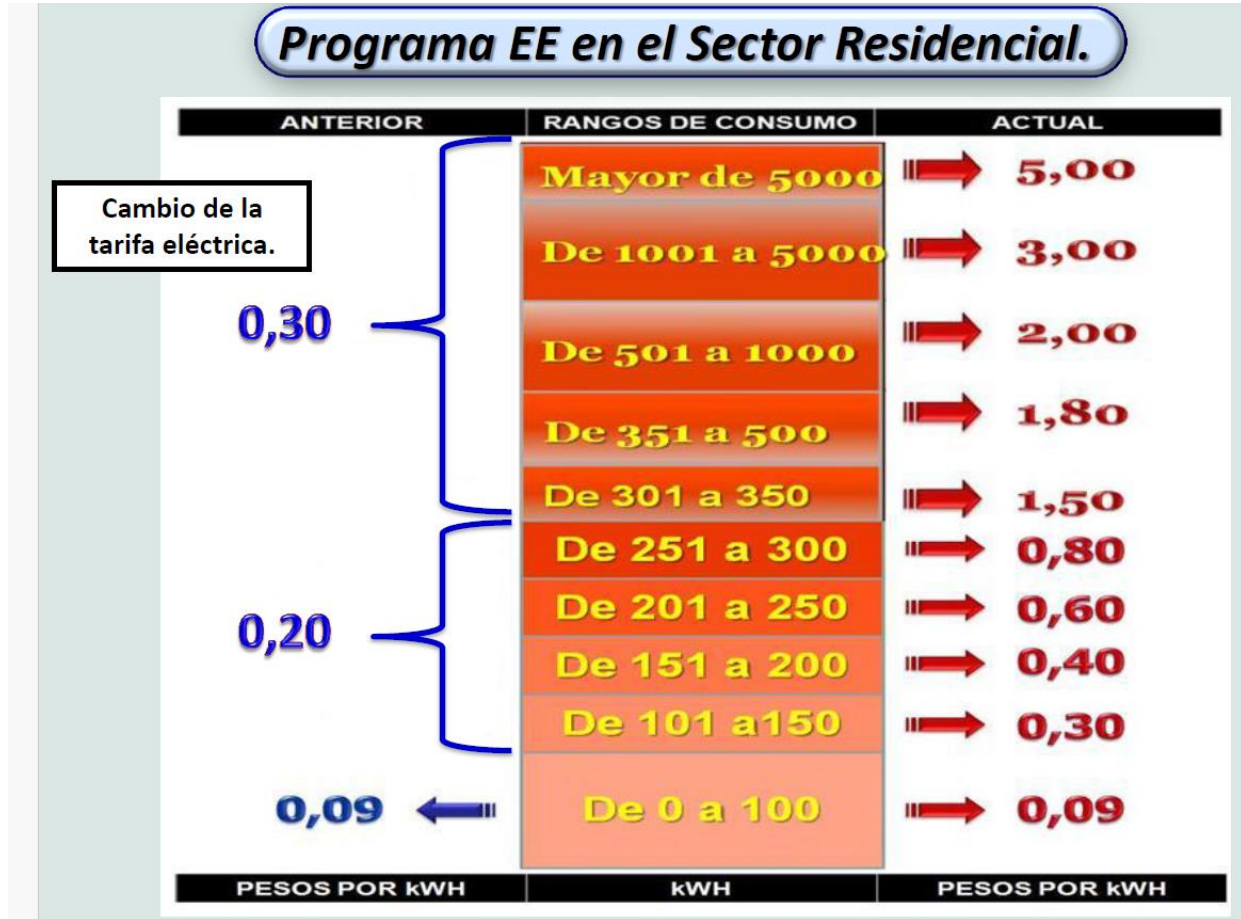
In this presentation a summary was made of all the measures that had been taken in the past to help mitigate the SEN deficiencies, among them we can mention those carried out in 2007, when 9.4 million incandescent light bulbs were replaced by compact fluorescent lamps and 4.4 million inefficient household appliances were replaced, as shown in the following list:

1. 2.6 million refrigerators were replaced.
2. 230,000 air conditioners were replaced.
3. 1 million fans were replaced.
4. 247,000 television sets were replaced.

