



OCTOBER
2025



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

Energy inflation in LAC declined in October compared to the previous month

Latin American and Caribbean Energy Organization (OLACDE) presents the Energy Inflation for Latin America and the Caribbean for October 2025, with a value of 0.19% month-on-month and 1.28% year-on-year

Monthly energy inflation¹ in LAC between September and October 2025 recorded a decline, decreasing from 0.21% in September to 0.19% in October. This represents a 9.5% reduction compared to the previous month, mainly because, of the 20 countries analyzed, 12 showed a decline in the indicator, as several of them implemented tariff adjustments to electricity prices and fossil fuels.

In general terms, when analyzing the period from October 2024 to October 2025, energy inflation shows very pronounced fluctuations, reflecting the volatility of energy basket prices. Following the indicator's peak in February 2025, an irregular pattern is observed, with alternating periods of increases and decreases, confirming its sensitivity to external factors (international prices, exchange rates) and domestic policies (subsidies, tariffs).

Total monthly inflation showed a more pronounced decline, falling from 0.38% in September to 0.30% in October 2025. This indicates that the decrease was driven mainly by components other than energy, such as food, goods, and services, which carry greater weight in the index. See Figure 1.

It should be noted that total inflation shows a more stable trend with moderate variations, while energy inflation exhibits greater volatility and sensitivity, with sharp changes ranging from 0% to as high as 0.83% over the period analyzed.

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

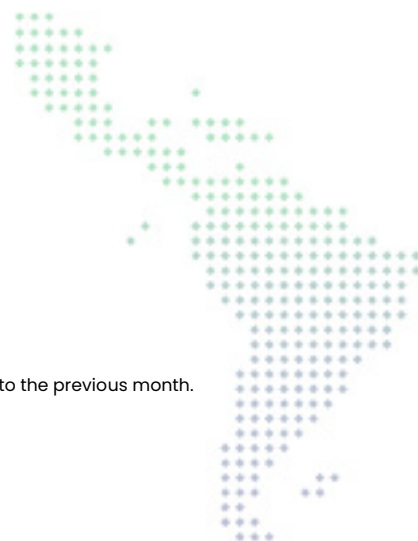
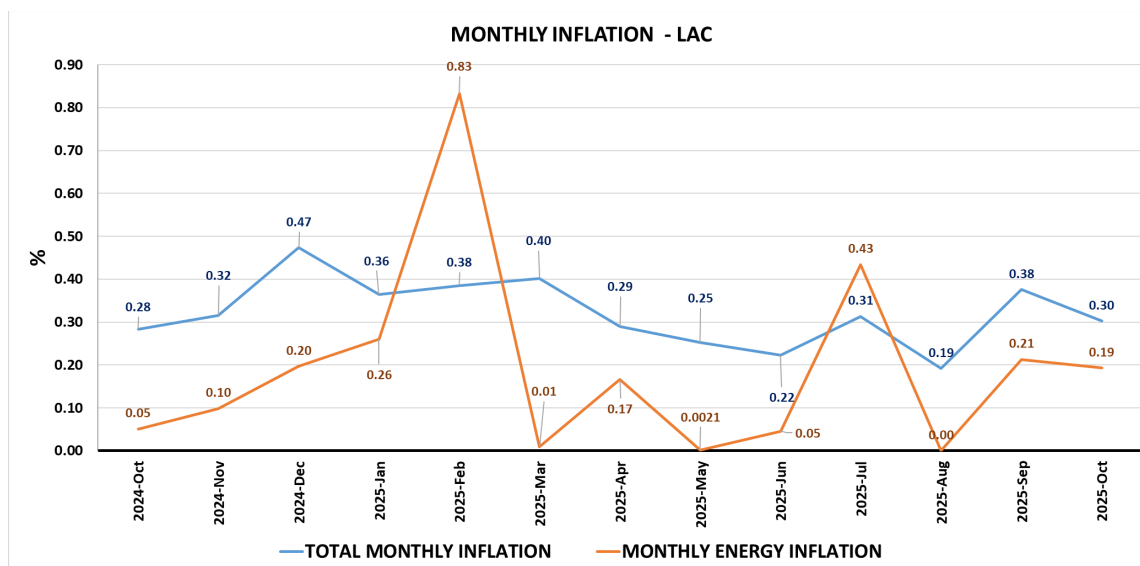


Figure 1. Monthly Inflation Developments in Latin America and the Caribbean (LAC)

