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ENERGY INFLATION IN LATIN AMERICA AND THE CARIBBEAN (IE-LAC)

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Energy inflation increases in Latin America and the Caribbean between March and April 2025, but decreases compared to April 2024

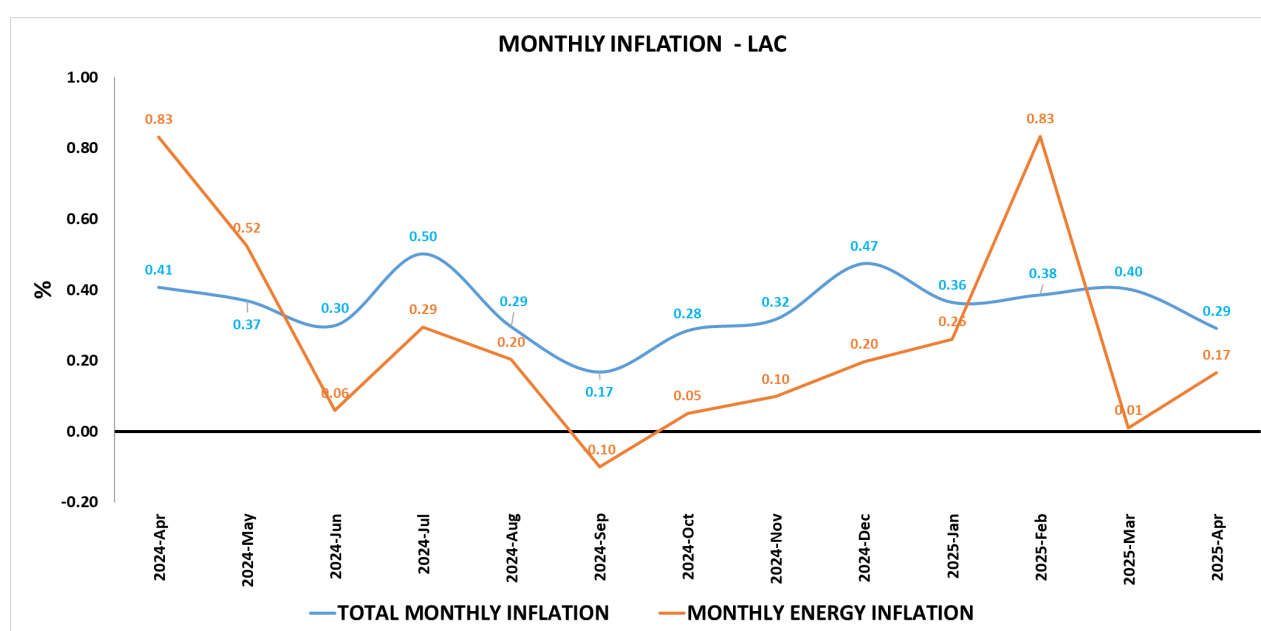
The Latin American Energy Organization (OLADE) presents the Energy Inflation for Latin America and the Caribbean (IE-LAC) for the month of April 2025, which reached 0.17% monthly and 1.32% year-on-year.

Monthly energy inflation in April 2025 was 0.17%, increasing compared to March of the same year. This growth is since 11 of the 20 countries analyzed had positive monthly energy inflation values in a range between 0.04% and 9.81%, while 9 countries presented negative values in a much narrower range, between -0.02% and -3.16%.

On the other hand, overall monthly inflation decreased from 0.40% in March to 0.29% in April of this year.

See Figure 1.

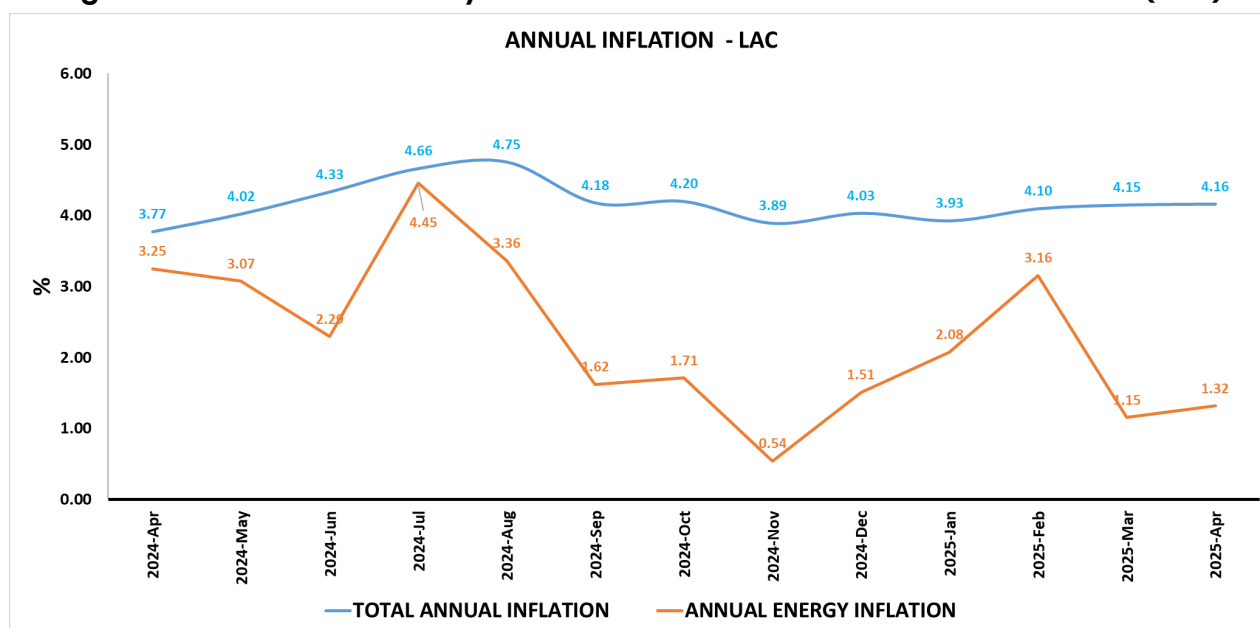
Figure 1. Evolution of Monthly Inflation in Latin America and the Caribbean (LAC)



