

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

 **olacde**  
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# Energy inflation in Latin America and the Caribbean (LAC) increased sharply in March 2026

*In June 2026, gasoline and diesel prices remained above the levels observed prior to the Middle East conflict.*

## 1. Year-on-year total and energy inflation in LAC

During 2025, energy inflation remained on a moderate trajectory, with occasional fluctuations that did not alter the overall disinflationary trend. This evolution led to inflationary pressures from energy reaching levels close to zero by February 2026, reaching the lowest value of the period analyzed.

From March 2026, energy inflation begins a sustained acceleration in a context of greater geopolitical tensions in the Middle East and pressures on international oil and fuel markets. The change occurs after a period of low energy pressure which amplifies the magnitude of the rebound observed in the following months.

As shown in Figure 1, the year-on-year energy inflation was:

**2.12%** in March 2026

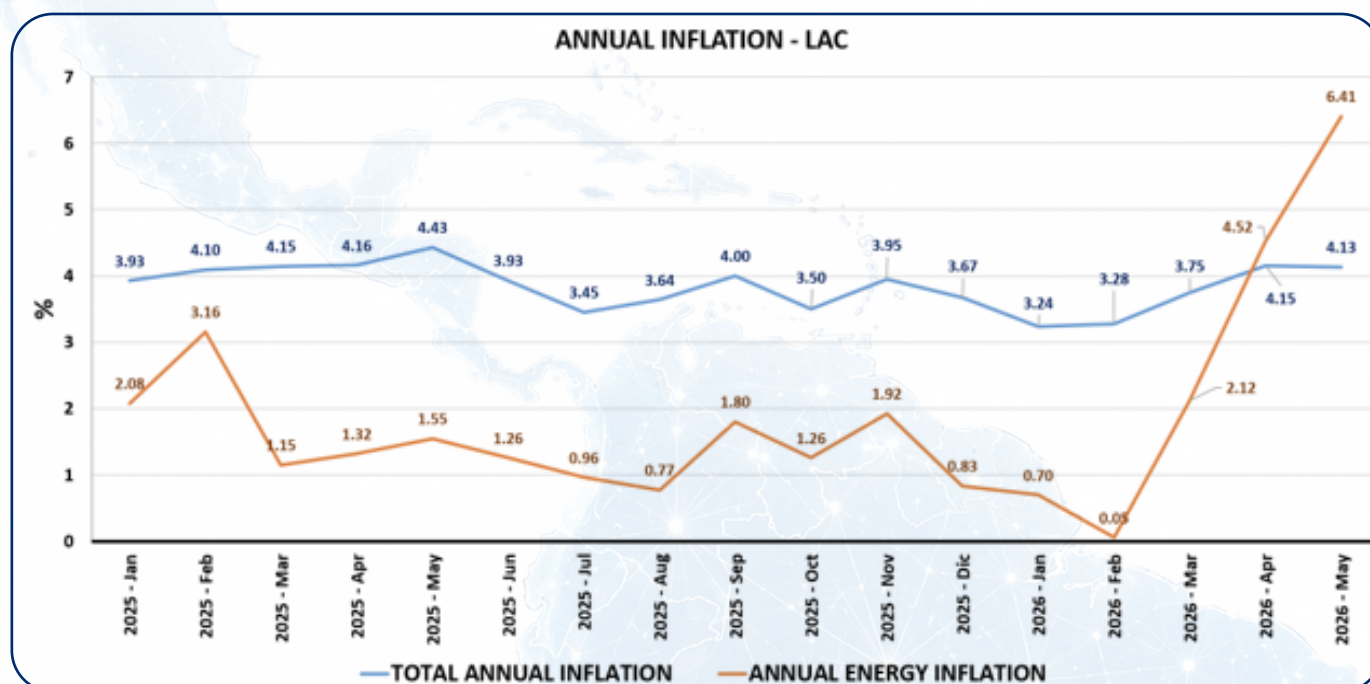
**4.52%** in April 2026

**6.41%** in May 2026

This acceleration in energy inflation shows the high sensitivity in the domestic prices of the main energy sources to geopolitical tensions, supply risks, and variations in international oil prices that affect the costs of import, refining, transport and marketing in the region.

In contrast, total year-on-year inflation in LAC showed a more stable trajectory during the last months with changes in a relatively limited range and a more gradual and partial impact. Although energy prices affect transport, logistics and production costs, the effect on the general price index shows greater stability, reflecting that this index considers a broad basket of goods and services, which allows to partially cushion the shocks concentrated in specific sectors such as energy.

