



World Food Programme

SAVING LIVES
CHANGING LIVES

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MARKET MONITOR

Lao PDR– June 2025



FOOD INFLATION

June 2025 (year-on-year)

5.19 percent



HEADLINE INFLATION

June 2025 (year-on-year)

7.20 percent



AVERAGE HOUSEHOLD MINIMUM EXPENDITURE BASKET

LAK 4.98M/month (USD 233)

(Based on April 2024)



LAK: USD RATE

21,670:1

(As of 01st July 2025)

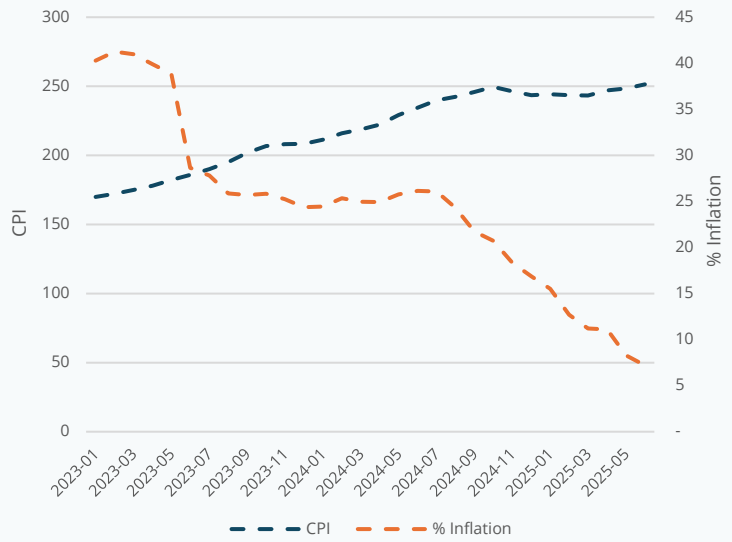
KEY HIGHLIGHTS

- The **Consumer Price** Index (CPI) in Lao PDR reached 251.4 points in June 2025, reflecting a 1.2 percent increase compared to May 2025. On a year-on-year basis, the CPI was 7.18 percent higher than June 2024, indicating continued upward pressure on the cost of goods and services.
- The **inflation rate** in June 2025 stood at 7.20 percent, marking a decline from 8.30 percent in the previous month and a significant drop compared to the exceptionally high level of 26.15 percent in June 2024.
- Prices of **rice** (both **glutinous** and **ordinary**) remained relatively stable compared to the previous month.
- Prices of **fish**, **chicken**, and **beef** showed less than 1 percent change, while **pork** increased by about 2 percent compared to May 2025.
- Prices of **cabbage**, **apples** and **bananas** rose by 5.6 percent and 4.0 percent respectively, whereas **morning glory** and **garlic** showed no significant change.
- Fuel prices for both **gasoline** and **diesel** rose compared to May 2025 yet remained below the levels observed in June 2024. Gasoline averaged 23,834 LAK/L in June 2025, up 2.7 percent from May, but still 3.5 percent lower than a year earlier.

CONSUMER PRICE INDEX

- The Consumer Price Index (CPI) in Lao PDR was 251.4 points in June 2025, an increase of 1.2 percent base points from May 2025.
- The CPI in June 2025 was 7.18 percent higher than in the same month last year.
- The inflation rate in June 2025 was 7.20 percent
- The inflation rate decreased from 8.30 percent in the previous month to 7.20 percent and dropped from 26.15 percent last year to 7.20 percent.

