

2024 U.S. VIRGIN ISLANDS INFLATION

Comparison is based on the 12-month average of the USVI Consumer Price Index (CPI)

The CPI Explained: The year-over-year (YOY) inflation rate is found by subtracting the CPI value at the start of the year from the end value, then dividing by the initial CPI. Disinflation is a slowdown in the rate of price inflation — *prices still rise, but at a slower pace*. For instance, a decrease in the inflation rate from 8% to 4% indicates disinflation, meaning prices are **increasing at a slower rate**.

Highlights

- The USVI Consumer Price Index for 2024 shows a **7.1%** year-over-year inflation rate, following an 8.4% increase in December 2023.

Major Contributors to USVI Inflation in 2024:

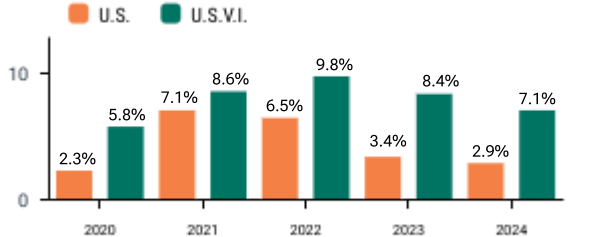
- Education & Communication was **16.8%** from 8.5% in 2023.
- Recreation increased **10.0%** in 2024 from 3.6% in 2023.
- Food increased by 8.8% in 2024 from 7.7% in 2023.
- Housing increased **6.0%** in 2024 from 10.8% in 2023.
- Transportation in 2024 increased by **4.5%** from a decrease of 0.5% in 2023.

USVI Inflation Rates by Island:

- In 2024, inflation rates rose fastest in St. Thomas (**9.6%**), followed by St. John (**5.8%**). Price growth among the islands was the slowest in St. Croix (**5.3%**) as of December 2024.

2024 USVI Inflation Reaches the Lowest Rate Since 2020

Figure 1: U.S. & USVI Inflation rate for 2020 to 2024



In the United States, the cost of goods and services increased by 2.9% from December 2023 to December 2024, following a 3.4% rise in the previous year, according to reports from the Bureau of Labor Statistics (BLS).

The inflation rate of consumer prices in the U.S. Virgin Islands (USVI) showed signs of slowing in 2024, with the overall inflation rate decreasing to **7.1%** from 8.4% in 2023 (as shown in Figure 1).

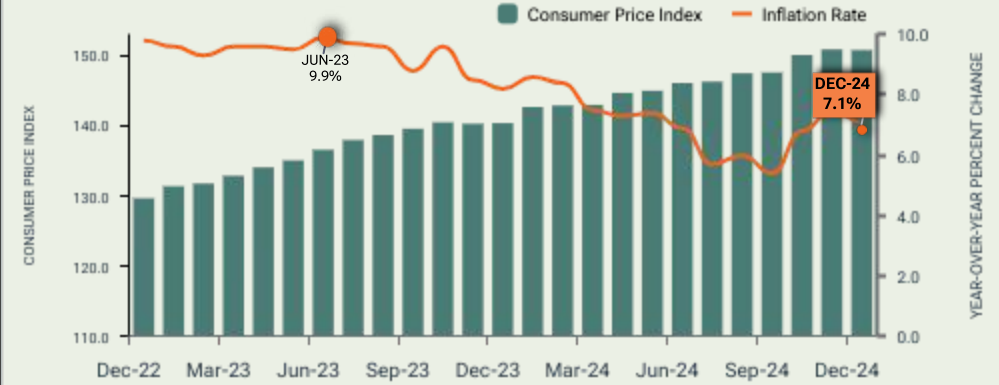
In the USVI, inflation began to decline in June 2024. This decrease is likely attributed to a modest decline in fuel prices and improving economic conditions, which helped mitigate the impact of global supply chain issues affecting the mainland; these factors significantly influence the USVI's costs and expenses.