Figure 1. Annual Inflation Trends in LAC



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

## 2. Impact of gasoline and diesel prices

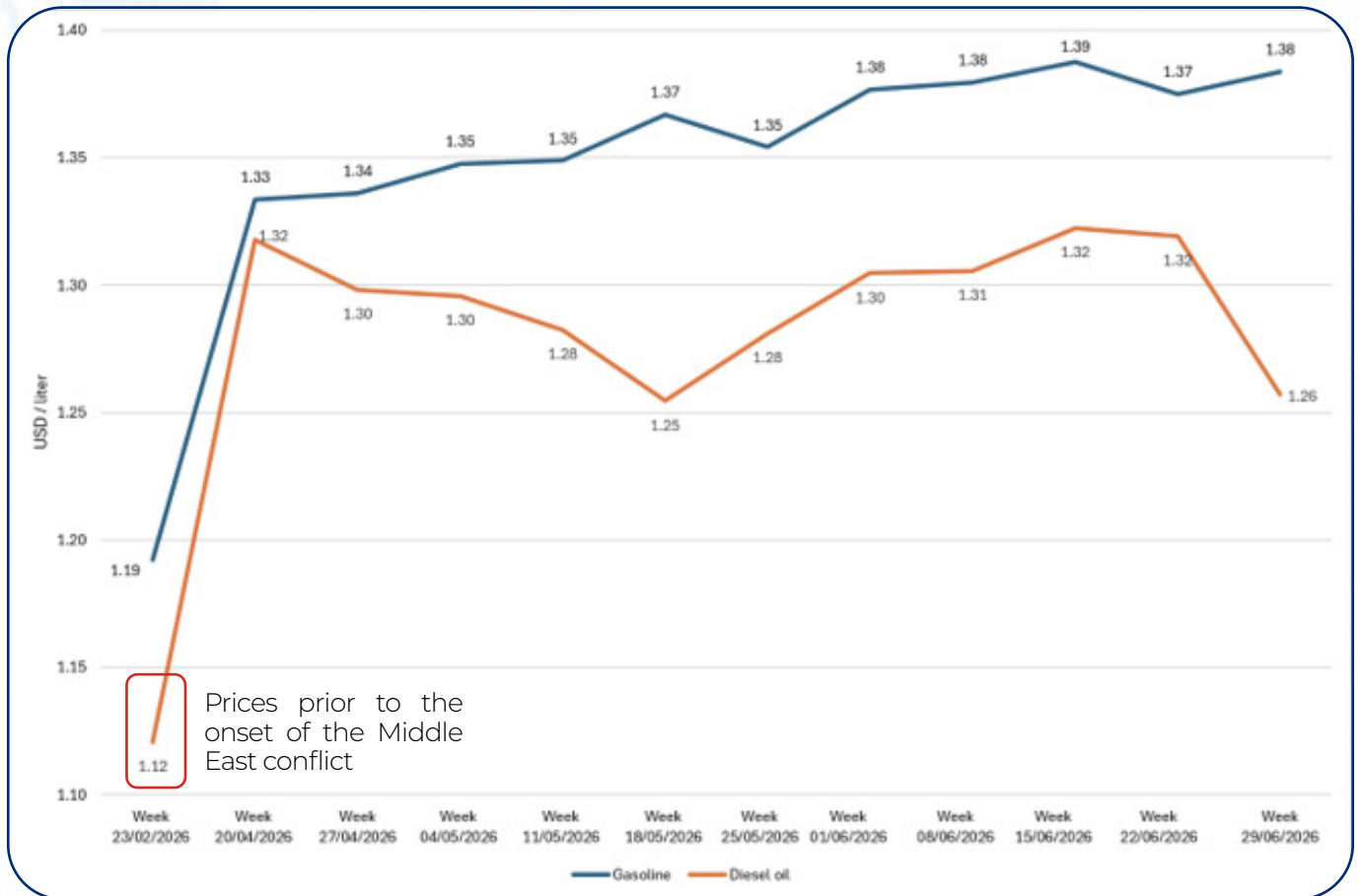
Figure 2 shows the evolution of average gasoline and diesel prices in LAC over the last twelve weeks. The series illustrates that tensions associated with the conflict in the Strait of Hormuz triggered an increase in fuel prices that continued through June 2026.

Although the two fuels did not follow the same pattern, their prices have not returned to the levels observed prior to the conflict in the Middle East. Average gasoline prices remained 16% above their pre-conflict levels, while diesel prices remained 13% higher.

The evolution of gasoline and diesel prices shows that the pass-through of international prices to retail fuel prices has been neither immediate nor uniform. While gasoline prices showed greater downward rigidity and remained at elevated levels throughout June, diesel prices underwent a partial correction during the last week of the month, although they remained above their pre-conflict level.

This pattern reflects a combination of factors, including inventories purchased at earlier prices, refining costs, transportation, insurance, marketing margins, taxes, subsidies, and national fuel price stabilization mechanisms. As a result, even when international oil prices decline, upward pressure on domestic fuel prices persists.

Figure 2: Evolution of average gasoline and diesel prices in LAC



Source: Own elaboration based on the information published weekly in GlobalPetrolPrices.com



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