



**MARCH**  
**2025**

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

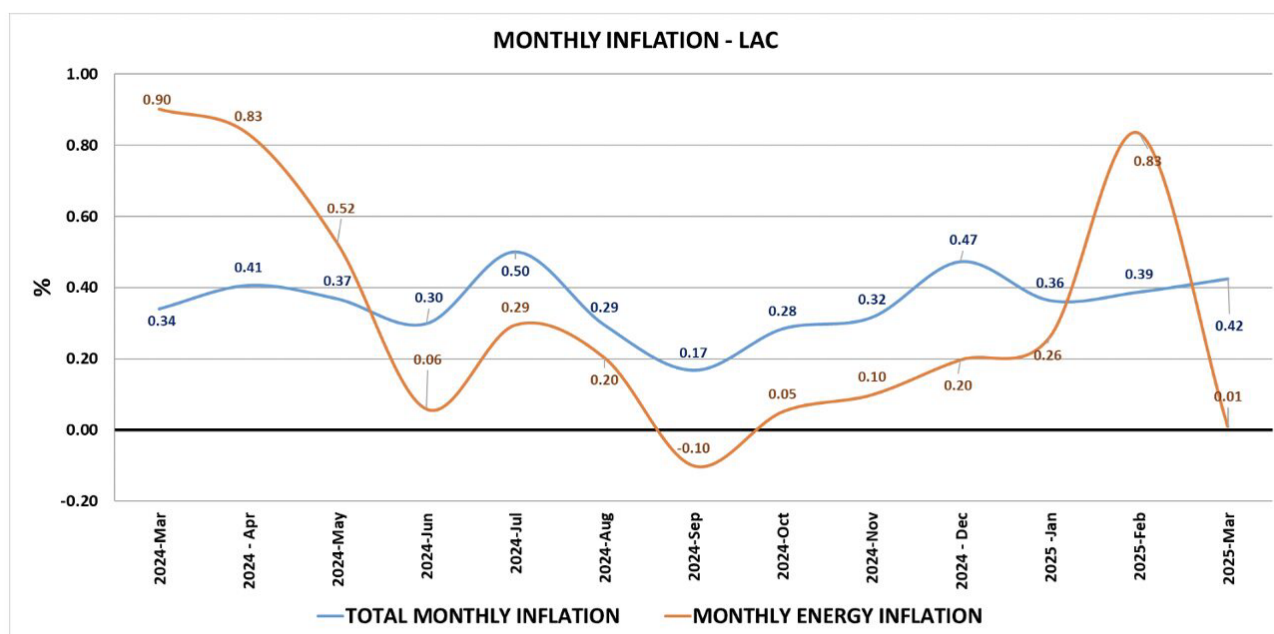
**The Latin American Energy Organization (OLADE) has published the Energy Inflation for Latin America and the Caribbean (IE-LAC) for the month of March 2025, which reached only 0.01% and a year-on-year inflation of 1.15%**

**Monthly energy inflation** in March 2025 reached the value of 0.01%, the lowest value since October 2024. If we compare the inflation of March of this year with that of the previous month, it is observed that there is a drastic fall due to the fact that in February 2025, in several of the countries of the region, there were increases in electricity prices between 10% and 16% and in fuels between 6% and 10%, an effect that during the month of analysis is offset.

Likewise, this fall is influenced by the decrease in the international price of oil, which has been falling since August 2024, standing at approximately 68 USD per barrel in March 2025, and whose value is trending downwards.

Regarding overall inflation, it remains stable throughout the period analyzed, showing an upward trend, in contrast to energy inflation, as shown in **Figure 1**.