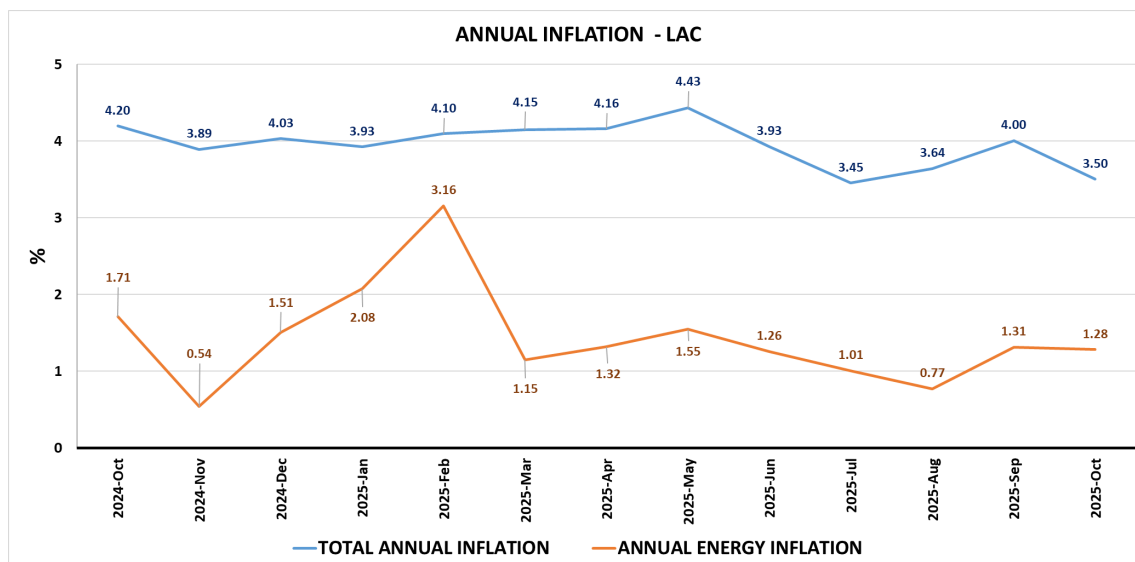
Source: OLACDE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks (INEC) of the OLACDE Member Countries.

Annual energy inflation² in October 2025 stood at 1.28%, registering a decrease compared to the previous month and displaying a variable pattern of increases and decreases. These fluctuations are mainly related to the variability of both domestic and international prices affecting the energy basket.

Regarding **total annual inflation**, in October 2025 it showed a downward trend similar to that of annual energy inflation, standing at 3.5% and exhibiting a more stable pattern than annual energy inflation. 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.

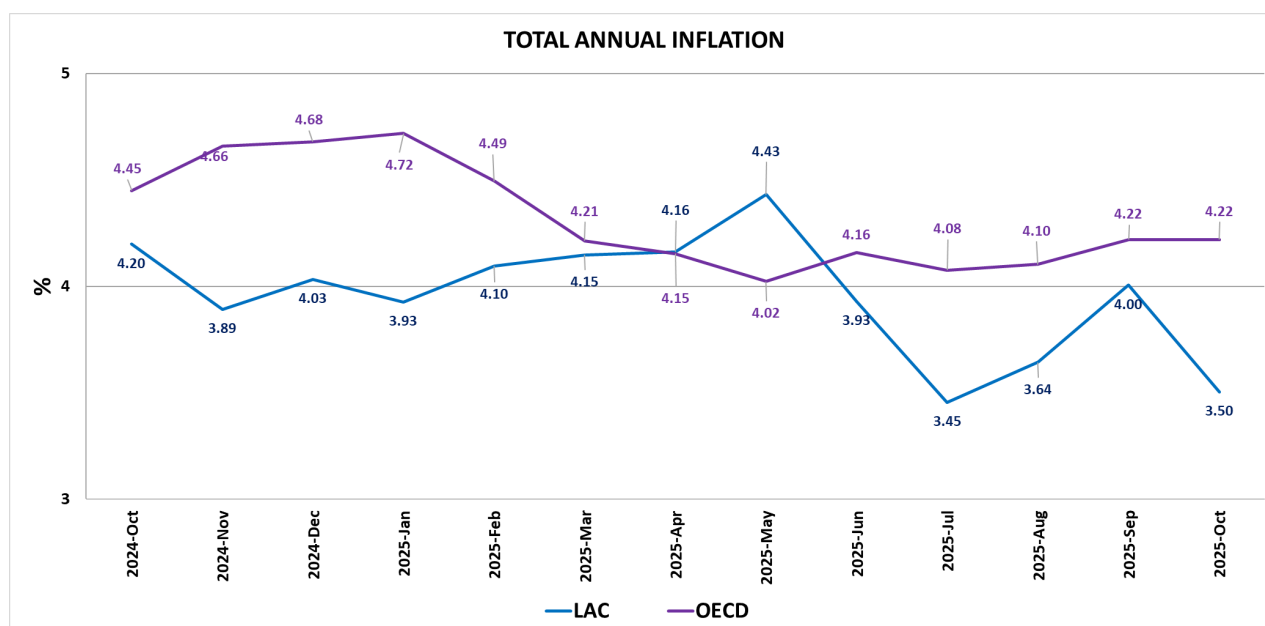
Figure 2. Annual Inflation Developments in Latin America and the Caribbean (LAC)



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

Year-on-year energy inflation in OECD countries remained stable at 4.22% in October 2025, while in LAC it declined, indicating that the region exhibits greater volatility and a more pronounced decrease, whereas the OECD maintains higher and more stable levels. Regarding energy inflation in the OECD, 20 countries recorded a decrease, 14 an increase, and 3 remained stable. However, in several countries, the decline in energy inflation followed an increase in September 2025, reflecting a base effect stemming from a significant reduction in energy prices between August and September 2024.

