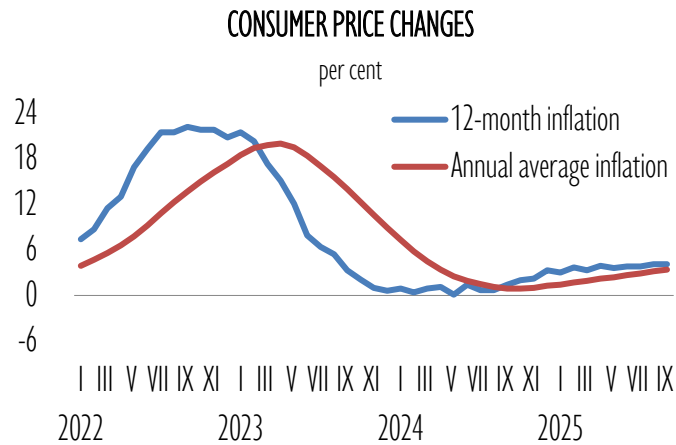


In September, consumer price growth was among the most moderate in recent years

In September, consumer prices increased, but the rise was one of the most moderate in recent years, driven by a weaker seasonal effect and lower pressure from food and energy prices.

According to the latest data published by the Central Statistical Bureau, in September 2025, compared to August, the consumer price level increased by 0.2%. For goods, it increased by 0.3%, while for services it remained unchanged.



September is traditionally a month when consumer prices increase, mainly due to higher clothing and footwear prices as new autumn–winter collections enter the market. This year, too, price changes typical for the month were observed, but the increase in clothing and footwear prices was unusually moderate, indicating a weaker seasonal effect. In addition, inflation was affected by the decline in fuel prices, determined by oil price developments on world markets, and by lower prices for household equipment and goods for routine household maintenance. Meanwhile, in the services sector, price increases for education, housing-related services and outpatient medical services were offset by price declines in transport and accommodation services. The decline in food prices typically observed in September did not materialise this year – prices remained almost unchanged due to local weather conditions and limited vegetable supply, and thus food prices did not significantly affect overall inflation. At the same time, prices continued to decline for the product groups included in the memorandum on reducing the prices of essential food goods, indicating that this initiative is still helping to ease food inflationary pressure.

In the goods sector, the largest upward effect in September came from the increase in clothing and footwear prices, although this was the slowest increase in clothing and footwear prices in September since 2000. Over the month, prices for clothing and footwear rose by 3.2%, which increased the overall consumer price level by 0.2 percentage points.

A slight price increase in September was recorded for food and non-alcoholic beverages, alcoholic beverages and tobacco, as well as housing-related energy resources, which together increased the overall consumer price level by 0.1 percentage points. In the alcoholic beverages and tobacco group, the increase was driven by a slight rise in alcoholic beverage prices, while in the housing group it was driven by higher electricity prices.

Prices for food and non-alcoholic beverages increased by 0.1% in September. The largest upward effect came from price increases for coffee, poultry meat, dried, salted or smoked meat, and milk, while the largest downward effect came from price declines for cheese and curd, potatoes and fresh fruit. It should be noted that prices for fresh vegetables, which in previous years often declined in this month, remained practically unchanged this year.

