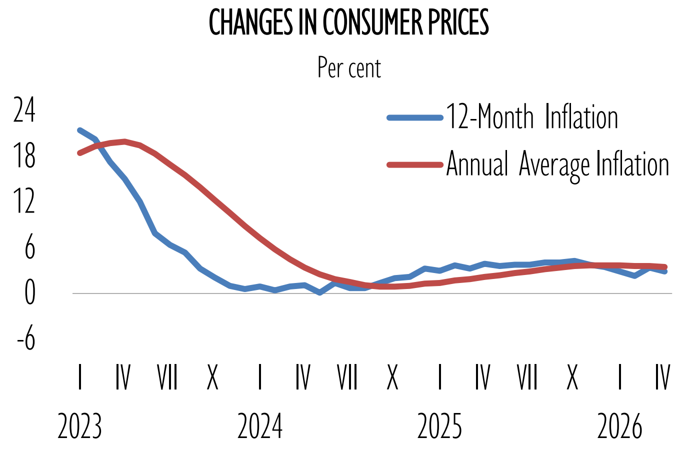
On Consumer Prices in April 2026

Fuel prices maintain inflationary pressure in April, while food prices remain low

In April, price dynamics in Latvia were mainly determined by the seasonal increase in clothing and footwear prices and the persistently high fuel prices, while the overall price increase was partly limited by a decline in service prices and a slight decrease in food prices.

According to the latest data published by the Central Statistical Bureau, in April 2026, compared with March, the consumer price level increased by 0.6%. Prices of goods increased by 1.0%, while prices of services decreased by 0.3%.



In April, the consumer price level is traditionally characterised by a moderate increase, mainly driven by the seasonal rise in clothing and footwear prices. This year, this product group also had the greatest impact; however, unlike in previous years, fuel prices also continued to have a significant impact, remaining at a high level following the sharp increase in March. This was largely determined by the rapid rise in oil prices on the global market due to geopolitical tensions. At the same time, service prices decreased overall, as the increase in accommodation service prices was more than offset by declines in package holiday and passenger air transport prices. The overall price increase continued to be limited by moderate food price dynamics – the price level of food and non-alcoholic beverages decreased in April, representing the lowest April figure since 2018.

Overall, the prices of goods included in the low-price basket increased slightly over the month, mainly due to price increases for vegetables, cheese and pork. At the same time, compared with May 2025, they were still 0.5% lower. Overall, food price dynamics indicate that the memorandum initiative continues to help reduce pressure on food inflation. This is also confirmed by a comparison of the Baltic States – since the introduction of the memorandum in Latvia, the overall increase in consumer prices has been more moderate than in the neighbouring countries, while the prices of food and non-alcoholic beverages have even decreased during this period. At the same time, food prices have increased in Estonia and Lithuania, indicating relatively lower price pressure in Latvia.

At the same time, it should be noted that the geopolitical situation in the Middle East continued to create a high level of uncertainty in global energy markets in April. Although Brent crude oil prices became more volatile and periodically declined during the month, they remained substantially higher than at the beginning of the year. This continued to maintain a high level of fuel prices in Latvia and created additional cost pressure in the transport, logistics and certain service sectors. Given that the impact of energy prices on the economy usually emerges gradually, further cost pass-through to other groups of goods and services remains possible in the coming months.

In **the goods sector**, the largest upward impact in April came from the increase in clothing and footwear prices. Prices in this group increased by 7.5%, raising the overall consumer price level by 0.4 percentage points. In April, as in other years, new spring–summer collections actively entered the market following the end of the winter sales. At the same time, the increase in clothing and footwear prices this year was more moderate than in the previous two years.

Fuel prices also continued to have a significant upward impact, increasing by 8.7% in April and raising the overall consumer price level by 0.4 percentage points. The increases in diesel and petrol prices were similar, but the rise in diesel prices had a greater impact.

On the global oil market, the price of Brent crude oil increased by approximately 3% overall in April, although sharp price fluctuations were observed during the month. Price dynamics were mainly determined by developments in the military conflict in the Middle East, concerns about prolonged supply disruptions and restricted shipping flows through the Strait of Hormuz. At the beginning of the month, prices rose sharply, with the price of Brent reaching USD 110 per barrel, but later declined as hopes increased for a ceasefire and the resumption of negotiations between the United States and Iran. However, the supply situation remained unstable, and at the end of the month prices rose again to their highest level since mid-2022. This was driven by prolonged disagreements in the negotiations, effectively restricted shipping through the Strait of Hormuz and concerns about a prolonged reduction in the global oil supply.

The largest downward impact in April came from the 0.2% decrease in the prices of food and non-alcoholic beverages, which reduced the overall consumer price level by 0.05 percentage points. The price decline was mainly driven by lower prices for butter, fresh fruit and dried, salted or smoked meat. Meanwhile, the most significant upward impact came from price increases for fresh vegetables, cheese and pork.

Global food prices continued to increase for the third consecutive month in April – by 1.6% – and were 2.0% higher than a year earlier. The overall rise in prices was driven by increases in vegetable oil, meat and cereal prices, which exceeded the declines in sugar and dairy product prices. Vegetable oil prices increased most rapidly in April, reaching their highest level since July 2022. The increase was supported by higher oil prices, demand for biofuel production and supply constraints in certain regions. Meat prices reached a new all-time high, mainly due to higher beef and pork prices. Cereal prices increased moderately – wheat prices were affected by drought risks in the United States and Australia, as well as high fertiliser costs, while maize prices rose due to seasonally tighter supply and stable demand for ethanol. Dairy product prices decreased, mainly due to lower butter and cheese prices, driven by abundant milk supplies in Europe and Oceania. Sugar prices declined as production prospects improved in the main producing countries and the new harvest began in Brazil.

Service prices decreased by 0.3% overall in April, reducing the overall consumer price level by 0.1 percentage points. Service price dynamics were largely determined by seasonal fluctuations in the travel and leisure segments. The largest downward impact came from declines in package holiday and passenger air transport prices following the sharp increase in March, as demand related to the spring school holidays and the festive period subsided. At the same time, the largest upward impact came from the increase in accommodation service prices, supported by more active tourism and travel as the spring season began.

Price fluctuations in other groups of goods and services did not have a significant impact on the overall price level during the previous month.

In April 2026, compared with April of the previous year, consumer prices increased by 2.9%. The average annual inflation rate was 3.5%.

In the future, price changes in Latvia will continue to be largely determined by fluctuations in energy and food prices on global markets, as well as geopolitical developments and global economic performance. At the same time, inflation in Latvia will continue to be affected by supply-side factors - revisions of taxes and regulated tariffs - as well as the demand side, supported by wage growth. Given the high level of uncertainty in energy markets and the possible pass-through of costs to other sectors, average annual inflation in Latvia could be within the range of 3-4% in 2026.