5. 260,000 motor pumps were replaced.
6. The importation of incandescent lamps was prohibited through Resolution 190.

At the same time, the tariffs for charging energy in the residential sector were changed, which are shown in Figure 4.

Figure 4. New tariffs implemented for electricity collection, 2013.



Source: Ministry of Energy and Mines.

With this background, the Economic and Social Policy Guidelines were drawn up in 2011 at the CCP Congress, where the energy policy would be based on the guidelines shown in Figure 5.

Figure 5. Economic and Social Policy Guidelines on energy issues.



Source: Ministry of Energy and Mines.

In addition, other guidelines related to energy efficiency were added to the list. See Figure 6.

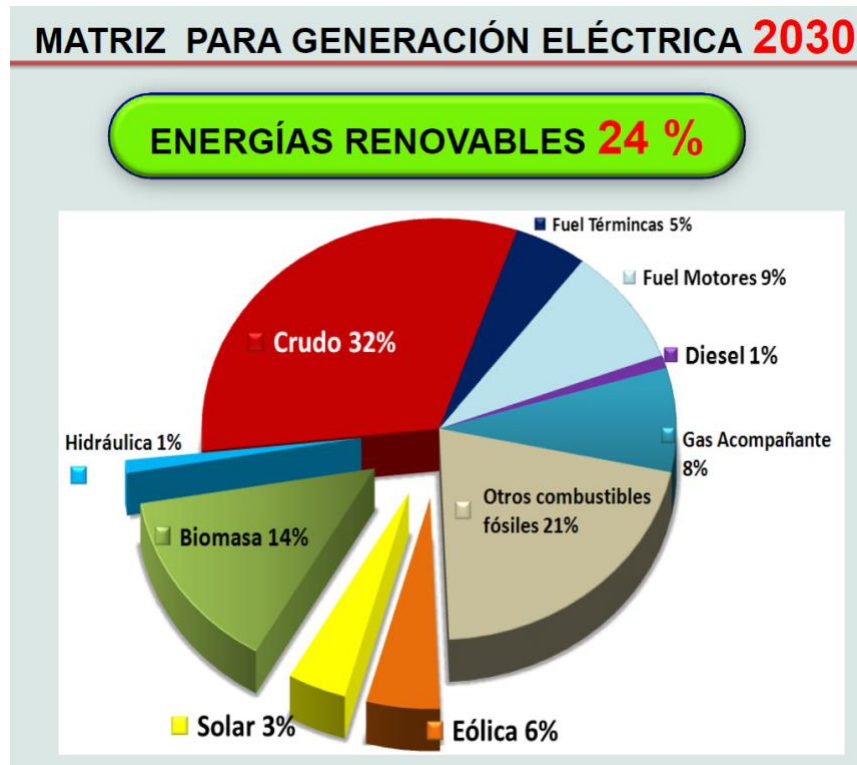
Figure 6. Economic and Social Policy Guidelines on energy and efficiency issues.



Source: Ministry of Energy and Mines.

Based on these measures, the government projected that by 2030 renewable energies would account for 24% of the country's power generation capacity.

Figure 7. Economic and Social Policy Guidelines on energy and efficiency issues.



Source: Ministry of Energy and Mines.

Today, ten years after planning that the country would have 24% of its energy capacity in the hands of renewable energy plants by 2030, we can see that it only covers 5.26% of the total. **In the last 10 years the renewable energy generation capacity grew only 0.96%.** And in order not to lose the habit of creating false expectations, they have set the goal that by 2030 37% of the country's energy generating capacity will be based on renewable energies.

### The "paquetazo" will not solve the energy crisis

To the energy crisis must now be added the impact of the economic package of shock measures announced by the government and started on March 1st, which among other things includes **the increase in fuel prices<sup>13</sup>**, which is accompanied by a **25% increase in the electricity tariff** for "high consumers (over 500kWh)". Highly unpopular measures that will not solve the financing that the country needs to replace its impoverished energy matrix. Gas prices at the pump are expected to rise in 500%.

