

On Consumer Prices in November 2025

Consumer prices declined in November – falling service and food prices ease inflationary pressures

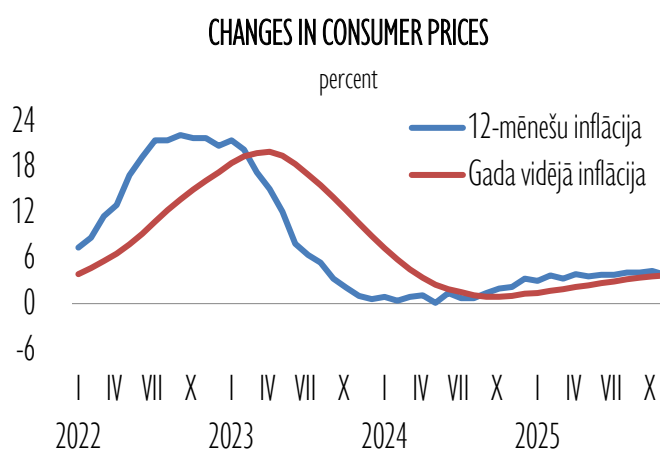
In November, the decline in consumer prices corresponded to the usual seasonal trends, which are typically driven by cheaper services. However, this year the price decrease was particularly amplified by food prices, which in November usually remain unchanged or even increase. This atypical decline in food prices further reduced inflationary pressure.

According to the latest data published by the Central Statistical Bureau, in November 2025, compared to October, the overall consumer price level decreased by 0.3%. Prices of goods fell by 0.1%, while prices of services declined by 0.7%.

November is traditionally characterised by a decrease in prices or very low inflation, mainly due to seasonal factors. This year, prices declined in November for the first time since 2020, and the dynamics largely corresponded to the period prior to the Covid-19 pandemic and the energy crisis, when November price changes typically ranged between -0.5% and +0.2%. This year's price decline was primarily driven by a significant decrease in food prices and lower prices for services related to the end of the tourism season—particularly air transport, accommodation, and leisure services. At the same time, prices for personal care products increased. It should be noted that food prices in November are traditionally characterised by growth, with seasonal increases in fresh vegetable prices usually having a particularly strong impact, which was also the most significant upward factor this year. Nevertheless, despite this seasonal effect, the overall food price level declined in November, and more sharply than in any other November since 2013, indicating food price dynamics uncharacteristic for this month. Prices of goods included in the low-price basket remained unchanged on a monthly basis, as a sharper decline was limited by rising prices in the vegetable segment. At the same time, compared with May of this year, they have decreased by 0.8%. Overall, the decline in food prices confirms that the initiative continues to help reduce pressure on food inflation. It should also be noted that, compared with Estonia and Lithuania, food prices in Latvia have declined more rapidly since the introduction of the memorandum, which also indicates a relative easing of price pressures and the possible positive impact of the memorandum.

In the **goods sector**, the largest downward impact in November came from the decline in food prices. Prices for food and non-alcoholic beverages fell by 0.5% in November, reducing the overall consumer price level by 0.1 percentage points. The price decrease was mainly driven by lower prices for fresh fruit, milk and dairy products, meat, coffee, as well as fruit and vegetable juices. Meanwhile, the only significant upward impact was the seasonal increase in prices for fresh vegetables.

Global food prices declined for the third consecutive month in November—by 1.2%—and were 2.1% lower than a year earlier. The price decline was driven by falling prices for sugar, dairy products, vegetable oils, and meat, which outweighed the increase in cereal prices. Sugar prices fell, reaching their lowest level since December 2020 for the second consecutive month, due to expectations of sufficient supply: record-high sugar production in Brazil and favourable harvest prospects in India and Thailand. Dairy product prices declined for the fifth consecutive month, driven by increasing supplies of milk and milk powders in the EU and New Zealand, ample stocks, and weaker demand in several Asian markets. Prices for butter and whole milk powder fell the most sharply. Vegetable oil prices declined, reaching their lowest level in five months. The decrease was driven by lower prices for palm, rapeseed, and sunflower oils, supported by favourable harvest forecasts and higher seasonally driven supply. A



slight price increase persisted only for soybean oil, supported by demand from biodiesel production. Meat prices declined for the second consecutive month, as prices for pork and poultry continued to fall. Pork prices in Europe decreased due to ample supply and weak Chinese import activity, while the decline in poultry prices was driven by strong competition from Brazilian exporters after several countries lifted trade restrictions imposed due to avian influenza. Beef prices remained stable, while sheep meat prices increased due to strong import demand. In contrast, cereal prices increased in November, mainly due to rising wheat and maize prices, supported by possible Chinese demand for U.S. supplies, concerns about the situation in the Black Sea region, and somewhat challenging harvest conditions in South America.

The largest upward impact in November came from rising prices for personal hygiene and beauty products, which increased by 3.1% following the end of promotional discounts and raised the overall consumer price level by 0.1 percentage points.

In November, fuel prices continued to rise slightly—by 0.6%—but this had no significant impact on the overall consumer price level. Price increases were similar for both diesel fuel and petrol.

Meanwhile, in the global oil market, prices overall declined in November. Brent crude prices fluctuated around USD 62–65 per barrel and recorded a very modest monthly decline of approximately 0.5%; however, by the end of the month, prices were 3% lower than at the end of October. Price dynamics were driven by a more robust global supply, slower growth in demand, and uncertainty related to potential geopolitical developments. At the beginning of the month, prices fell as the market reacted to growing concerns about a global supply surplus: rising inventories in the U.S., increased production by both OPEC+ and non-OPEC producers, as well as weaker industrial and demand indicators in the largest oil-consuming countries. Downward pressure was further reinforced by news of cheaper Saudi oil offers for Asian markets and signals of oversupply in the market. In the middle of the month, price volatility increased: prices temporarily recovered in response to new sanctions on Russian oil companies and supply disruptions, which raised concerns about a potential reduction in supply. However, this trend was not sustained OPEC and IEA's latest forecasts of an expected market surplus and continued production growth in the U.S., Canada, and Brazil quickly weakened the price recovery. Toward the end of the month, prices came under pressure again as investors assessed possible progress in negotiations on resolving the conflict between Ukraine and Russia. A scenario involving the lifting of sanctions on Russia's oil sector could increase supply in an already oversupplied market, further worsening demand and supply prospects. At the same time, concerns about global overproduction continued to grow and did not ease ahead of the upcoming OPEC+ meeting, as the organisation was prepared only to maintain the planned pause in production increases, without introducing stricter restrictions that could reduce the market surplus.

Service prices overall declined by an average of 0.7% in November, reducing the overall price level by 0.2 percentage points. The largest downward impact came from a fall in passenger air transport prices due to the end of the season, lower demand, and widespread promotions. Additional declines were driven by lower prices for accommodation and package holiday services, which is typical for the period following the peak tourism season, when visitor flows decrease significantly. Meanwhile, the largest upward impact on the overall price level came from higher prices for social protection services, mainly due to increased costs for care and long-term social care services in nursing homes.

In other groups of goods and services, price fluctuations during the past month did not have a significant impact on the overall price level.

In November 2025, compared with November of the previous year, consumer prices increased by 3.8%. The annual average inflation rate was 3.7%.

Going forward, price developments in Latvia will continue to be significantly influenced by global price fluctuations and global economic developments, particularly the geopolitical situation and its impact on energy and food prices. Overall, average annual inflation in 2025 is expected to remain around 3.7%.