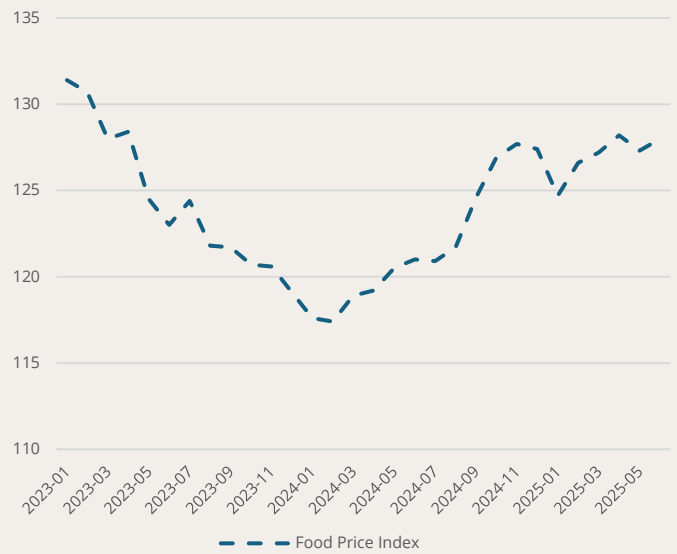
*Data source: LSB



GLOBAL FOOD PRICE INDEX

- The FAO Food Price Index tracks international prices of the most globally traded food commodities.
- The average Food Price Index reached 128 points in June 2025, which is similar to last month.
- In June 2025 Food Price Index was 5.8 percent higher than its value a year ago

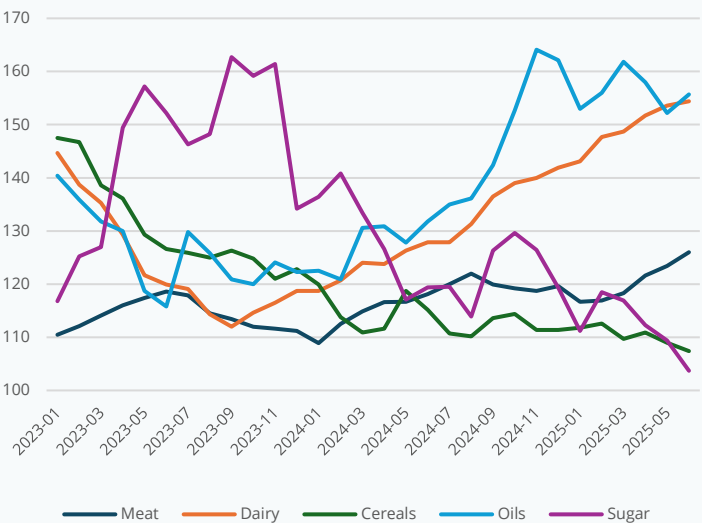
*Data source: FAO



GLOBAL PRICE INDEX ON MAJOR FOOD GROUPS

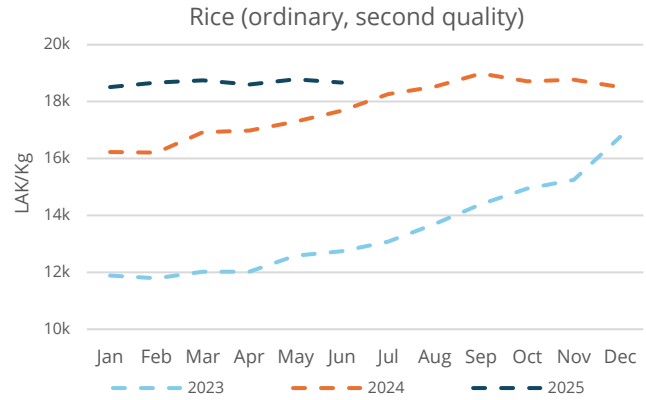
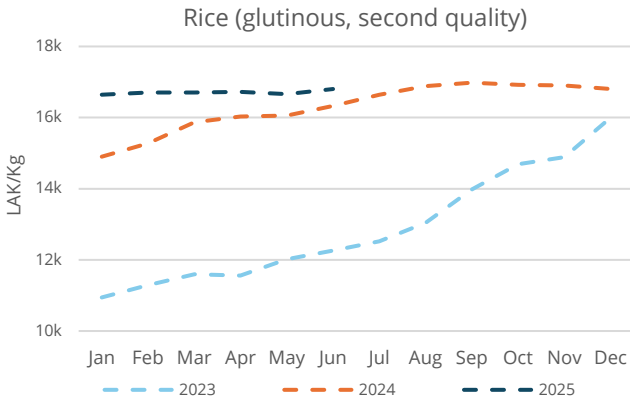
- Cereal prices declined by 1.46 percent compared to May and by 6.7 percent relative to June 2024.
- Oil prices, on the other hand, increased by 2.3 percent month-on-month and recorded a notable 18.1 percent rise compared to the same period last year.
- Dairy prices rose slightly by 0.5 percent compared to May and by 20.7 percent compared to June 2024.
- Meat prices increased by 2.1 percent from the previous month and by 6.6 percent compared to June 2024.
- Meanwhile, the sugar price index fell by 5.2 percent from May and was 13 percent lower than in June 2024