The price of fuels will rise as follows<sup>14</sup>: motor gasoline B83 will rise from 20CUP to 114 a liter, or 0.94 dollars; regular B90, from 25 to 132 CUP or 1.10 dollars; special B94, from 30 to 156, or 1.30 dollars; special B100, from 37.50 to 198 CUP, or 1.65 dollars; regular diesel, from 25 to 132 pesos or 1.10 dollars, and special diesel from 27.50 to 150CUP or 1.25 dollars.

**The low circulation of cars in Cuba does not justify the fuel hike.** There is hardly any transportation in the country, therefore, the dollars that the government can collect with the price increase are not enough to cover the demand for fuel purchases, since **the main consumers of fuel in the country are precisely the power generation plants and inefficient industries.**

**The Achilles' heel of the Cuban economy to face these challenges is its lack of credibility, thus of credit, because it is a bad payer.** The money to be gained by raising fuel prices is insignificant compared to the large amounts that the country needs to replenish its energy matrix and buy fuel on the international market. It is important to remember that the oil supplied by both Mexico and Venezuela is not paid with cash.

**Raising fuel prices will only increase inflation, distort the prices of products and services in the market, increase the distortion of wages and will not contribute to a stabilization of the economy.**

In the midst of implementing these measures, the government announced that as from the early morning of February 29, the Antonio Guiteras Thermoelectric Plant<sup>15</sup>, in Matanzas, will be out of service for one month, which will mean 230MW less daily generation and the extension of the blackouts that are occurring in Cuba<sup>16</sup>. To this situation it must be added the stoppage of the operations of 5 of the 6 Turkish plants operating in the country due to lack of fuel<sup>17</sup>. The emergency measures in the face of this emergency are laughable:

#### **CIRCULAR TO MUNICIPAL ENERGY COUNCILS**

Dear Mayors and Vice-Mayors in charge of the Municipal Energy Councils:  
Starting tomorrow, CTE Antonio Guiteras will be out of the national electric power system for maintenance. It is expected to last 17 days.

Taking into account the impact this has on generation, it is necessary to adopt contingency regime 1, taking extreme measures to save energy, especially during peaks, among others:

- 1- Prohibit the use of administrative air conditioners at all times.
- 2- Shut down 100% of the work centers during peak hours. Only those with continuous production authorized by the EMF will operate.
- 3- Stopping work activities totally or partially in all possible cases, promoting teleworking or telecommuting.
- 4- Limit to a maximum the lighting of corridors, common areas and outdoors in state institutions.
- 5- The use of electric furnaces is prohibited during peak hours, only authorizing the cases coordinated by EPIA with the CEMs. In addition, all furnaces that are not essential should be shut down outside these hours.
- 6- There will be no water pumping in the state sector during the peaks.

These measures, among others, are vital to reduce demand and mitigate the effects on the population.

This will be implemented and applied by each EMF, and it will be extremely necessary to demand compliance, carry out analyses and adopt drastic measures, both political and administrative, against those who fail to comply.

Maintain attention to the issue, the effect of which should be reflected in consumption and demand measurements in the province.

On the other hand, it is difficult to understand the ambivalence of the Cuban government when it says that it cannot generate electricity due to lack of fuel, when the country has received oil from Venezuela and from Mexico. The latter has delivered oil to Cuba between 2023 and 2024 to the value of 537 million dollars.<sup>18</sup>



## Conclusions

Cuba's energy matrix is bogged down in a dead end. There is no viable solution in the short and medium term, and as things are going, probably not in the long term either. The blackouts of the last few days show the inability within the present regime of governance to stabilize the energy situation. **The Electric Union (UE) has reported that it currently has an availability of 2,097 MW and a maximum demand of 3,000 MW, which means a deficit of 903 MW. That represents 31.1%, one third of its current capacity to meet demand.** This figure could be even higher in the coming months if the instability of fuel imports continues and if the breakdowns of the plants that constantly disconnects from the SEN due to breakdowns remain unresolved, while at the same time the Turkish floating plants remain out of service due to lack of fuel.

