



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

Even though monthly energy inflation rises, the annual value maintains a downward trend

The Latin American Energy Organization (OLADE) presents the Energy Inflation for Latin America and the Caribbean (IE-LAC) for July 2025, which stood at 0.43% month-on-month and 1.01% year-on-year.

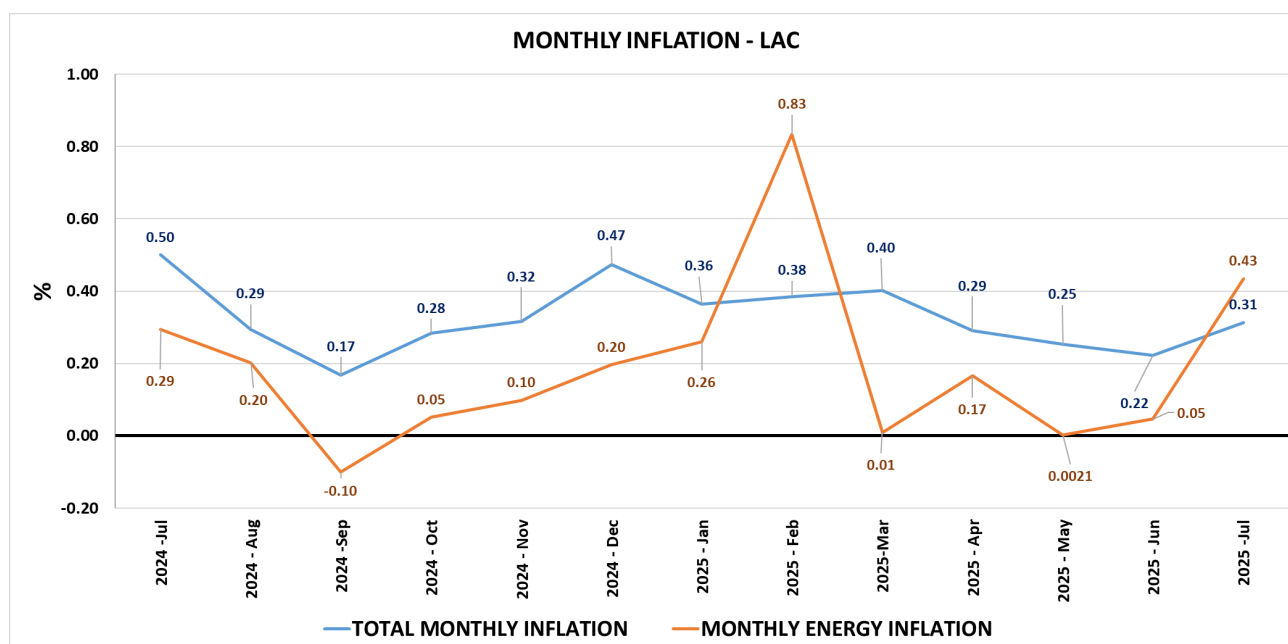
Monthly energy inflation¹ in July 2025 stood at 0.43%, registering a significant increase over the previous month and positioning itself as one of the highest values in the last five months. This increase is mainly explained by the fact that 75% of the countries analyzed experienced rises in this indicator, driven by higher fuel and electricity prices in several countries of the region, along with adjustments in subsidies. These factors have a direct impact on energy inflation, given the significant weight these items carry within the energy basket.

On the other hand, total monthly inflation also showed a rebound in July, driven especially by the increase in transport, food and service prices. This behavior represents a change in the downward trend that had been observed from April 2025 to the previous month. It is worth noting that the increase in energy inflation in July was more pronounced than that of overall inflation, as shown in Figure 1.

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



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



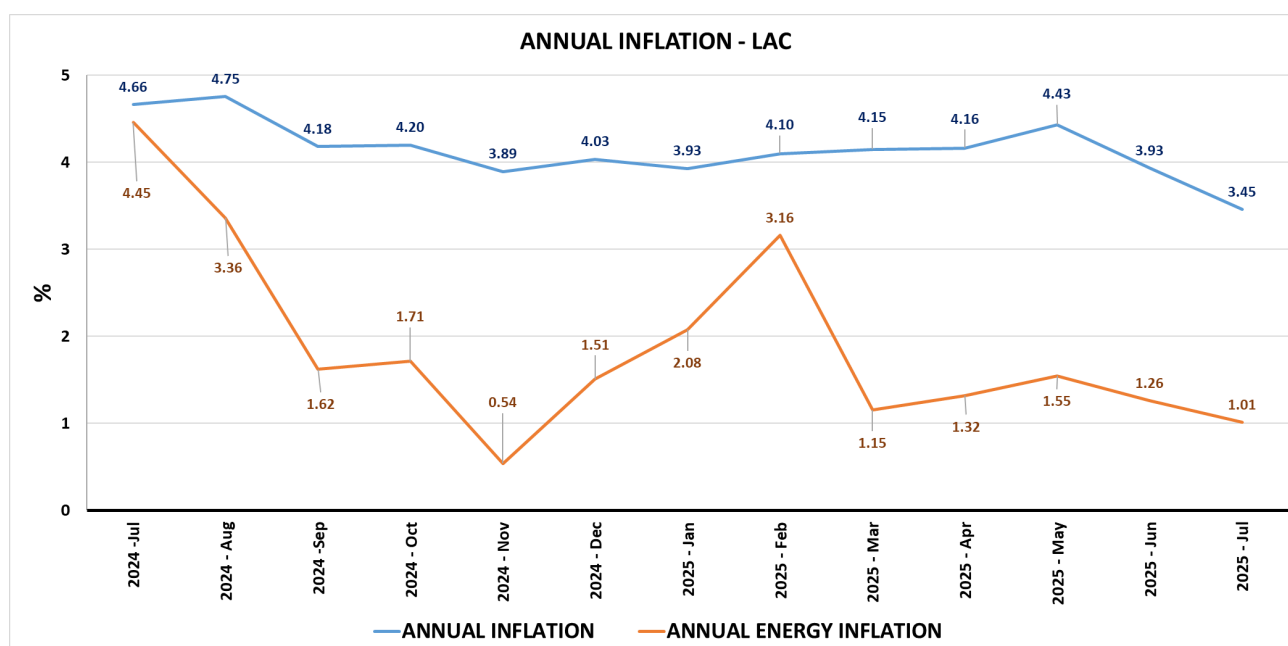
Source: OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks (INEC) of the OLADE Member Countries.