*Data source: FAO



PRICE TREND OF RICE

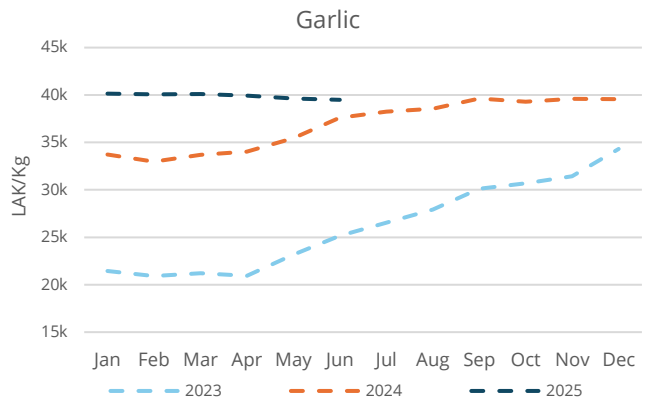
- In 2025, the average price of **glutinous rice** (second quality) remained relatively stable from January to June, fluctuating around 16,700 LAK/kg.
- In June 2025, the average price of glutinous rice (second quality) at LAK. 16,804 per kilogram, representing a slight 0.8 percent increase from the previous month and a 2.94 percent rise compared to June 2024.
- The price of ordinary, second-quality rice has been stable in 2025, with an average price of approximately 18,662 LAK/Kg.
- In June 2025, the price saw a slight decline of 0.6 percent compared to the previous month. However, when compared to the price in June 2024, the price in June 2025 represents a significant increase of 5.6 percent.



*Data source: MoiC, Lao PDR

PRICE TREND OF GARLIC

- Since Sep 2024, the average retail price of red garlic has shown minimal fluctuation.
- In June 2025, the price remained steady at LAK. 39,491 per kilogram, unchanged from May.
- Compared to June 2024, this reflects a 5 percent increase in price.