The reality is very stark. The cantankerous investment plans in the energy sector - which for years the Cuban regime has been selling to the population as the magic solutions of the future - have turned into an increasingly chaotic and hopeless present, hand in hand with the marathon and unhinged blackouts. The fanciful verbiage with which they usually try to inflate false hopes no longer works. For this reason, in only two years more than half a million citizens have left the country and another two million are waiting for the long-awaited appointment to apply for the United States humanitarian parole<sup>19</sup>.

## The solution to blackouts

There are three important factors that prevent this energy problem from being solved in the short term.

1. Due to its lack of responsibility in honoring the interest on acquired debts, the government lacks credibility -even with its close allies- and therefore has no financial resources or access to lines of credit to make the US\$10 billion investment needed to replace its obsolete, inefficient, and aging power generation plants.
2. The current totalitarian state controlled economic model cannot attract the foreign investment that the country needs to replace the current energy plants with modern and efficient ones, since there is no domestic market capable of returning capital to investors from consumers, since their purchasing power is very low and they cannot pay the real cost of the energy they consume.
3. There is no willingness to change in the Cuban government. They refuse to move to a market economy, which in the current circumstances would be the only way to open doors for developing the economy and for investment capital to flow into the country.

**The only possible solution is to eliminate the state controlled (totalitarian) economy and move to a free market economy. This is the path for the Cuban economy to rebuild itself. It must eliminate the internal blockade** that prevents citizens from generating wealth. It must implement a profound internal structural reform that truly liberates the productive forces of the country, under a legal regulatory framework that guarantees, protects, and stimulates productive development mostly based on private property. This is the only way that energy production can be commercially inserted into the national economy and that an attractive market environment can be created for the flow of investment capital from abroad based on trust, security, and opportunity. In short, until the current totalitarian system is eliminated, Cuba will be beyond repair.

## About the author

Emilio Morales is President and CEO of Havana Consulting Group, a Miami-based consulting firm specializing in market intelligence and strategy for companies interested in the Cuban market. He has been a consultant and advisor to dozens of companies in the US, Canada, Europe and Latin America.

Morales holds a degree in Computer Engineering and two master's degrees in Marketing and Communications (Madrid). He has written two books and more than 300 articles on the Cuban economy.

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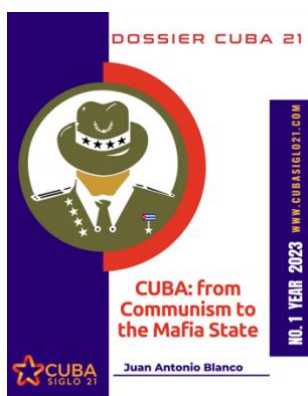
## About Cuba Siglo 21

Cuba Siglo 21 is a Madrid-based NGO that promotes an open, democratic and prosperous society based on the rule of law and a free market.

## About Havana Consulting Group

**Havana Consulting Group**, a consulting firm focused primarily on the Cuban economy and market, and secondarily on the Hispanic market in the United States, particularly in the State of Florida.

## Dossier Cuba 21 Series



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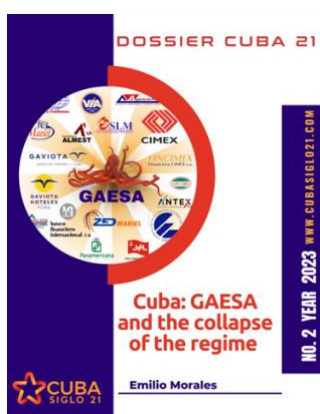
#### [Cuba from communism to the mafia state](#)

**Juan Antonio Blanco**

The changes in the political economy of Cuban society in the last fifteen years are equivalent to the transformation of the previous model of Cuban communism into a mafia state, as defined by contemporary social sciences, whose peculiar governance regime differs from other mafia states in that it continues to maintain totalitarian control over both the political and economic systems.