However, inflation remained above 6.0% for 10 months in 2024. This persistent inflation was primarily driven by external economic factors, which led to increased demand for various goods and services, including rising costs in Education & Communication, Recreation, Food, Apparel, and Housing.



U.S. VIRGIN ISLANDS CONSUMER PRICE INDEX 2024 INFLATION REVIEW

Figure 2: USVI CPI and Inflation Year-Over-Year Change (%) from December 2022 to December 2024



Inflation Rate in the U.S. Virgin Islands Slowed in 2024

The inflation rate in the U.S. Virgin Islands measures the annual change in the prices of goods and services across the territory. In 2024, inflationary pressures eased, with price increases moderating in five key areas. The most significant contributors to overall inflation were the rising costs of Education & Communication (16.8%), Recreation (10.0%), Food (8.8%), Housing (6.0%), and Apparel (5.7%) as seen in Figure 4.

The territory-wide inflation rate in the U.S. Virgin Islands for 2024 slowed to **7.1%** compared to the previous year. September recorded the lowest inflation rate at 5.4%, while January experienced the highest rate at 8.6%.

The Education & Communication index significantly increased by **16.8%** in 2024. This rise was primarily driven by a 17.9% surge in cell phone plan prices and a substantial 36.3% increase in internet service costs. In the education sector, tuition costs for private schools increased by 5.9%, marking a slowdown from the 6.3% increase recorded in the previous year.

The Recreation sector experienced a growth rate of **10.0%**. Within this sector, Veterinary Services rose by 2.1%, while the cost of pet food increased by 10.5%. Additionally, prices for flat-screen and smart TVs increased by 10.5%, while cable television prices rose by 8.8%, up from 3.4% in 2023.

Food inflation rose by **8.8%** in the territory, representing a 1.3% increase from the previous year, indicating a slowdown in the rate of food price changes. In 2024, poultry prices increased by 7.4% compared to 2023, while egg prices rose by 27.8%. Meat prices increased by 5.9%, while the inflation rate for vegetables rose by 30.3%. Conversely, fruit prices increased modestly by 6.6%.

In 2024, the Housing index increased by **6.0%**, a moderate rise compared to the 10.8% increase in the previous year. Appliances such as stoves, refrigerators, and washing machines saw a 1.8% price increase, while rent prices rose by 3.9%.

The Transportation index experienced an inflation rate of **4.5%**. Although the index declined in the third quarter of 2023, ending the year at -0.5%, it showed an upward trend during the first three quarters of 2024. Tires increased by 4.9%, while gasoline inflation continued to decelerate overall, falling to -0.7% in 2024, compared to a 4.8% decline in 2023.

USVI Inflation Rates by Island for 2023-2024

In December 2024, inflation rates in the U.S. Virgin Islands showed significant variations among the three islands. St. Thomas recorded the highest inflation rate at **9.6%**, though this was still a decrease compared to the 11.5% rate seen in 2023. St. John had a lower rate of **5.8%** in 2024, reflecting a notable increase from the overall inflation rate of 3.6% the previous year. St. Croix came in just behind St. John with an inflation rate of **5.3%**, which marked a significant slowdown compared to its 2023 rate of 9.3%. While both St. Thomas and St. Croix experienced a decrease in their inflation rates, St. John faced a faster rate of increase.