Source: OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks (INEC) of the OLADE Member Countries.

Annual energy inflation in Latin America and the Caribbean in April 2025 reached 1.32%, lower than the 3.25% recorded in April 2024. This is consistent with the year-on-year decline in international oil prices over the past 12 months, which, according to OPEC, fell from US\$89.19 per barrel in April 2024 to US\$69.24 per barrel in April 2025. As for overall inflation, it continues the slight upward trend observed over the past three months. See Figure 2.

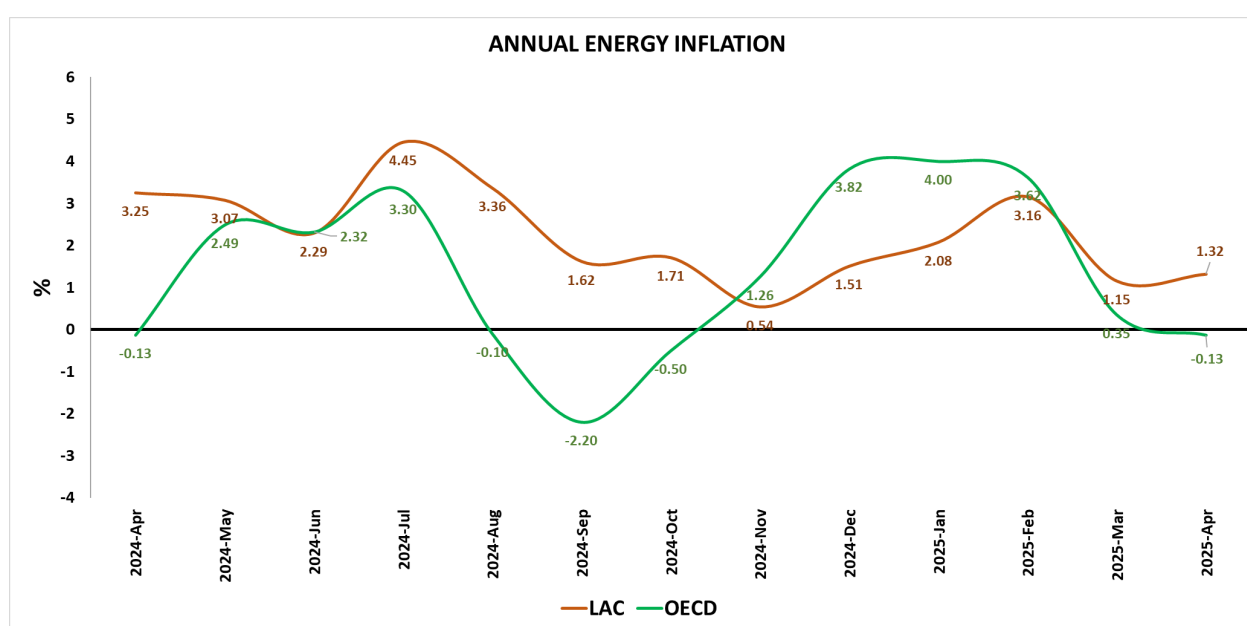
1. Monthly energy inflation is the variation of the CPI of the energy basket of a month compared to the previous month.
2. Annual energy inflation is the variation of the CPI of the energy basket of a month compared to the same month of the previous year.

Figure 2. Evolution of Monthly Inflation in Latin America and the Caribbean (LAC)

Source: OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks (INEC) of the OLADE Member Countries.

For the second consecutive month, the annual energy inflation of the Latin America and the Caribbean region registered values higher than those of the OECD region, with 1.32% for LAC in April 2025 and -0.13% for the OECD in this same month, after having remained below between the months of November 2024 and February 2025.