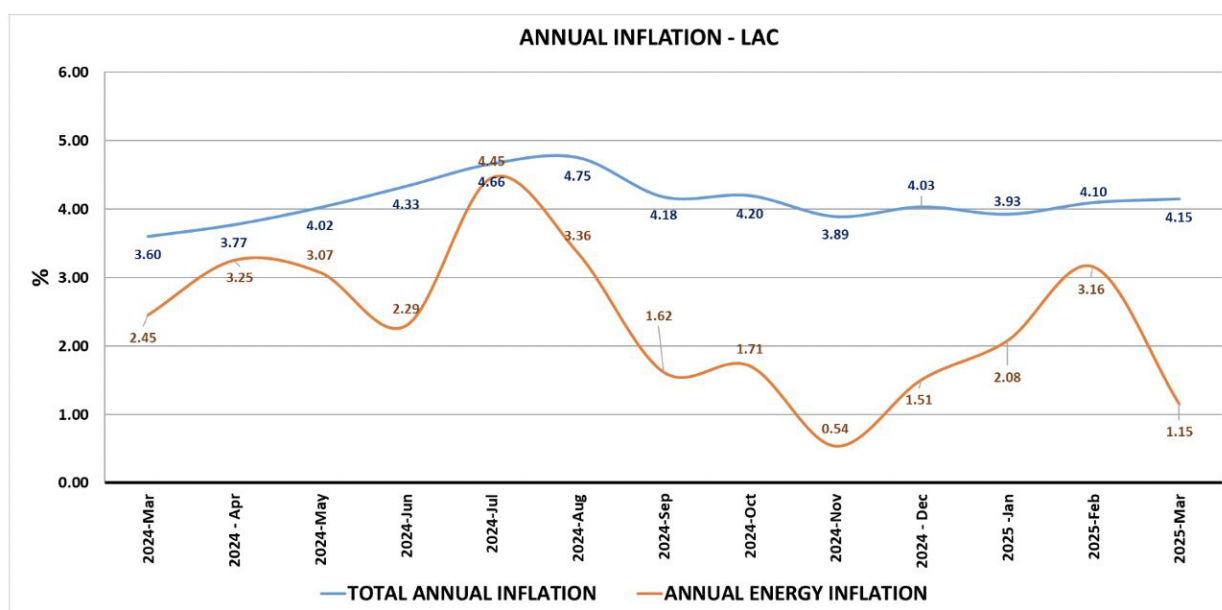
**Figure 1. Evolution of Monthly Inflation in Latin America and the Caribbean (LAC)**



**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.

In March 2025, **annual energy inflation** in Latin America and the Caribbean reached 1.15%, decreasing by 63.6% compared to February 2025. If we take into account that annual inflation is calculated regarding to the same month of the previous year, that is, if we compare the annual values, we observe a lower value in March 2025 compared to March 2024, which shows that the impacts that the increases or reductions in fuel prices had mainly were lower, as well as that the international price of oil in March 2024 had a value greater than 81 USD.

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

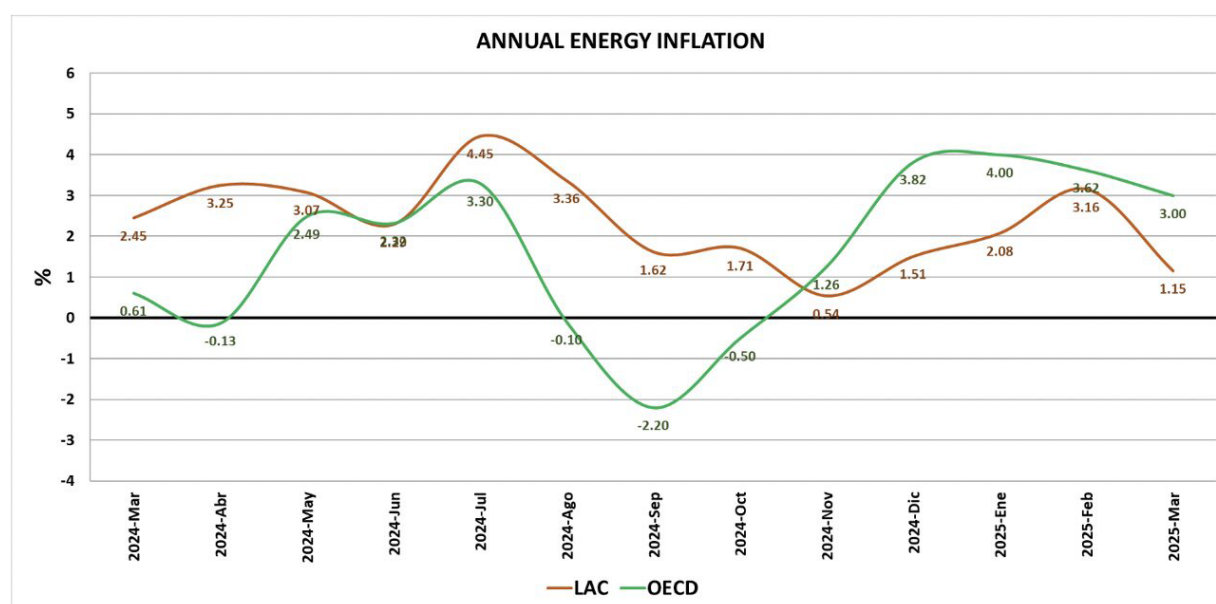


**Source:** OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks (INEC) of the OLADE Member Countries.

Meanwhile, in March 2025, **year-on-year energy inflation in OECD countries** fell to 3%, after having registered 3.62% in February 2025, maintaining the downward trend. It is worth mentioning that in 28 of the 38 OECD countries there was a decrease in energy inflation by March 2025.