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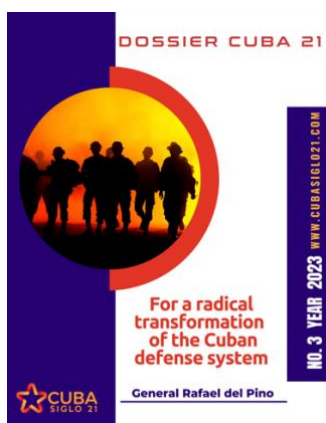
#### [Cuba: GAESA and the collapse of the regime](#)

**Emilio Morales**

Today the Cuban regime of governance is controlled by a mafia that has concentrated the economic power of the country under the aegis of a monopoly called Grupo de Administración Empresarial S.A. (GAESA) that nominally belongs to the Ministry of the Armed Forces (FAR), but which in practice is nothing more than a gigantic holding company managed by the Castro family and a group of oligarchs close to it and placed above all institutional control or auditing, including that of the FAR itself. This monopoly controls about 70% of most strategic national resources and more than 95% of the country's finances.

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**General Rafael del Pino**

The Cuban armed forces should play a decisive role in putting an end to the current mafia-totalitarian state controlled by the small oligarchic minority grouped around GAESA. In this endeavor, it is time to start thinking about their legitimate role in a future democratic Cuba.

GAESA should be intervened, audited, its shareholders and officers investigated and its properties, resources, bank accounts and profits immediately put at the service of the urgent needs of the population.

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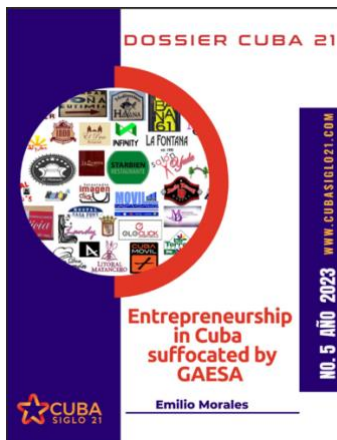
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**Juan Antonio Blanco**

If your country is literally invaded in a short time by hundreds of thousands of Cuban migrants, is time to understand the basics. First: they are not migrants who calmly planned that decision; they are people desperately fleeing their hellish daily life. Second: That desperate and hopeless reality is not the result of a sudden natural disaster, but of the deliberate policies of those who govern the island. Third: Those who cause this disaster with their policies are the same people who have organized this chaos to benefit from these migration flows.

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**Emilio Morales**

Of more than 500,000 Cubans who had a license to be self-employed (TCP), the country lost two-thirds of this force in the last 4 years. First there was the reversal of key reforms in 2016, this took some 80,000 self-employed (cuentapropistas) out of the market. Subsequently the pandemic, and the so-called Monetary Ordering caused more than 139,000 entrepreneurs to surrender their license or close their businesses. Tens of thousands of others closed their businesses due to the impossibility of operating them under the restrictions in place.

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**General Rafael del Pino**

A presence of submarines or other Russian ships equipped with nuclear rockets calling at Cuban ports would be the possible move sought by Putin. Russia, with the approval of the GAESA mafia, could use the bases and shipyards of the Cuban Navy to service those nuclear missile-equipped naval means and thus justify its presence a few miles away from the US. The result would be far more dangerous than the missile bases they installed on Cuban territory in 1962.

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**Juan Antonio Blanco**

The entire diaspora would have more strength vis-à-vis the Cuban totalitarian state than the very commendable, but at the same time, isolated work of one or several opposition organizations. The Cuban Diaspora can constitute itself as an independent and at the same time complementary actor with respect to the multiple exile organizations that integrate it to elaborate and present -publicly and directly to the population inside Cuba- a project of radical transformations for national development. The Diaspora and the citizens in Cuba have great power if they combine their forces in a coherent plan. Between them they have the financial, human, and social capital to take off on their own and attract, without submission or surrender, important foreign partners.

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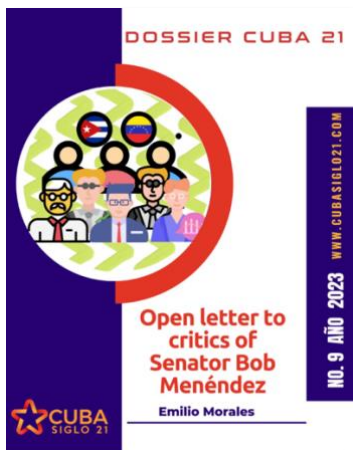
#### [Cuba 2023: sacrificing ourselves for Putin?](#)

**General Rafael del Pino**

Cuba has chosen to be a belligerent country on the side of the aggressor in a European war, where Putin has been declared a war criminal and against whom the International Criminal Court in The Hague has issued an arrest warrant. This changes the context in which certain influence activities carried out in the past by persons sympathetic to the Cuban regime inside the United States were developed and perceived as "normal". From now on they shall be perceived and treated with the severity applied to enemy activities in times of war. Shared electronic espionage activities (SIGINT) carried out by Cuba with Russian support for many years, now constitute an act of war, since Russian troops in Ukraine can immediately operationalize, the information obtained to their benefit and cause the death of thousands of Ukrainians.