Figure 3: USVI Inflation Rate, 2023-2024 by Island

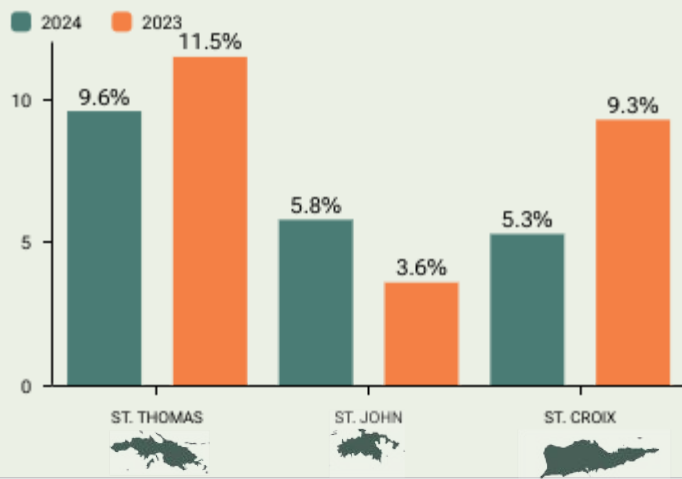
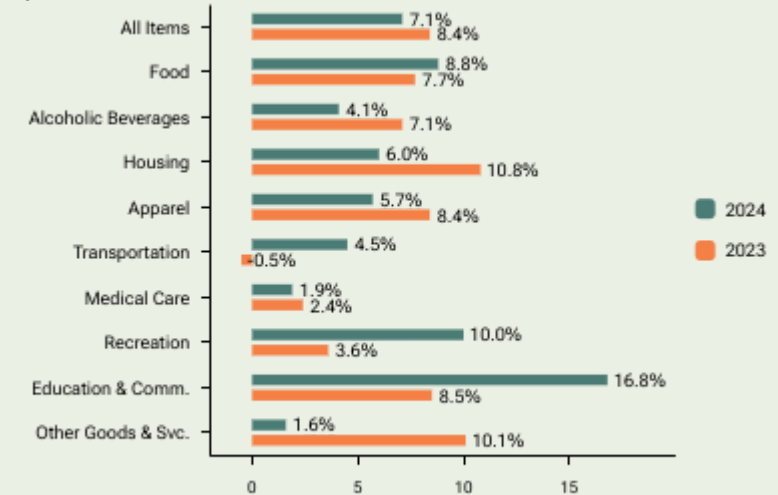


Figure 4: USVI Inflation Indexes 2023-2024



A Slower Inflation Rate on St. Thomas in 2024

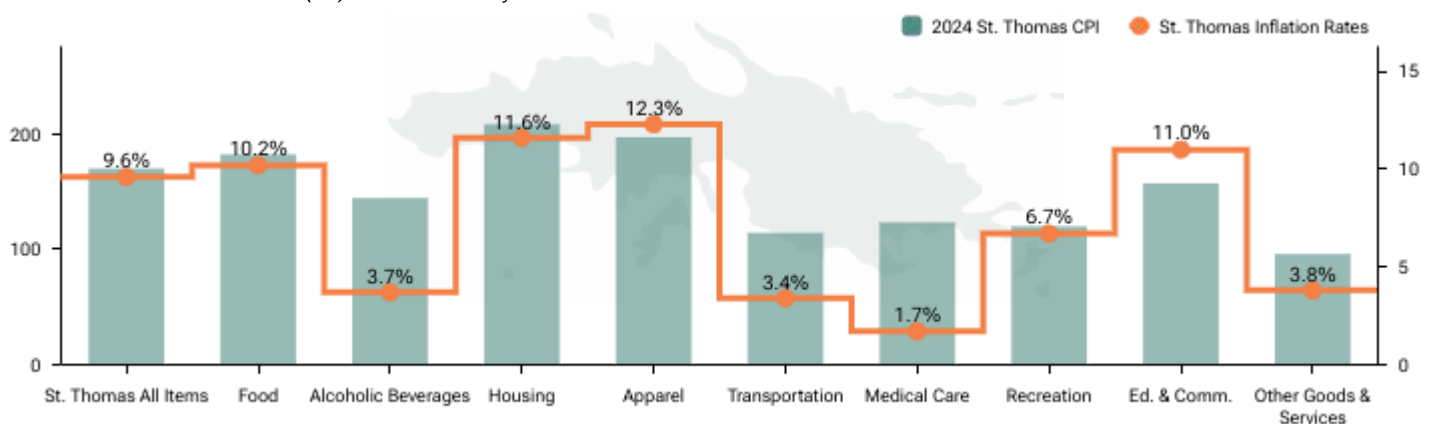
In 2024, St. Thomas saw a slower inflation rate, slowing to **9.6%** from 11.5% in 2023. While this slow growth pace is positive, prices have risen gradually across various sectors. Notable areas of concern included Apparel, which increased by 12.3%, Housing at 11.6%, and Education & Communication, which rose by 11.0%. Food index also climbed by 10.2%, with food take-out in St. Thomas increasing by 10.1%.