Comparing the energy inflation of LAC with respect to the OECD, it is worth mentioning that in both cases, the trend is downward, registering a greater variation for LAC and keeping the values below those presented by the OECD.

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



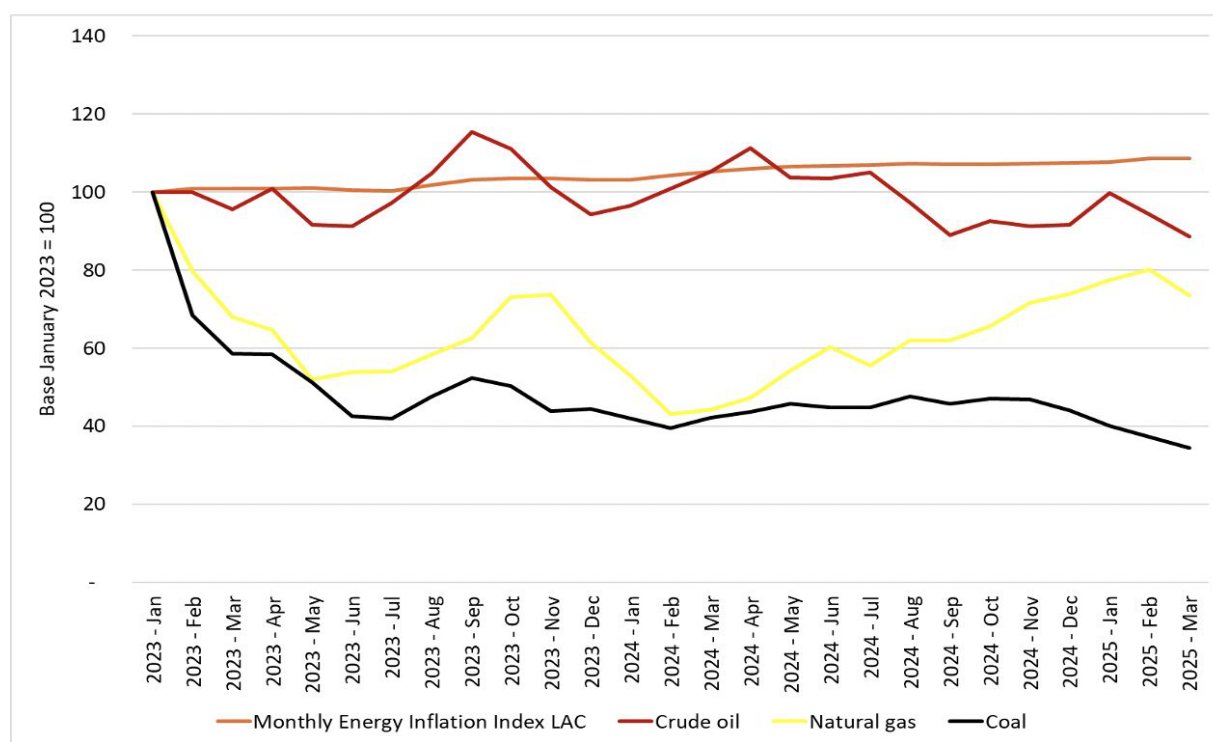
**Source:** OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks of the OLADE Member Countries and information published by OECD.

As of this edition, the contrast between the evolution of monthly energy inflation in Latin America and the Caribbean (LAC) calculated by OLADE and energy prices worldwide, estimated by the International Monetary Fund, is presented[1]. **Figure 4** presents the evolution of four price indices: crude oil, natural gas, mineral coal and LAC energy inflation.[2] The analysis period corresponds to January 2023–March 2025, and all carried out on a January 2023 basis.

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

[2] Based 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 Contrast Between Monthly Energy Inflation in LAC and International Energy Prices**



One of the main conclusions that can be obtained from the previous Figure is that the nominal international prices of crude oil, natural gas and mineral coal, had a downward behavior in the analyzed period. In fact, in March 2025, all three indicators are below the level observed in January 2023. On the other hand, the indicator for LAC does not seem to follow this trend; in fact, the latest value for March 2025 is 8.7% higher than the value in January 2023.

This result suggests that there is scope for public energy 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 March of each year. This exercise is useful because it allows you to eliminate the seasonal component that the time price series could present.

Description	Unit	Mar-23	Mar-24	Mar-25
Total monthly inflation	%	0.52	0.34	0.42
Monthly energy inflation	%	0.15	0.90	0.01
% Change in WTI Price	%	-4.62	5.22	-4-60

Source: Own elaboration based on information from OLADE and EIA|