Annual energy inflation² in Latin America and the Caribbean as of July 2025 reached 1.01%, being one of the lowest values since May 2025, maintaining the decreasing trend. Compared to the July 2024 value, the indicator for July this year shows a significant decrease, indicating a lower impact on energy basket prices.

As for annual overall inflation, it has experienced a behavior similar to annual energy inflation with a downward trend since the previous month. See Figure 2.

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

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

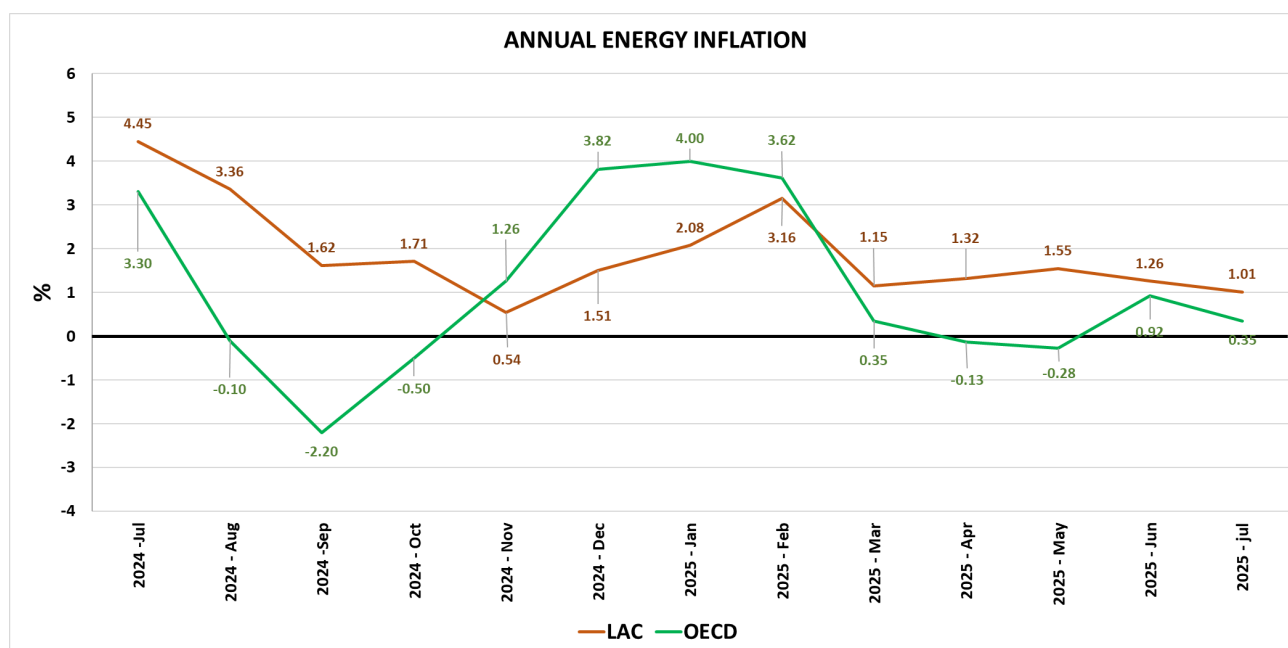


Source: OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks (INEC) of the OLADE Member Countries.

In Latin America and the Caribbean, annual energy inflation decreased from levels close to 4.5% in July 2024 to stabilize at around 1.01% in July 2025. Meanwhile, in the countries of the Organization for Economic Co-operation and Development (OECD), the indicator dropped from 3.3% in July 2024 to negative values in September and October, then rose to 4.0% in January 2025 before decreasing again through May 2025. It registered an increase in June 2025 and fell once more in July to 0.35%, showing much sharper fluctuations than the annual energy inflation of LAC.