In 2024, St. Thomas experienced a slight slowdown in its transportation index growth during the first half; however, it regained momentum in the last month of the third quarter. After a decline in the same quarter of 2023, the index, which includes tires (28.0%) and automobile loans (-0.6%), recorded a 19.0% increase in 2024, down from 19.4% in 2023. This stability is attributed to rising gasoline demand and tighter supply, resulting in consistently high pump prices throughout the year.

The Education & Communication sector on St. Thomas saw tuition increase by 14.5%, and cell phone plans by 25.9%. Additionally, on St. Thomas, other indexes showed varied increases: the Recreation index noted a rise of 6.7%, which includes pet food (7.8%); veterinary services increased by 8.1%; and flat-screen TVs rose by 6.9%. The Other Goods & Services category saw a more modest increase of 3.8%. This index includes salon visits, climbing by 4.1% on St. Thomas. Medical Care had the least increase at 1.7% in 2024.

The highest month of inflation for St. Thomas was January, with a rate of 12.7%, and the lowest month of inflation was September, at 6.8%.

Figure 5: St. Thomas Consumer Price Index (CPI) and Inflation Rate by Index for 2024



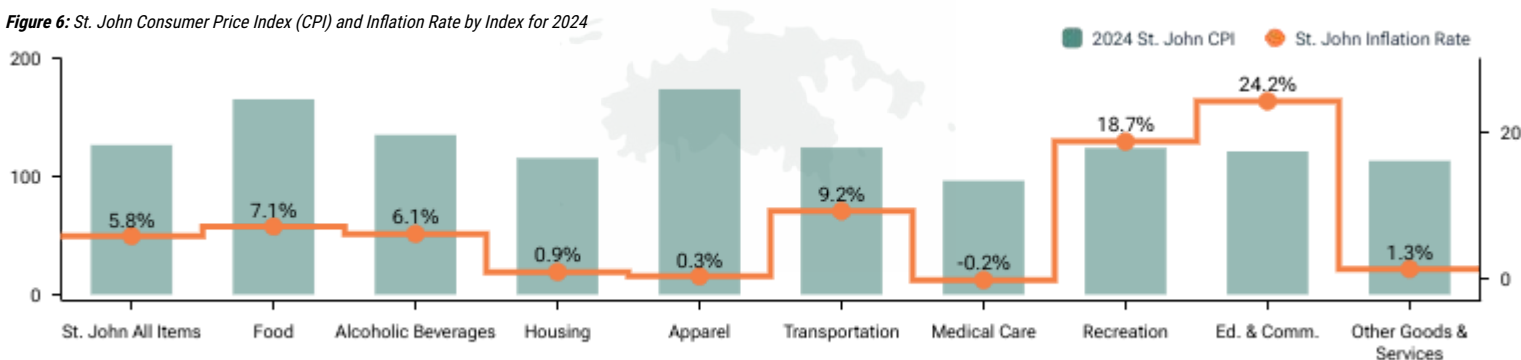
St. John saw an Increase in the Inflation Rate in 2024

Overall inflation in St. John experienced a significant increase, rising to **5.8%** in 2024 from 3.6% in 2023. This rise was primarily driven by substantial increases in various indices, including Education & Communication (24.2%), Recreation (18.7%), Transportation (9.2%), Food (7.1%), and Alcoholic Beverages (6.1%). February recorded the lowest inflation at 3.6%, while November had the highest inflation rate for St. John at 6.0%.