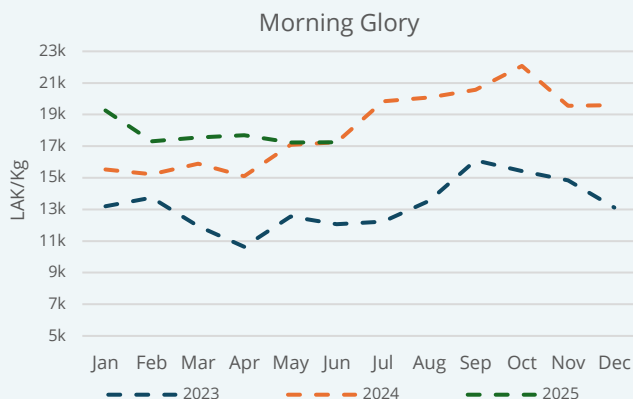


*Data source: MoiC, Lao PDR



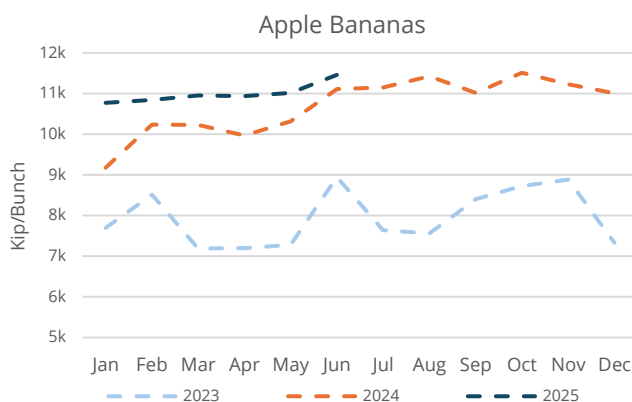
PRICE TREND OF MORNING GLORY

- In June 2025, the price stood at 17,252 LAK/Kg, reflecting a slight month-on-month increase of approximately 0.1 percent. Compared to June 2024, the price remained virtually unchanged, with a marginal year-on-year rise of just 0.01percent.



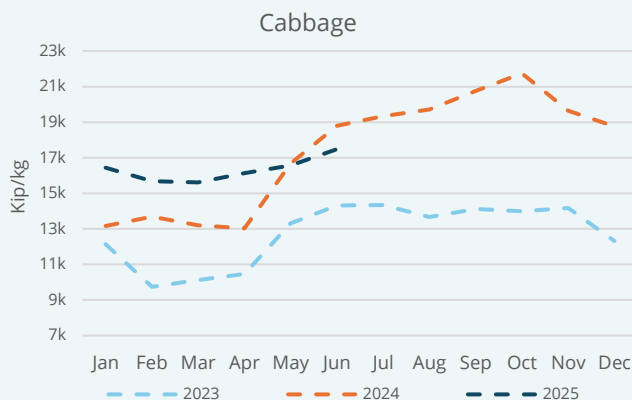
PRICE TREND OF APPLE BANANAS

- Since Jan 2025, price of apple bananas slightly increase from 10,700 LAK/bunch to 11,459 LAK/Bunch.
- In June 2025, the price of apple bananas was 11,459 LAK/bunch, marking a 4 percent increase from May and a 3 percent rise compared to June 2024.



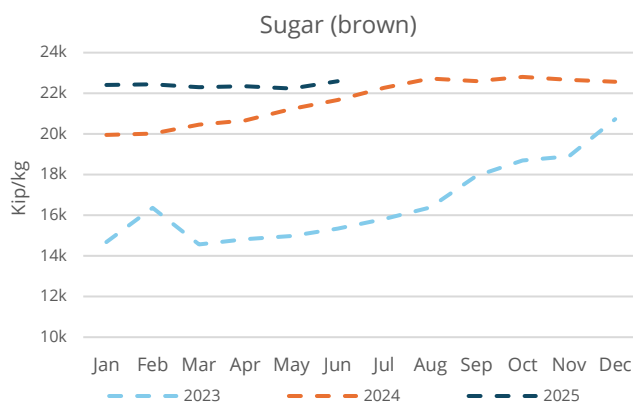
PRICE TREND OF CABBAGE

- In June 2025, the price of cabbage rose to 17,480 LAK/kg, reflecting a 5.5 percent increase from the previous month. However, compared to June 2024, the current price is still nearly 7 percent lower.



PRICE TREND OF SUGAR

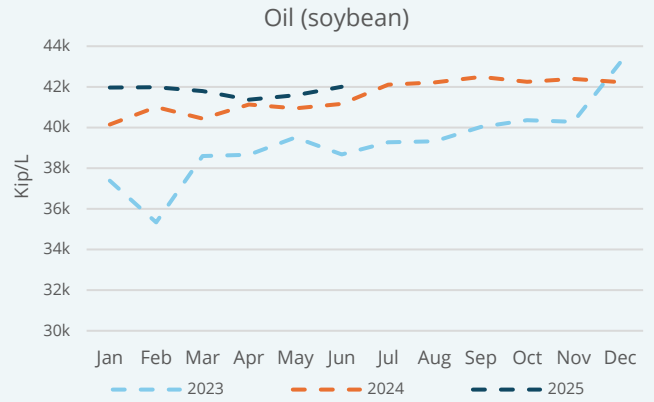
- Sugar prices have been stable since August 2024.
- In June 2025, the average price stood at LAK. 22,594/kg.
- This reflects a slight increase of 1.6 percent from the previous month, and a 4.2 percent increase compared to June 2024.