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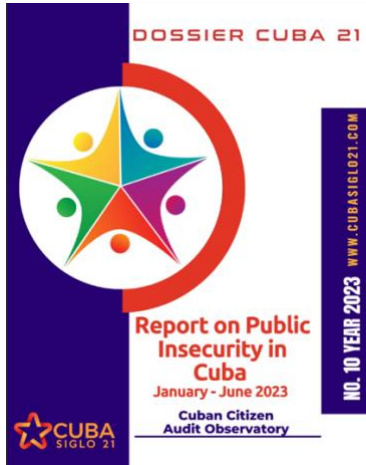
#### [Open letter to critics of Senator Bob Menéndez](#)

**Emilio Morales**

Two letters sent to Democratic Senator Bob Menéndez accuse him of spreading an alleged "false narrative": that there is no association between US sanctions and the economic and humanitarian crises in Cuba and Venezuela. Such letters circulated by various media outlets in the international press and in the U.S. The collapse of the Cuban economy is not due to the sanctions imposed by the Trump administration, it is sufficient to look at the income flows from the 9 most important items of the Cuban economy in the period 2013-2021 to understand that their decline has taken place in gradual and increasing fashion. In this period the Cuban economy has had an accumulated loss of income amounting to 29,064.75 million dollars, a figure like the foreign debt that was condoned by Russia in 2015.

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### Cuba 21 Dossier No. 10

#### [Report on public insecurity in Cuba. January - June 2023](#)

##### Cuban Citizen Audit Observatory

The report monitors data from the first half of the year 2023 and analyzes the growing public insecurity and the escalation of violent crime in the country. OCAC points out that public security is only one aspect of citizen security, as it includes several indicators such as food, health and energy security, among others. Public insecurity in Cuba is not a superficial problem, but a reflection of deeper structural problems. The investment priority has been in the section of the Ministry of the Interior (MININT) that confront public protests and demonstrations against the government, the so-called black berets. The Cuban oligarchy and its government strengthen State Security at the expense of Citizen Security and public safety. For them the concept of security is oriented to the protection of their absolute power to protect their interests as a dominant group.

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### Dossier Cuba 21 No. 11

#### [GAESA undermines the prosperity of Cubans](#)

##### By Emilio Morales

Remittances in Cuba are the financial support for the subsistence of millions of Cubans. But, on the other hand, the consolidated methodology by the Business Administration Group S.A. (GAE S.A, today known as GAESA) for its appropriation has propped up political regime that, despite this constant injection of capital, collapses for his own incompetence. In thirty years, exiles have sent Cuba a total of 52,251.99 million dollars in cash, and an additional 50,000 million in consumer goods. This has been a juicy and interest-free line of credit that has managed to accommodate the autocracy that controls power in Cuba to its own convenience and interests.

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### Dossier Cuba 21 No. 12

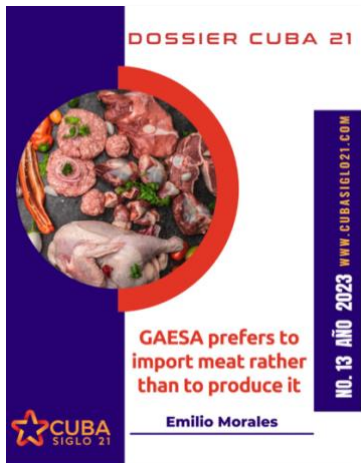
#### [Thaw 2.0 and MSMEs do not change reality there is no economic freedom in Cuba](#)

##### Emilio Morales

The approval of the Law for Micro, Small and Medium Enterprises (MSMEs) on the Island generated expectations of forthcoming change and improvement in the economy. However, the lack of economic freedom and other restrictions in the country prevented MSMEs from being the solution to the crisis. The recent MSME Law in Cuba has resulted in the approval of thousands of these companies: in two years 8,938 MSMEs. At first glance, it might seem like a step toward economic progress. However, the restrictions imposed by the Cuban government limit the true economic freedom that these companies need to thrive.