Although gasoline prices on St. John slowed to 5.8% as of December 2024, the Transportation index on St. John was the highest among the three islands, standing at 9.2% compared to a 1.6% inflation rate in 2023. The Transportation index began to decline in October 2022, reaching a low of 3.5% and remaining steady throughout 2023. It began to rise again in January 2024. In the Education & Communication sector, which includes tuition costs, rose significantly by 7.0% this year on St. John. Additionally, food prices rose sharply, with red meat increasing by 7.4% and the price of fruits and vegetables skyrocketing by 43.2%. Alcoholic Beverages on St. John increased by 6.1% in 2024. Rum increased by 2.8% in 2024, a decrease from the 4.0% increase in the previous year. Cable television packages are part of the Recreation index, which increased by 24.5%, a notably higher increase than in 2023.

In 2024, some inflation indices are moving at a slower pace. For instance, the Housing index on St. John saw a rise of 0.9%. Additionally, the apparel index increased by 0.3%, while the index for other goods and services climbed by 1.3%. In contrast, the medical care index experienced a slight decline of 0.2%.

Figure 6: St. John Consumer Price Index (CPI) and Inflation Rate by Index for 2024



USVI Slowest Inflation Rate on St. Croix

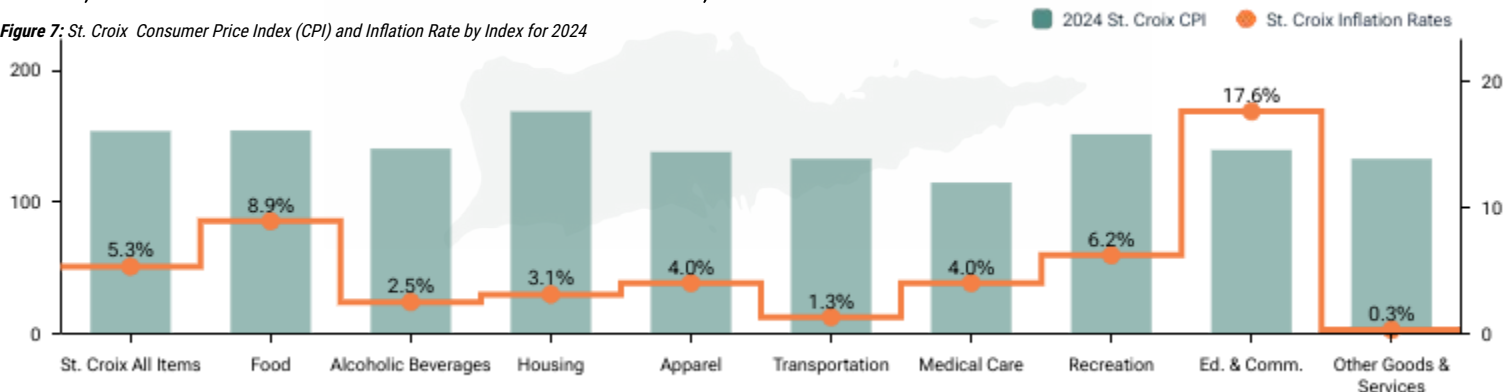
In St. Croix, the Education and Communication Index saw a significant increase of 17.6%, up from just 2.6% in 2023. This sharp rise can mainly be attributed to the increased costs of phone packages, which rose from a decrease of 15.5% in 2023 to 17.9% in 2024.

The Food Index on St. Croix also experienced an overall increase of 8.9%, driven by a 2.1% inflation rate in the Fruits and Vegetables category. Specifically, fruit prices increased by 2.3%, while vegetable prices rose by 3.4%. Additionally, the prices of poultry increased by 0.7%, egg prices surged by 27.7%, and red meat prices increased by 2.6%. In terms of lunch pick-ups, inflation surged by 3.1% on St. Croix.