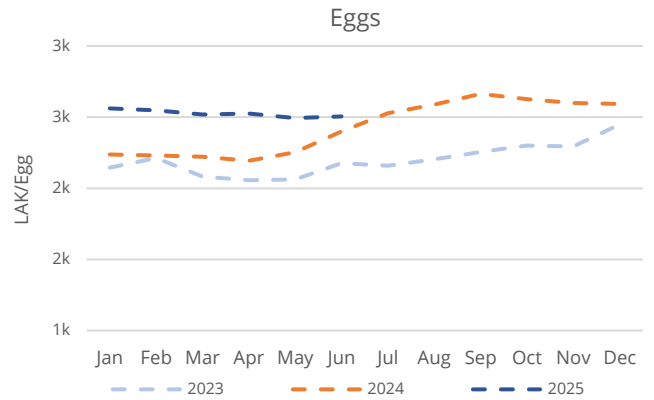
PRICE TREND OF SOYBEAN OIL

- The average retail price of a 1,000ml bottle of soybean oil has remained stable since January 2024.
- In June 2025, the price reached LAK. 42,000 per 1000ml bottle, indicating a 1 percent increase from the previous month and 2 percent increase compared to June 2024.



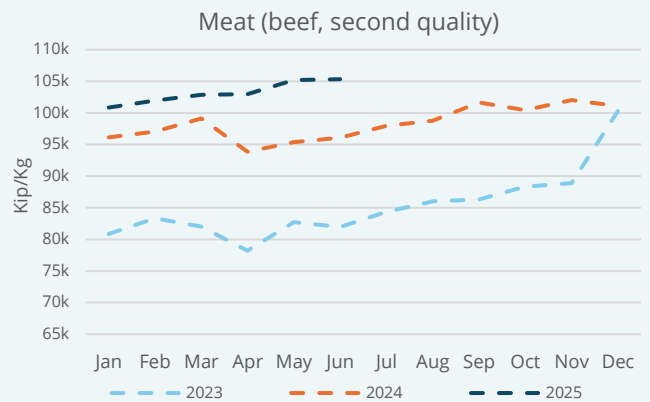
PRICE TREND OF EGGS

- Egg prices have remained stable, with an average price of LAK. 2,525 per egg since January.
- In June 2025, the average price of an egg was LAK. 2,505. This represents little change from the previous month, and a 4.4 percent increase compared to June 2024.



PRICE TREND OF BEEF

- Since early 2025, the cost of second-grade beef has increased, remaining stable from month to month but showing a 9.6 percent rise compared to June 2024.



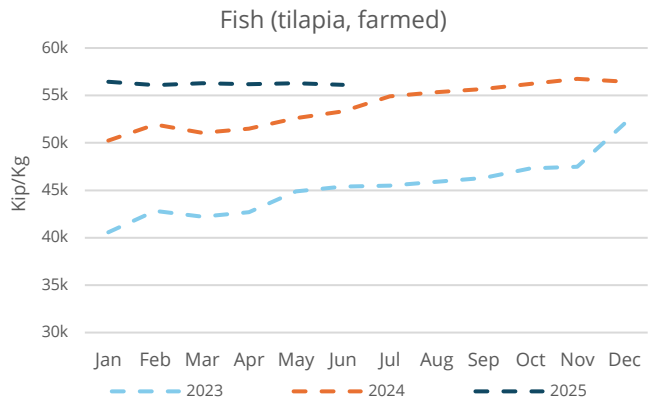
PRICE TREND OF PORK

- The price of pork (second quality) has experienced fluctuations since Apr 2024, with an upward trend emerging in 2025.
- In June 2025, pork prices rose by 2 percent from the previous month, reaching an average of LAK. 82,702/kg.
- Compared to June 2024, the average price reflects a 10 percent increase.