Overall, LAC is less affected than the OECD because its energy structure depends less on fossil fuel imports, while the OECD is more directly and strongly impacted by international price fluctuations, leading to sharper peaks and drops in its energy inflation.

Figure 3. Comparative Annual Energy Inflation Trends: LAC vs. OECD

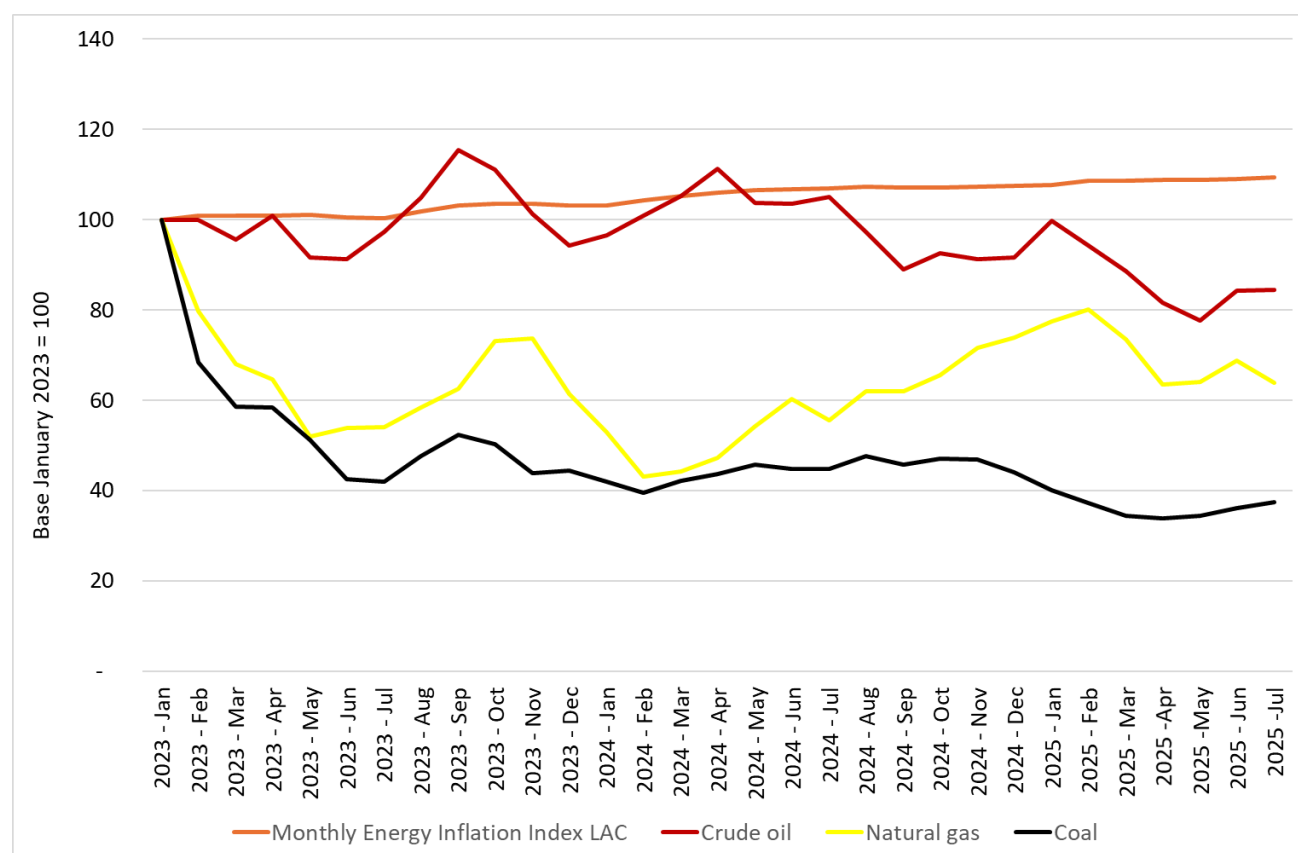


Source: OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks of the OLADE Member Countries and information published by OECD.

In relation to the comparison of the monthly energy inflation trends in Latin America and the Caribbean calculated by OLADE and global energy prices estimated by the International Monetary Fund (IMF)³, Figure 4 shows the evolution of four price indices: crude oil, natural gas, coal, and energy inflation in LAC. The analysis period covers January 2023 to July 2025, with all values normalized to the January 2023 baseline.

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

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



From the previous figure, it can be concluded that the nominal international prices of crude oil, natural gas, and coal showed a downward trend during the period analyzed. In fact, by June 2025, all three indices were below the values observed in January 2023. The index for LAC does not seem to follow this trend, with the latest value in July 2025 being 9.4% higher than the value in January 2023. During July of this year, energy prices in LAC experienced a greater increase than the increase in WTI, a situation that has not been observed in recent years, see attached table.

Concept	Unit	2023 - Jul	2024 - Jul	2025 - Jul
Total monthly inflation	%	0.46	0.50	0.31
Monthly energy inflation	%	-0.16	0.29	0.43
WTI Price % Variation	%	8.28	2.54	0.32

Fuente: OLADE, EIA