

Matanzas Supertanker Fire

Implications for Cuba's Energy Crisis

Summary

The recent oil tanker explosion in Matanzas, Cuba, could adversely impact the country faced with dwindling oil imports amid domestic fuel deficit, rising inflation, international sanctions, and civil unrest. It could further exacerbate the protests that have been ongoing for the last few months.

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What, Where, When & How?

- On 05 Aug, a fire broke out at the Matanzas Supertanker Base, a crude oil storage facility in Matanzas Province, 60 miles east of the capital Havana. It has left dozens of people injured, and 17 firefighters have been reported missing.
- The oil tanker base is part of the Cuba Petróleo Union (CUPET) enterprise of the Cuban government.
- According to state media, the fire started at one oil tank in the facility after a thunderstorm on 04 Aug, and spread to a second tank on 05 Aug around 0500 hrs (local time).
- The first tanks was storing 25,000 cubic meters of fuel.
- Over 13 million gallons or 52,000 cubic metres of fuel oil are thought to be stored in second tank.
- The capacity of the 3rd tank is yet to be confirmed. It has also been damaged.
- As of now, the 4th tank is also threatened.
- According to the most recent report from Cuba's Ministry of Public Health (MINSAP), one person has been confirmed deceased and 122 injured, of which 5 are in critical condition, 3 are in serious condition, and 16 are seeking medical attention. The rest have been released.

122

Injuries

1

Fatality

17

Missing

5,000

Evacuations

(as of this report)

Matanzas Supertanker Base

Installed capacity
2.4 million barrels



1

50% filled
25,000 m³



2

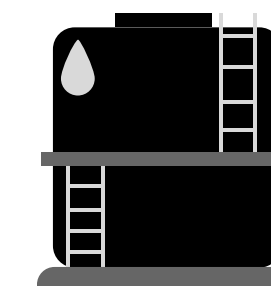
52,000 m³



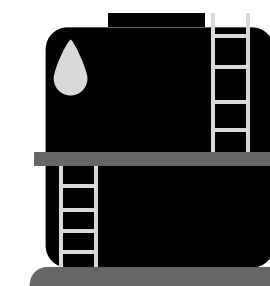
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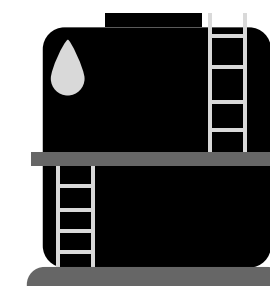
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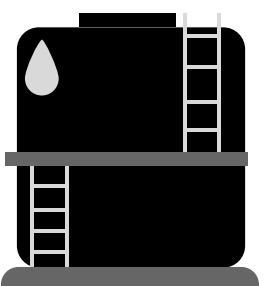
5



6



7



8



Destroyed Tankers



Unconfirmed status on damage

International Efforts



Mexico

Dispatched more than 80 troops from the military and the state oil company Pemex.



Venezuela

Sent 35 specialists from the state oil corporation PDVSA along with 20 tonnes of firefighting supplies



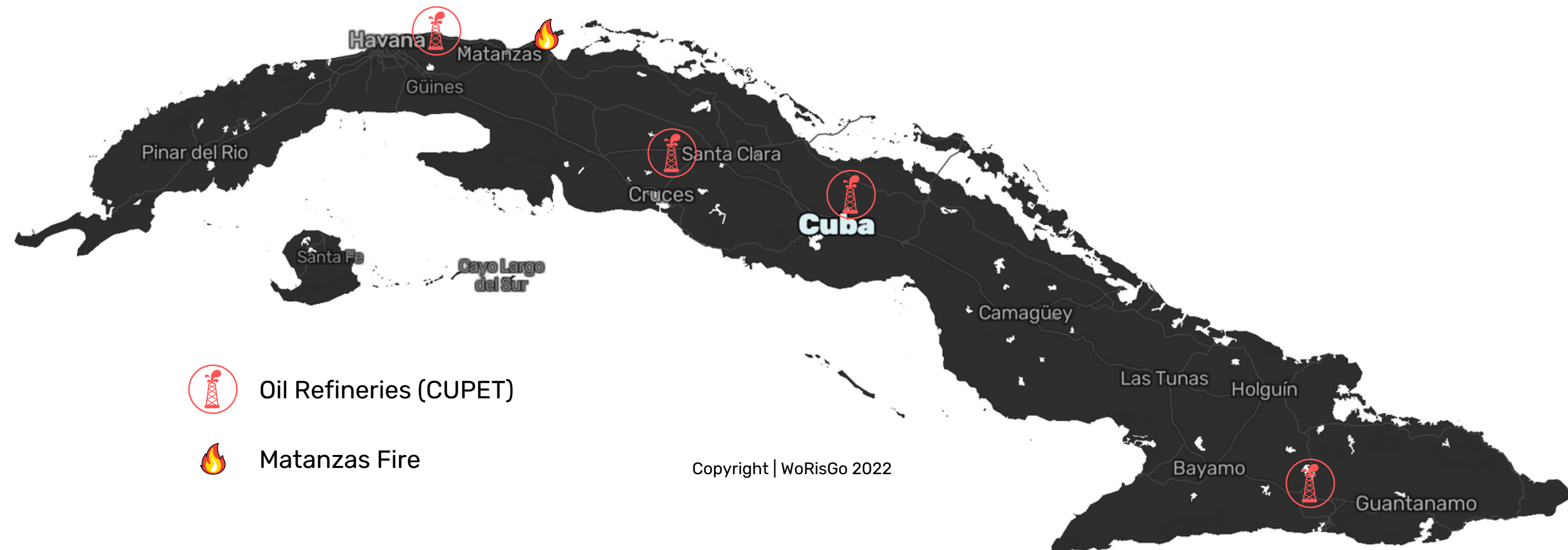
United States

Offered to provide technical advise



Rest of World

Offered condolences. Russia, Nicaragua, Argentina, Chile, and China have also offered help



Oil Refineries (CUPET)



Matanzas Fire

Assessment



Facts & Implications

- Matanzas is a transshipment hub for fuel to various thermo-electric plants, so this incident could hinder the generating capacity for the power grid.
- The Communist-run and US-sanctioned Cuba is almost bankrupt and blackouts and shortages of fuel and other essentials have led to a crisis with frequent and scattered local protests.
- The Cuban Ministry of Energy and Mines stated that it has disconnected the 200 MW Antonio Guiteras Thermoelectric Plant from the grid due to a lack of water.
- The fire at the nearby Matanzas industrial complex had interfered with water delivery to the plant.
- 90% of Cuba's power grid depends on local and imported fuel.
- To meet its demands, Cuba imports an additional 21,000 bpd, primarily from Venezuela, apart from its domestic 40,000 bpd. However, this is still not enough, as the country requires at least 130,000 bpd.

Assessment

- **High possibility** of Cuban oil imports being impacted considering its domestic output is not enough, and has been faced with dwindling imports from Venezuela due to sanctions by the US, since 2019.
- **High possibility** of further energy crisis (blackouts extending for at least 3-4 months) impacting Cuba considering most of its oil production is used for electricity generation. Especially from Matanzas.
- **High possibility** of further localised protests aggravated by blackouts and rising energy demands
- **Medium possibility** of International investments facing stagnation owing to low investor confidence, from the oil and mining industry.
- **Medium possibility** of rising fuel costs and further inflation.
- **Low possibility** of the country facing hyperinflation.



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