



MAY
2025

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

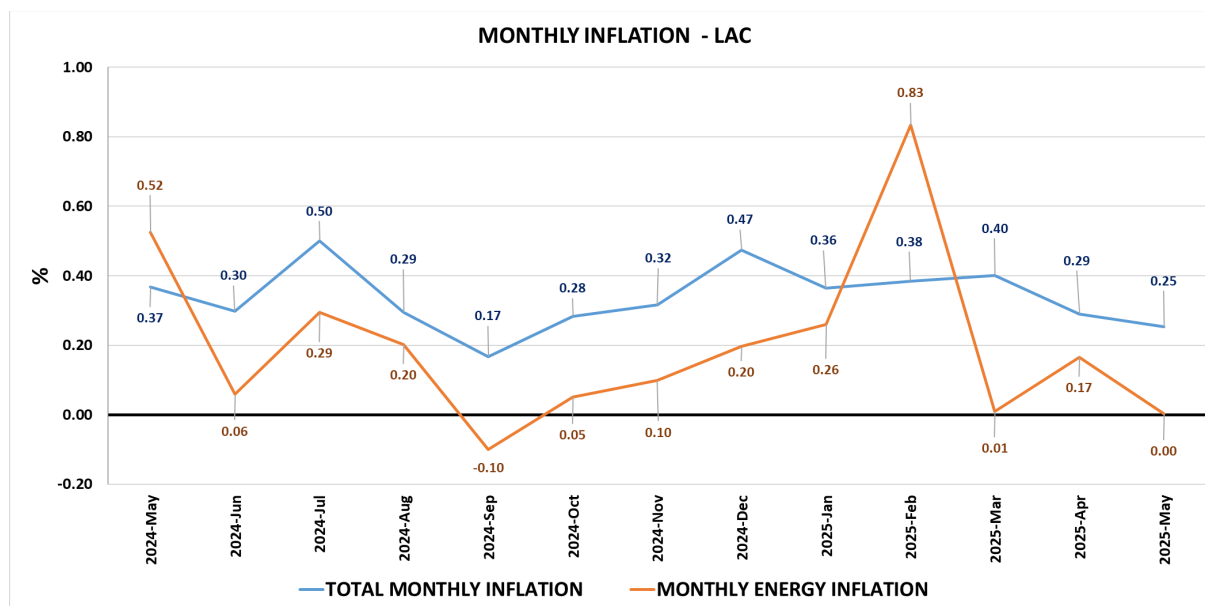
Monthly energy inflation in Latin America and the Caribbean drops to zero in May 2025.

The Latin American Energy Organization (OLADE) presents the Energy Inflation Index for Latin America and the Caribbean (IE-LAC) for May 2025, which reached 0% month-on-month and 1.55% year-on-year.

Monthly energy inflation¹ in May 2025 dropped to zero from 0.17% in April, marking the lowest figure since September 2024. This behavior is since 12 of the 20 countries experience negative or no inflation, remaining in a range between 0% and -3.55%; while the rest of the countries with positive figures were between 0.07% and 24.50% of monthly energy inflation.

On the other hand, overall monthly inflation continues its downward trend, beginning in March, dropping from 0.29% in April to 0.25% in May. See Figure 1.