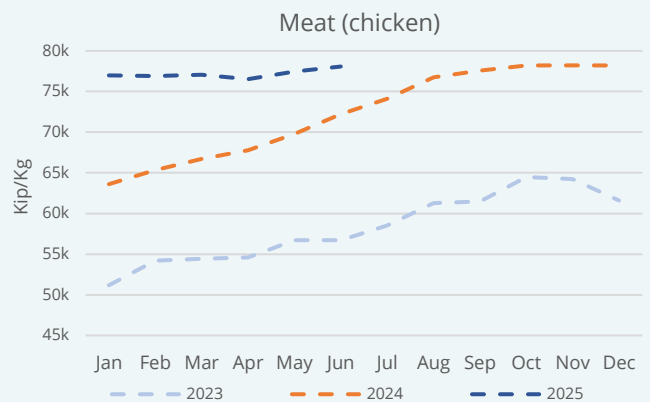
PRICE TREND OF FISH

- The price of tilapia fish has remained stable since January 2025, with an average of 56,235 LAK/Kg.
- In June 2025, the price of tilapia fish remained unchanged from May, showing a 5.3 percent increase compared to the same period in 2024.



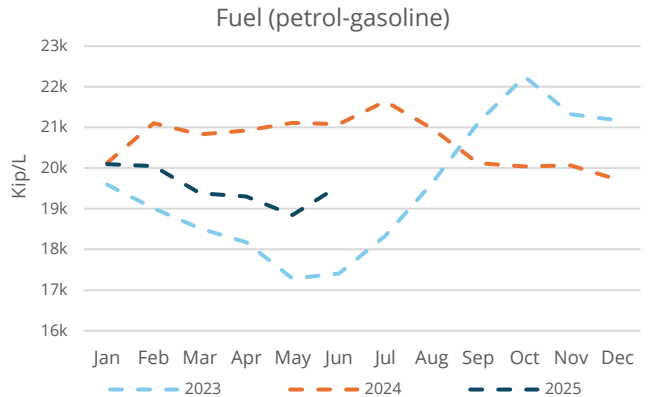
PRICE TREND OF CHICKEN (COMMERCIAL)

- The price of second-quality chicken remained relatively stable, with minor fluctuations since August 2024.
- In June 2025, the average price was LAK 78,075/Kg an increase of 0.8 percent compared to May and 8 percent higher than in June 2024.



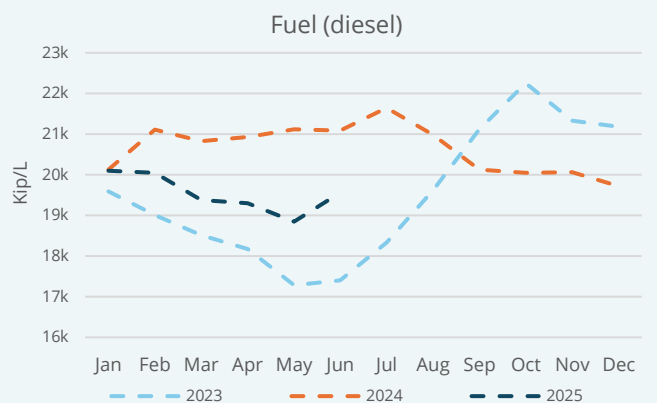
PRICE TREND OF FUEL (GASOLINE)

- The average price of gasoline was around 23,834 LAK per liter, showing a slight increase of 2.7 percent compared to May 2025. Prices were 3.5 percent lower than in June 2024.



PRICE TREND OF FUEL (DIESEL)

- The average price was around 19,562 LAK per liter, 3.8% higher than in May 2025. This was still lower than the June 2024 average of approximately 21,083 LAK per liter.