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### Dossier Cuba 21 No. 13

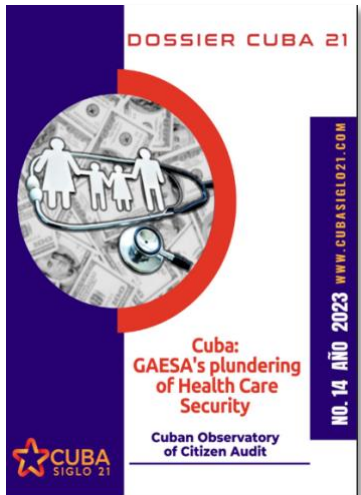
#### [GAESA prefers to import meat rather than produce it](#)

**Emilio Morales**

Twelve years after the economic reforms began to “update” the Cuban economic model in 2011, the country has not managed to reduce the import of food products. The meat products increased their import level by 65.58% between 2010 and 2022. The money value of these imports had an increase of 131.20%, going from 291.06 million dollars invested in 2010 to 672.96 million dollars invested in 2022. GAESA's privileged position is based on importation, not on production. GAESA is not interested in having an internal competitor in the internal market distribution who may take away market share and prevent it from making large profits.

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### Dossier Cuba 21 No. 14

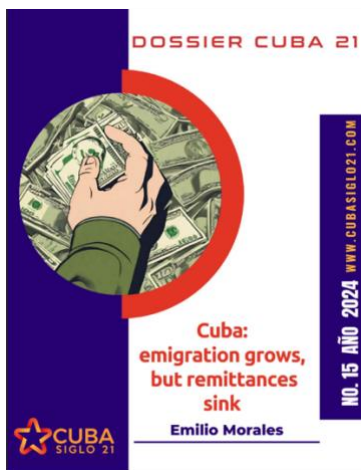
#### [Cuba: GAESA's plundering of Health Care Security](#)

**Cuban Observatory of Citizen Audit (OCAC)**

Health security in Cuba is in free fall. This report in addition to addressing aspects of health security, such as the acute shortage of drugs, exposes the methods used by GAESA to be appropriating the salaries of Cuban doctors in the calls “internationalist missions” and whose total amount not only affects the doctors but the nation. The Cuban oligarchy through its GAESA holding not only has arbitrarily appropriated those immense resources—no less than 69.8 billion dollars (\$69,866,399,679) over a decade—, belonging to the salaries of doctors of those international brigades, but by not reinvesting them in the public health system as the government promised to do, has also deprived the nation of the right to enjoy a quality and comprehensive health security. That's what this investigation shows.

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### Dossier Cuba 21 No. 15

#### [Cuba: emigration grows, but remittances sink](#)

**Emilio Morales**

A massive migration continues to shake the country. The exodus has already added 560,868 Cubans to the US in the last two years. In fiscal year 2023 the number of Cubans arriving in that country illegally totaled 200,287 people. As a result of this gigantic population exodus, remittances to the country experienced a drop of 3.31% -compared to 2022 (2,040.25 million)- totaling 1,972.56 million dollars. The figure reached in 2023 represents a drop of 46.93% compared to 2019, the year before the pandemic and two years before the massive protests of July 11, 2021.

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### Dossier Cuba 21 No. 16

#### [Cuba 2024: challenges and opportunities](#)

Juan Antonio Blanco

The main challenge to change towards an open, democratic, and prosperous society based on the rule of law and a free market, is the need to reach a consensus among different social sectors and actors on a shared road map to transform the highly probable upcoming rebellions into a broad social movement aimed at displacing the power of the oligarchy. It is a certainty that 2024 begins with the most fragile level of governance in the last 64 years. The alliance with Russia has added uncertainty to national security rather than certainty of economic improvement.

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