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

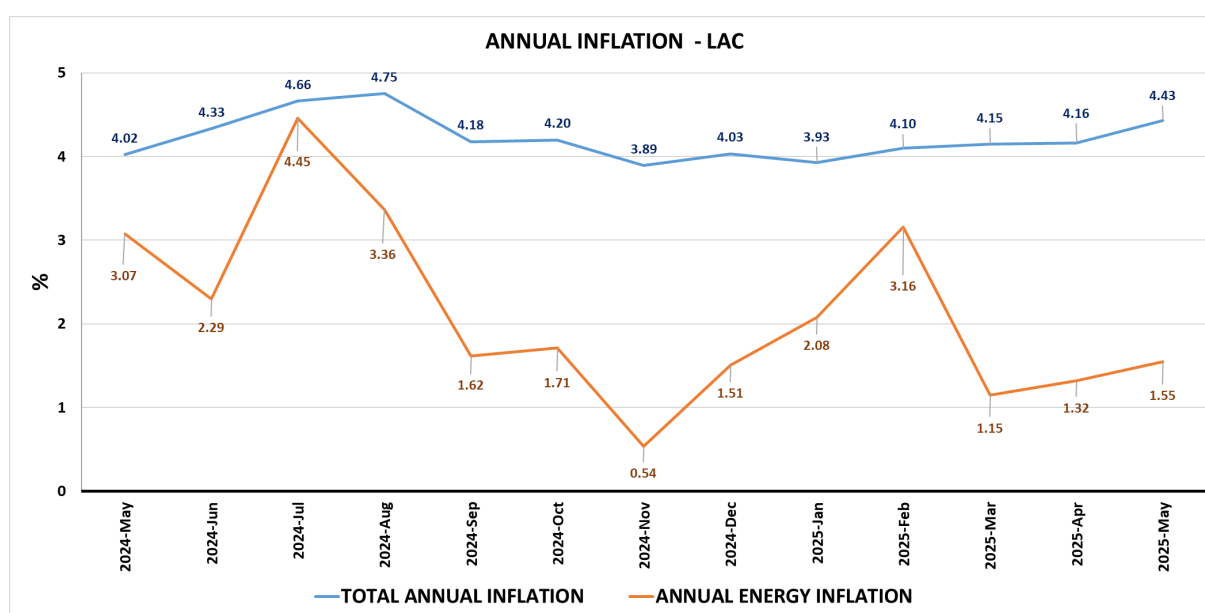


Source: OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks (INEC) of the OLADE Member Countries.

¹Monthly energy inflation is the change in the Consumer Price Index (CPI) of the energy basket from one month to the previous month.

Annual energy inflation² in Latin America and the Caribbean has been rising since March 2025. In May it reached 1.55%. However, this figure is lower compared to the same month in 2024 (3.07%), which is related to the 2.25% decline in the international oil price between May 2024 and May 2025, falling from US\$83.59 to US\$63.62 per barrel, respectively. As for total inflation, it continues with an increasing trend since January 2025.

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

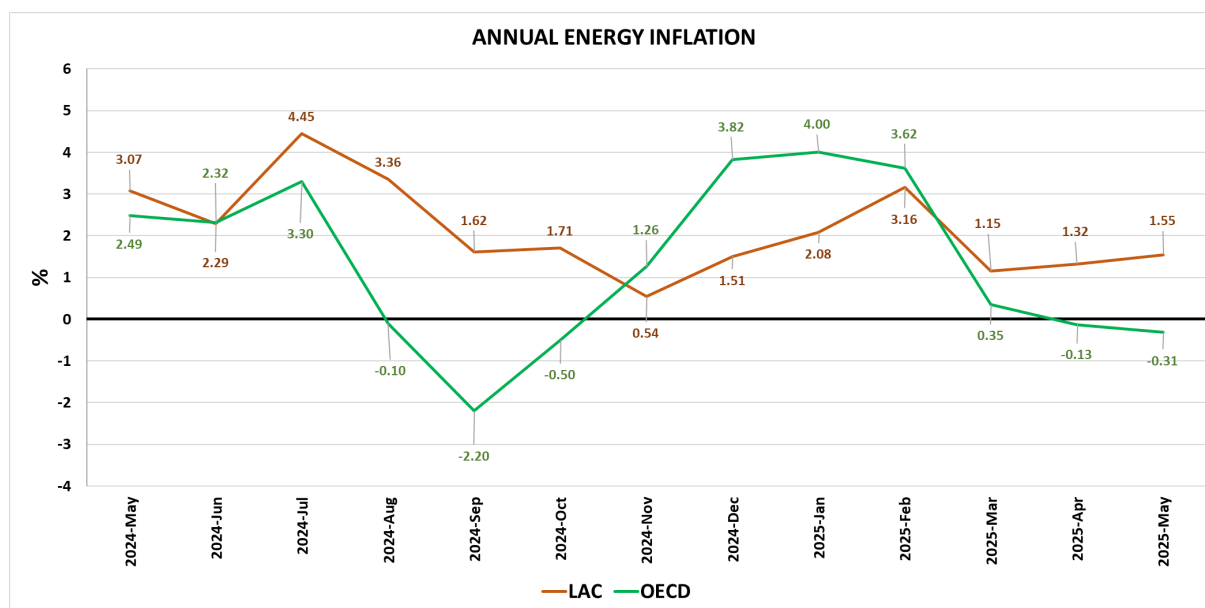


Source: OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks (INEC) of the OLADE Member Countries.

Energy price inflation in the OECD showed little change in May 2025, continuing the downward trend of recent months with a value of -0.31%. Of the 38 countries in this region, 25 presented negative annual inflation ranging from -0.5% to -11.0%, and the other 13 countries registered values between 0.1% and 37.7%

Compared to Latin America and the Caribbean, **year-on-year energy inflation in OECD countries** is lower for the third month in a row, at 1.55% for LAC and -0.31% for OECD.