*Data source: MoIC, Lao PDR



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Commodity	Current Month Jun-25	Previous Month May-25	Same Month Previous Year Jun-24	% Change compared to Previous Month	% Change compared to Last Year
Rice					
Rice (glutinous, second quality)	16,804	16,663	16,323	▲0.8	▲2.9
Rice (ordinary, second quality)	18,667	18,784	17,678	▼0.6	▲5.6
Fish, Meat, Eggs					
Fish (tilapia, farmed)	56,129	56,276	53,300	▼0.3	▲5.3
Meat (pork, second quality)	82,705	81,149	75,147	▲1.9	▲10.1
Meat (beef, second quality)	105,326	105,174	96,058	▲0.1	▲9.6
Meat (chicken)	78,075	77,468	72,239	▲0.8	▲8.1
Eggs	2,505	2,494	2,399	▲0.5	▲4.4
Vetables & Fruit					
Cabbage	17,480	16,557	18,796	▲5.6	▼7.0
Morning glory	17,252	17,235	17,250	▲0.1	▲0.0
Garlic (small)	39,491	39,618	37,597	▼0.3	▲5.0
Apple bananas	11,459	11,018	11,111	▲4.0	▲3.1
Vetable Oils & Sugar					
Oil (soybean)	42,005	41,581	41,158	▲1.0	▲2.1
Oil (palm)	35,824	36,346	36,177	▼1.4	▼1.0
Sugar (brown)	22,594	22,234	21,667	▲1.6	▲4.3
Fuel					
Fuel (petrol-gasoline)	23,834	23,200	24,687	▲2.7	▼3.5
Fuel (diesel)	19,562	18,846	21,083	▲3.8	▼7.2

*Data source: : Lao PDR MoIC



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Implications of the Weak US Dollar During the First Half of the Year

DXY Trend (JAN-JUN 2025)



Between January and June 2025, the US dollar showed signs of weakness in global markets. This trend is clearly reflected in the US Dollar Index (DXY), which reflects the relative strength of the dollar against major currencies such as the Euro, Yen, British Pound, and Canadian Dollar.

On January 2, 2025, the Dollar Index stood at 109.39. By June 1, it had declined to 99.34 and continued to fall to 98.18 by mid-June. This marks a total decrease of about 9.2 percent from the beginning of the year. This is one of the steepest six-month declines in recent years and is part of a broader weakening trend driven by policy shifts and investor sentiment.

The most pronounced phase of depreciation occurred between March and April 2025, when the index fell from 106.56 to 104.26 and continued to slide toward 100. This was largely attributed to renewed trade tensions under the U.S. administration. For the first half of the year, sweeping tariffs were reinstated on imports from key trading partners including Canada, India as well as developing countries such as Lao PDR, Thailand, Vietnam. Additionally, weakening U.S. growth indicators and rising fiscal deficits further undermined investor confidence. Foreign investors began reallocating portfolios away from U.S. denominated assets, accelerating the dollar’s decline.

US Dollar Exchange Rates vs. LAK (Kip)

Exchange rate	Jan 2 nd	Feb 3 rd	Mar 3 rd	Apr 1 st .	May 2 nd	Jun 1 st
Buy	21.703	21.638	21.582	21.547	21.515	21.484
Sell	21.933	21.855	21.807	21.768	21.734	21.697

As of June 2025, projections suggest that if current macroeconomic conditions persist, the Dollar Index could fluctuate between 90 and 100 over the coming quarters. Key factors influencing future trends include the trajectory of U.S. fiscal and trade policy, global interest rate differentials, and market reactions to political developments such as war. Should investor uncertainty continue, the dollar may continue to weaken, especially in the absence of any substantial policy correction or economic rebound.

