

# Report 23

olacde

## **ENERGY INFLATION REPORT FOR LATIN AMERICA AND THE CARIBBEAN (IEM-LAC)**

APRIL 2026

# LAC started 2026 with negative energy inflation (-0.11%)

The Latin American and Caribbean Energy Organization (OLACDE) presents the monthly Energy Inflation Report for Latin America and the Caribbean (IEM-LAC) for January 2026.

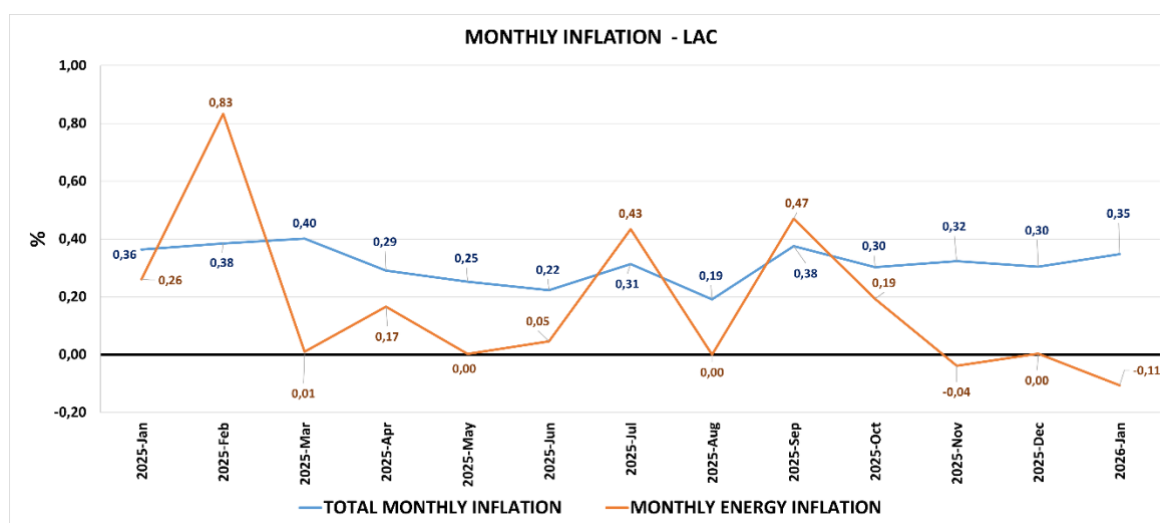
Prices in the sector were on a downward trend prior to the Persian Gulf military conflict in February of this year

## 1. Monthly energy inflation<sup>1</sup> (MEI)

In January 2026, the region's EMI registered a decrease, falling from 0% in December 2025 to -0.11%. This performance is explained by the fact that, out of the 20 countries analyzed, 11 showed a reduction in energy prices. The remaining nine countries mostly recorded increases of less than 1%. These dynamics are mainly explained by increased electricity tariff subsidies and higher renewable energy generation in previous months. This led to cost savings and a reduction in electricity tariffs during the period analyzed. Hydropower and solar energy stand out, as they help lower the marginal operating costs of the generation fleet.

Meanwhile, **total monthly inflation** rose in January 2026 compared to the previous month, increasing from 0.30% to 0.35%. This reflects an increase in consumer price indices for non-energy categories, including food, clothing, healthcare services, drinking water, education, among others.

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



Source: Own elaboration based on the information of the Institutes of Statistics and Central Banks of OLACDE Member Countries

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

## 2. Energy prices

Figure 2 shows the historical evolution of the international fuel price indices (IPIC) and the monthly energy inflation variation index for LAC (IEM), using January 2023 as the base period.

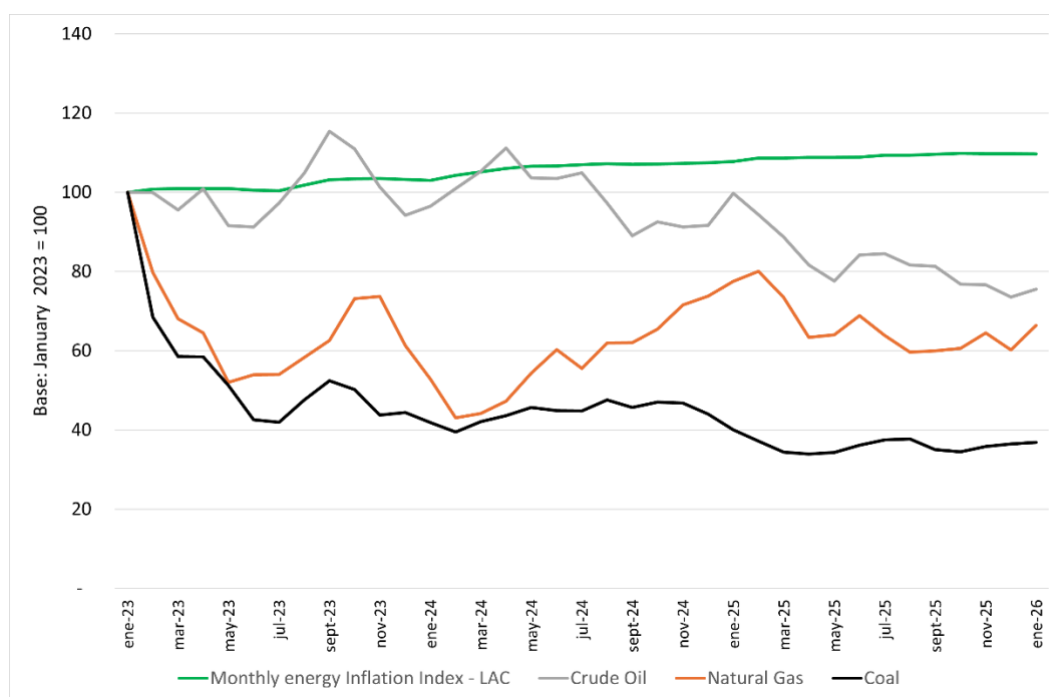
As shown, LAC's IEM has trended upward, albeit with variations throughout the selected period. The behavior of the IPIC, as is typical for energy commodities, shows volatility, while the IEM follows the typical dynamic of consumer price indices; stable and relatively downward-rigid.

As for the oil IPIC, a downward trend is evident during 2025, driven by declining WTI prices resulting from increased supply. Nevertheless, beginning in December 2025, an upward trend has emerged.

The natural gas IPIC has risen since December 2025, explained by higher natural gas demand in Northern Hemisphere countries during their winter period, reflecting a seasonal effect.

With respect to coal, both international prices and the IPIC began to show sustained, albeit moderate, growth starting in September of the previous year. This was driven by increased demand for electricity and heating during the winter season, as well as by supply reductions resulting from climate regulations. Thus, the increase reflects not only seasonal factors but also structural changes associated with these regulations.

**Figure 2: Contrast between Monthly Energy Inflation in LAC and International Fuel Price Index (IPIC)**



Source: OLACDE, FMI (<https://www.imf.org/en/Research/commodity-prices>)

| Concept                     | Unit | Jan-24 | Jan-25 | Jan-26 |
|-----------------------------|------|--------|--------|--------|
| Total monthly inflation     | %    | 0,31   | 0,36   | 0,35   |
| Monthly energy inflation    | %    | -0,17  | 0,26   | -0,11  |
| WTI price monthly variation | %    | 3,13   | 8,01   | 0,99   |

Source: OLACDE, OPEC



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