Recreation followed with a 6.2% increase, driven by a 12.9% rise in pet food prices. Both the Apparel and Medical Care indices increased by 4.0%. The transportation index on St. Croix remained the lowest in the territory at 1.3%, with the gasoline inflation rate decreasing by 0.2% in 2024. Housing in St. Croix increased by 3.1% in 2024 when compared to the increase of 14.9% in 2023. Contributors to this index's inflation are Appliances, increasing 3.6%, and Rent, which increased 4.3% after a slight decrease in 2023 to 2.9%. Alcoholic Beverages rose by 2.5% in 2024, compared to a 9.3% increase in 2023. Rum prices increased by 6.7%, which is less than the 11.7% rise seen in 2023, while beer prices rose by 4.0% after a 4.8% decrease in the previous year.

January was identified as the month with the highest inflation rate, recording 7.9%, while September had the lowest rate at 3.9%. Overall, St. Croix had the lowest inflation rate of all the islands, at **5.3%**.

Figure 7: St. Croix Consumer Price Index (CPI) and Inflation Rate by Index for 2024



2024 Average (\$) Price of Selected Consumer Goods

As indicated by the inflation trends highlighted in this report, some average prices in the US Virgin Islands (USVI) have indeed risen. In particular, we saw increases in food, tuition, communication, recreation, and housing, although these rises occurred at a slower pace than before, as seen in Table 1.

In 2024, the rental price for a single-bedroom unit rose by 5.2%, while two-bedroom units experienced a substantial increase of 20.6%, bringing their average monthly cost to \$2,392.69. Additionally, Utilities such as electricity rates increased by 6.9%, and water charges rose by 3.4%. The price of cooking gas also saw a modest rise of 0.3%.

The average price of a dozen eggs rose by 19.2%, going from \$12.16 in 2023 to \$14.49 in 2024. Meat prices also rose by 7.5%, with the average cost now at \$9.74. Additionally, the average price of fruits increased by 4.5%, while vegetables saw an average rise of 6.3%, bringing their average price to \$3.97. On the other hand, poultry prices decreased by 2.2% in 2024. Notably, fish experienced the largest average price increase, at 33%, with the average price reaching \$10.26 compared to the previous year.

Communication experienced the largest increase in the report, with cell phone package plans rising by 12.9%, while cable TV (3.5%) and internet (20.9%) services saw price hikes due to a clear demand for high-speed communication.

However, there are certain items where the growth rate has decelerated, such as used vehicles (-11.1%), Chicken (-2.2%), and Milk (-1.7%).

Table 1: Average Price (\$) All Islands Combined 2023-2024

Average Cost 2024	2023	2024	% chg.
Schools			
Tuition for private schools	\$1,065.02	\$1,097.80	3.1
Child Care	\$490.17	\$491.83	0.3
Housing			
Single-bedroom rental unit	\$1,730.86	\$1,820.50	5.2
Two-bedroom rental unit	\$1,983.24	\$2,392.69	20.6
Utilities			
Water	\$295.24	\$305.28	3.4
Electricity	\$308.45	\$329.73	6.9
Gas cooking	\$92.21	\$92.50	0.3
Food			
Meats <i>per lb.</i>	\$9.06	\$9.74	7.5
Water drinking	\$4.62	\$4.97	7.5
Milk	\$5.38	\$5.29	-1.7
Fruits <i>per lb.</i>	\$5.70	\$5.96	4.5
Eggs	\$12.16	\$14.49	19.2
Vegetables <i>per lb.</i>	\$3.74	\$3.97	6.3
Chicken <i>per lb.</i>	\$8.59	\$8.40	-2.2
Fish <i>per lb.</i>	\$7.70	\$10.26	33.3
Rice	\$8.47	\$8.63	1.9
Communication			
Cell Phone plan (basic)	\$73.04	\$82.45	12.9
Cable TV (basic)	\$76.25	\$78.92	3.5
Internet service (basic)	\$56.73	\$68.60	20.9
Transportation			
Used Vehicle	\$29,499.17	\$26,235.83	-11.1
New Vehicle	\$48,249.99	\$50,216.25	4.1
Taxi services			
Vitrans services	\$1.00	\$1.00	-
Adult	\$1.00	\$1.00	-
Student	\$0.75	\$0.75	-