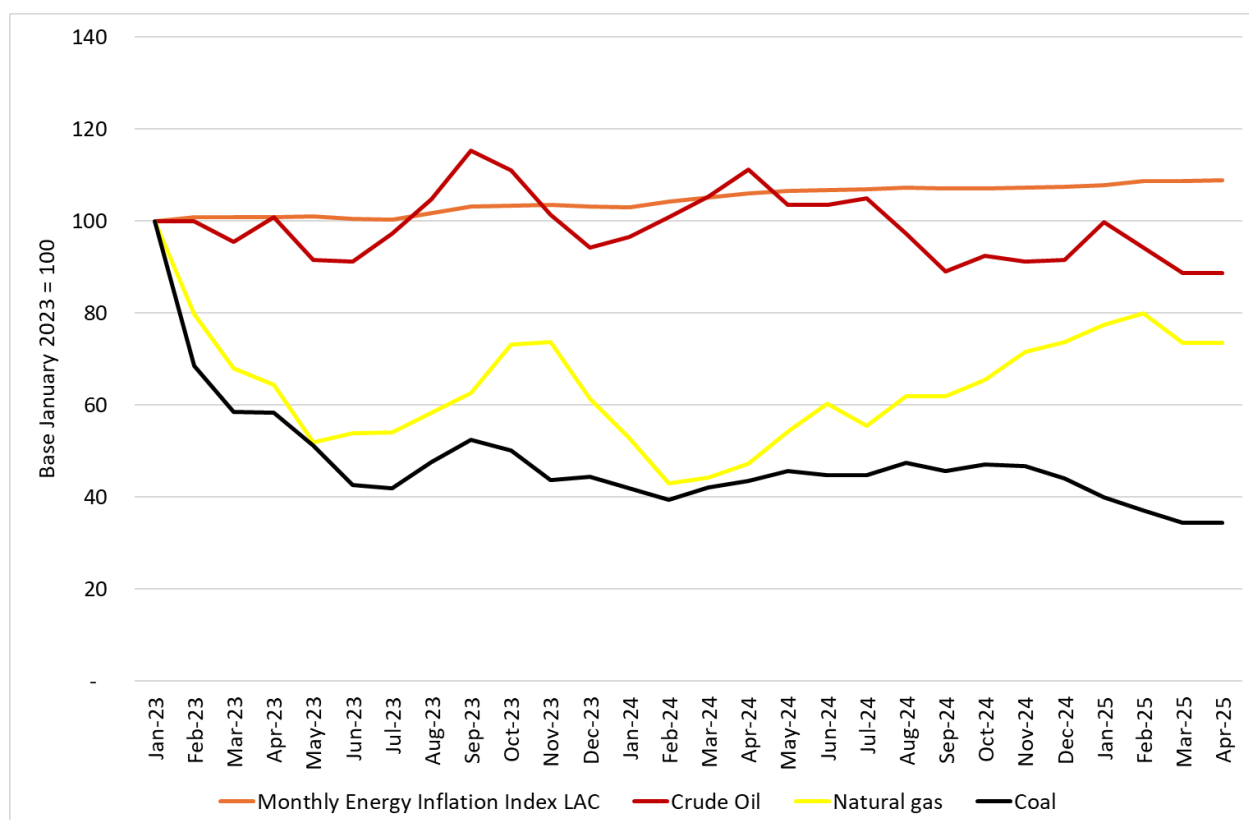
In the OECD region, from February to April 2025, the trend in annual energy inflation has been downward, as 26 out of the 38 countries in the region recorded negative annual energy inflation in April 2025.

Figure 3. Evolution of Comparative Annual Energy Inflation LAC - OECD

Source: OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks of the OLADE Member Countries and information published by OECD.

A comparison is presented between the evolution of monthly energy inflation in Latin America and the Caribbean (LAC), as calculated by OLADE, and global energy prices, as estimated by the International Monetary Fund. Figure 4 shows the evolution of four price indices: crude oil, natural gas, coal, and energy inflation in LAC. The analysis covers the period from January 2023 to April 2025, with all indices based on January 2023.

Figure -4 Contrast Between Monthly Energy Inflation in LAC and International Energy Prices



One of the main conclusions that can be drawn from the previous figure is that the nominal international prices of crude oil, natural gas, and coal showed a downward trend during the period analyzed. In fact, as of April 2025, all three indices are below the levels observed in January 2023. On the other hand, the index for LAC does not appear to follow this trend; in fact, the latest value from April 2025 is 8.8% higher than the value recorded in January 2023.

This outcome suggests that there is room for energy public policy in LAC to ensure that consumers benefit from lower international energy prices, without discouraging investment in the sector.

Finally, the following Table presents the inflation as of April of each year. This exercise is useful because it helps remove the seasonal component that may be present in the time series of energy prices.

Concept	Unit	Apr- 23	April- 24	Apr - 25
Total monthly inflation	%	0.28	0.41	0.29
Monthly energy inflation	%	-0.01	0.83	0.17
% Change in WTI Price	%	8.42	5.01	-6.89

Source: OLADE, EIA