World food prices declined in September – by 0.7%, while on an annual basis, compared to September 2024, the increase reached 3.4%. The decline in prices in September was driven by lower prices for cereals, dairy products, sugar and vegetable oils, which outweighed the increase in meat prices. Sugar prices fell to their lowest level since March 2021, owing to higher-than-expected production in Brazil, where both sugar cane processing and its use for sugar production increased. Additional downward pressure on prices came from favourable harvest forecasts in India and Thailand, supported by abundant rainfall and expanded sown areas. Dairy product prices declined for the third consecutive month. The sharpest decline was recorded for butter, driven by a seasonal increase in cream supply as ice cream demand fell in the Northern Hemisphere, and by higher production forecasts in New Zealand, while milk powder prices declined due to weaker demand. Cheese prices declined only slightly – the small decrease on the EU market was offset by stronger demand in Oceania, where limited supply and active buyers from Asia kept prices firm. Vegetable oil prices declined as lower prices for palm and soybean oil outweighed increases in sunflower and rapeseed oil prices. Palm oil prices fell slightly as stocks in Malaysia reached a 20-month high, while soybean oil prices declined due to increased supplies in Argentina, where export duties were temporarily lifted. Meanwhile, sunflower oil prices rose because of limited supply in the Black Sea region, and rapeseed oil prices increased due to supply shortages in Europe. Cereal prices declined for the fifth consecutive month. Wheat prices fell due to weak demand and abundant harvests in Russia, Europe and North America, while maize prices declined under the impact of expected good harvests in Brazil and the United States, and the temporary removal of grain export duties in Argentina further lowered prices. In contrast, the meat price index reached a new record in September. The increase was driven by higher beef and lamb prices, while pork and poultry prices remained almost unchanged. Beef prices reached a historic high, supported by strong demand in the United States – limited domestic supply and a favourable price differential continued to boost imports, especially from Australia, where prices increased. In Brazil, beef prices rose due to strong global demand, which offset market access restrictions in the United States following tariff increases. Lamb prices, in turn, increased because of limited supply in Oceania. Meanwhile, pork prices remained stable — demand for Brazilian pork in other markets was offset by lower purchases from China, and the new Chinese tariffs had no significant impact on the EU market. Poultry prices also remained firm, although certain import restrictions due to avian influenza outbreaks had a slight effect on trade.

The largest downward effect in September came from the decline in fuel prices – by 1.1%, which reduced the overall consumer price level by 0.1 percentage points. Prices declined similarly for both diesel and petrol.

Oil prices remained virtually unchanged in September. Compared to August, the average monthly Brent oil price increased by around 0.6%, but by the end of the month it was 1.6% lower than at the end of August. Price dynamics in September were shaped by opposing factors – geopolitical risks and concerns about supply constraints pushed prices upward, while weaker demand and rising production held them back. During the month, the Brent oil price fluctuated within a range of USD 66–70 per barrel. At the beginning of the month, prices increased, supported by concerns about disruptions to Russian supply and positive data from China indicating a recovery in manufacturing activity. However, the increase was limited by expectations of a possible increase in OPEC+ production and signals of surplus risks on the market. In the middle of the month, downward pressure on prices came from rising US inventories and a weaker fuel demand outlook, while in the second half of September oil prices partly recovered in response to repeated Ukrainian attacks on Russian energy infrastructure and a decline in US inventories, which raised

concerns about supply constraints. Overall, these factors balanced each other out, keeping prices relatively stable throughout the month.

A significant effect also came from the decline in prices of household equipment and goods for household maintenance – by 1.5%, which reduced the overall consumer price level by 0.05 percentage points. The greatest effect came from lower prices for cleaning and care products.

Overall, **service** prices remained unchanged in September. The largest upward effect on consumer prices came from higher education services, linked to the start of the new academic year and an increase in tuition fees. Additional effects came from higher tariffs for water supply and sewerage services, as well as higher prices for outpatient medical services in specialist doctor and dental services. Meanwhile, the greatest downward effect on the overall price level came from lower passenger transport prices. Prices declined in air transport, road transport and sea transport, but most notably in air transport, due to the seasonal decline in demand. Accommodation service prices also fell significantly in September, reflecting the end of the tourism season and lower guest activity in accommodation establishments, despite the European Basketball Championship games held in Riga in the first half of September, which only temporarily increased hotel occupancy in the capital.

Price fluctuations in other groups of goods and services did not significantly affect the overall price level in the past month.

In September 2025, compared to September of the previous year, consumer prices increased by 4.1%. Average annual inflation was 3.4%.

Going forward, price changes in Latvia will continue to be significantly influenced by global price fluctuations and developments in the world economy, especially the geopolitical situation and its impact on energy and food prices. Overall in 2025, average annual inflation is expected to be in the range of 3.5–4%.