Figure 3. Annual Energy Inflation Developments: LAC and OECD

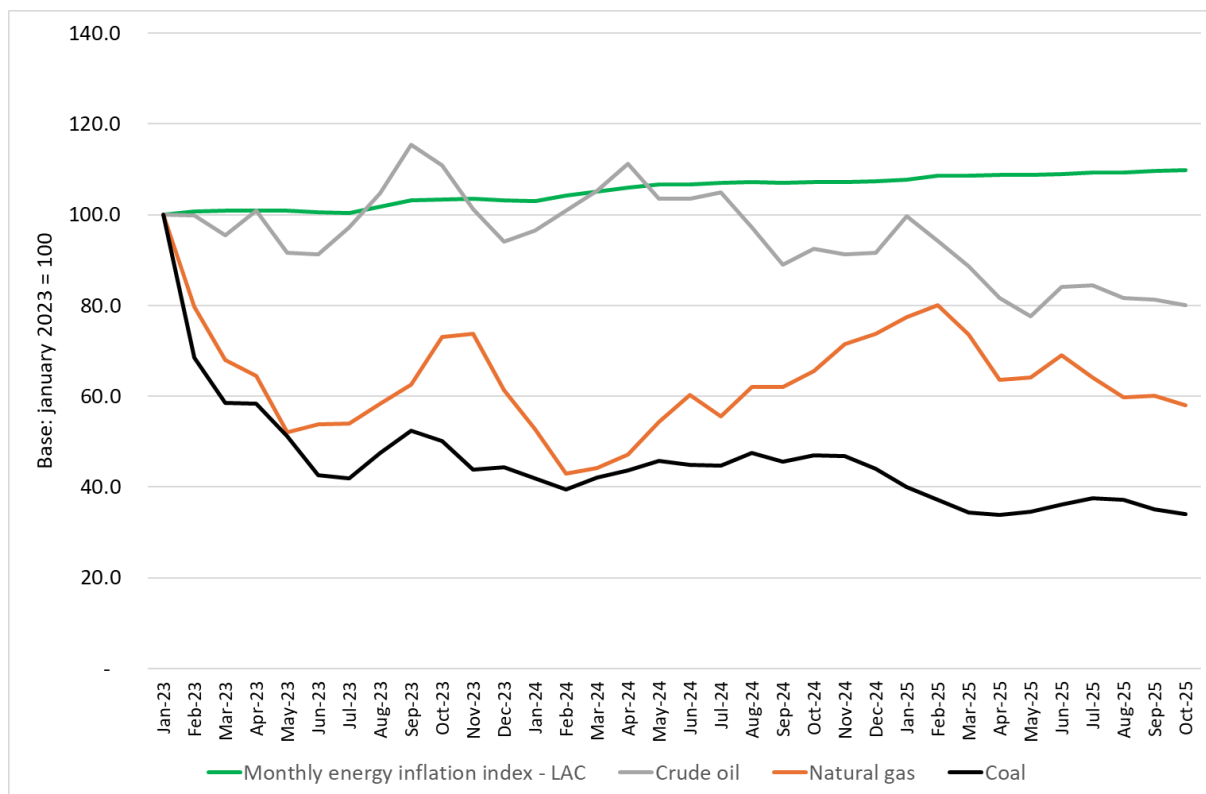


Source: OLACDE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks (INEC) of the OLACDE Member Countries.

Note (*): In the case of the OECD, the total annual inflation figure for October 2025 corresponds to September 2025, as the OECD has not yet published the value for the reference month.

Figure 4 shows that the international oil price index records a slight decline of 1.6%, while the natural gas price index decreases by 3.45%. These trends are highly likely to explain the decline in monthly energy inflation in LAC, from 0.21% in September to 0.19% in October 2025. The attached table presents the monthly variation in the WTI price, which in October 2025 was negative at -4.80%, while in September 2025 it stood at -1.39%. This further deceleration would explain the evolution of the price indices.

Figure 4: Comparison between Monthly Energy Inflation in LAC and International Energy Prices



Concept	Unit	Oct-23	Oct-24	Oct-25
Total monthly inflation	%	0.39	0.28	0.30
Monthly energy inflation	%	0.27	0.05	0.19
WTI price variation (%)	%	-4.24	2.49	-4.80