In the Lao PDR context, the depreciation of the U.S. dollar has mixed implications for food security and the broader macroeconomy. Considering food supply and consumption patterns in Lao PDR, exchange rate movements do not directly alter the availability of staple foods for most households, as rice and other primary staples are largely domestically produced. However, the indirect effects are more significant. A weaker dollar increases the relative strength of regional currencies, raising the cost of imports for Lao PDR, particularly fuel, machinery, and processed foods which may lead to inflationary pressures. These pressures can heighten transportation costs and production expenses, indirectly influencing food prices in local markets. Moreover, trade tariffs and global investor shifts compound Lao PDR’s vulnerability, given its reliance on external financing and imported goods. In other words, while the immediate household-level food security impact of exchange rate swings remains limited, the indirect macroeconomic effects, through higher import costs, rising inflation, and constrained fiscal space, pose considerable risks to economic stability and to vulnerable households.

ANALYSIS CONCLUSION

Since inflation in Lao PDR peaked above 40 percent in 2023, it has steadily declined and by June 2025 reached 7.2 percent, showing a stabilization trend. According to the FAO Food Price Index, global food prices in June 2025 were 5.8 percent higher than last year. In particular, the rice price remained broadly stable compared to the previous month. Meanwhile, protein commodities such as pork, beef, chicken, tilapia, and eggs showed month-on-month increases, with even sharper rises compared to last year. Oils and sugar showed moderate growth, while fuel prices rose month-on-month, gasoline by 2.7 percent and diesel by 3.8 percent though both remained lower than a year ago.

- **Rice (staple) stability cushions food access risks**

Rice, largely produced and consumed domestically, remained stable in price, signalling little immediate risk to access to staple foods.

- **Rising protein prices put pressure on dietary diversity**

Year-on-year price increases for protein items have outpaced overall food inflation, which might prompt vulnerable households to substitute expensive meats with eggs or other cheaper protein sources, reduce overall protein consumption, and rely more heavily on vegetables and carbohydrates. This trend threatens dietary diversity, with double digit increases in pork and beef likely raising the share of protein costs within the Minimum Expenditure Basket. Given recent monitoring findings that wages and incomes have not sufficiently offset the CPI, the burden of protein accessibility may further intensify (World Bank 2025).

- **Vegetable and fruit prices show mixed trends, reflecting seasonal and local variations**

Vegetable prices exhibited seasonal fluctuations and remain sensitive to supply chain disruptions and rainfall patterns. Sharp price increases could reduce both the quantity and variety of consumption among market-dependent households, indicating the need for close monitoring.

- **Moderate increases in oils and sugar**

Rising protein prices increase the risk of shifting dietary patterns toward groups like readily available edible oils and sugars as sources of calories. These are unhealthy due to their high fat and sugar content and lack of protein.

- **Secondary spillovers from fuel and exchange rate pressures in the second half of the year**

While exchange rate fluctuations do not directly impact the supply and demand of rice, a staple food, they indirectly impact the costs of imported fuel, processed foods, livestock feed, and machinery, potentially raising the risk of secondary inflation in the second half of the year. However, even though the US dollar weakened in the first half of 2025, it's clear that import costs will also vary depending on international refined product prices and bilateral exchange rates such as KIP/THB, KIP/USD. In other words, by June 2025, falling international refined product prices and regular domestic price adjustments had offset the downward pressure on the exchange rate. Therefore, fuel prices can be analyzed as having declined year-on-year. However, there is also the risk that if the THB strengthens against the KIP, Thai imports could still add to domestic cost pressures.

In other words, The inflation in Lao PDR fluctuated around 10 percent during the first half of 2025. Rice and some vegetables recorded year on year increases of around 5 percent which is below the CPI indicating relative resilience to national price pressures. On the other hand, the Pork +10 percent, Beef +9.6 percent, and chicken +8 percent all rose above inflation, intensifying household burdens from a nutritional perspective. While calorie intake from staple foods remains relatively stable, quality nutrition from protein and a varied diet faces more severe inflationary pressures.



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FOR FURTHER INFORMATION

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