Note: The average price is determined by the mean price of similar items in each index. All data are collected on a monthly basis.

Table 2. USVI Monthly Consumer Price Index (CPI) Major Groups and Inflation Rate (%) from December 2023-December 2024

2024	Weight	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Annual Inflation Rate %
All Items	100.0	142.7	142.9	143.0	143.8	145.0	146.1	145.8	147.0	147.1	150.1	150.9	150.3	150.4	7.1%
Food	13.2	157.2	157.8	158.9	160.2	160.3	160.5	160.6	162.7	162.9	167.5	167.5	167.5	167.8	8.8%
Alcoholic Beverages	1.4	136.1	136.1	136.1	136.2	136.2	136.2	138.1	138.6	138.7	140.1	140.2	140.2	140.2	4.1%
Housing	41.9	157.8	158.2	158.3	159.3	159.3	159.3	159.6	161.1	161.1	163.2	164.4	164.4	163.2	6.0%
Apparel	8.5	162.2	162.2	162.2	163.3	163.3	163.2	163.4	164.3	164.7	168.7	168.9	169.9	168.2	5.7%
Transportation	9.3	122.0	122.8	122.0	122.9	123.2	121.5	121.5	123.2	123.5	124.1	123.8	124.0	123.9	4.5%
Medical Care	4.3	110.3	110.3	110.3	110.3	110.3	110.0	110.3	110.2	110.0	111.6	111.6	111.6	110.7	1.9%
Recreation	3.7	120.3	120.3	120.3	121.4	123.3	125.5	125.7	130.2	130.8	131.8	131.5	131.9	130.7	10.0%
Education & Comm.	10.7	124.5	124.5	123.3	123.5	129.5	139.2	134.3	136.1	136.1	142.1	147.3	139.5	147.1	16.8%
Other Goods & Svc.	8.0	112.9	112.9	112.9	113.0	113.0	113.0	113.3	113.3	113.3	114.3	114.1	114.1	114.3	1.6%

What does the New Inflation Rate of 7.1% for 2024 mean for 2025?

Trend predictions were confirmed that inflation in the United States declined throughout 2024. Consumer prices in the U.S. Virgin Islands began to moderate in late 2023, reflecting the easing of inflation noted in our 2023 Inflation Review. The inflation remains stubbornly high in the U.S. Virgin Islands, measuring 7.1%—over twice the national level—although it has moderated in recent months. The uncertainty of domestic tariff policies, if implemented permanently, may push the U.S. inflation rate to a peak of around 4.0% by the end of 2025, according to estimates from the Bureau of Economic Analysis (BEA), which will directly influence the United States Virgin Islands' inflation rate.

THE CPI EXPLAINED: This release examines the percentage change between the annual average Consumer Price Index (CPI) in 2023 and 2024. The USVI CPI measures the price changes consumers pay for a basket of goods and services on a month-by-month basis in the territory, as calculated by the Bureau of Economic Research (BER) using standard methodology. The CPI is a generally accepted measure of inflation. It is used in collective bargaining negotiations and to adjust rental agreements, income, wages, salaries in employment contracts, and cost-of-living allowances for social security pension payments and welfare assistance. The government also uses CPI to formulate fiscal and economic policies.

Note: All data is subject to revision. For inquiries and technical questions, please contact The Office of the Governor, Bureau of Economic Research at 340-693-4375 or visit www.usviber.org