²Annual energy inflation is the change in the Consumer Price Index (CPI) of the energy basket in a given month compared to the same month in the previous year.

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

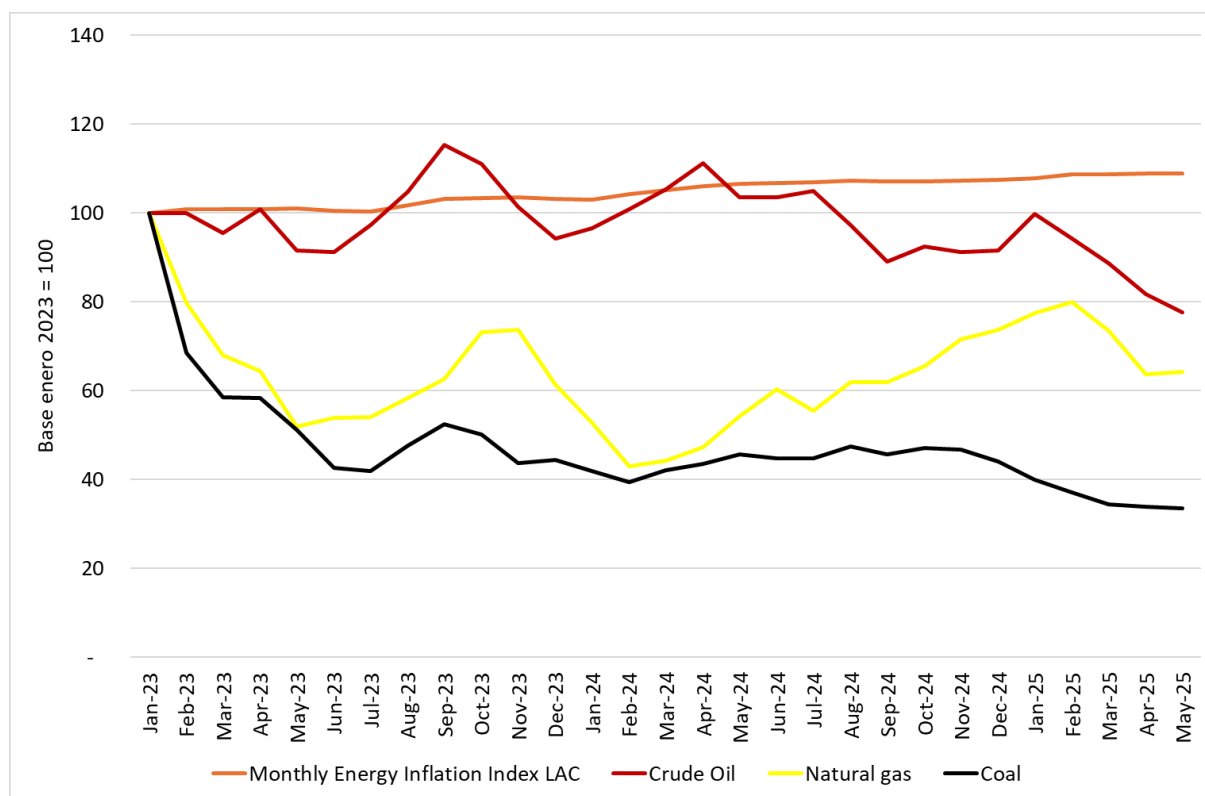
Source: OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks of the OLADE Member Countries and information published by OECD.

Regarding the comparison of the monthly energy inflation evolution in Latin America and the Caribbean calculated by OLADE and global energy prices estimated by the International Monetary Fund³, **Figure 4** shows the progression of four price indicators: crude oil, natural gas, coal, and energy inflation in LAC⁴. The analysis period covers January 2023 to May 2025, with all data indexed to January 2023 as the base.

³Information on the data and methodology used by the IMF can be found at: <https://www.imf.org/en/Research/commodity-prices>

⁴Based on the information about energy inflation published by OLADE, the previous three are derived from the prices of the main commodities published by the IMF.

Figure 4. Comparison of Monthly Energy Inflation in LAC and International Energy Prices



From the previous Figure, it is concluded that nominal international prices of crude oil, natural gas and coal had a downward behavior in the analyzed period. In fact, in May 2025, all three indicators are below the values 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 May 2025 is 8.8% higher than the value recorded in January 2023.

