

2021 ALL-ITEMS INFLATION

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

HIGHLIGHTS

- The Consumer Price Index rose **8.6%** on an annual average in 2021, following an increase of **5.7%** in 2020.

Major Contributors to Inflation in 2021

- Among the nine major components, food inflation was **10.6%** from **5.7%** in 2020.
- Housing decreased **7.5%** in 2021 from **7.6%** in 2020.
- 2021 Prices for other goods and services (**6.6%**).
- Education prices declined **-1.9%**, the lone component to fall in the past year.

Higher prices in all islands

- 2021 Inflation rates rose fastest in St. Thomas (**10.6%**), followed by St. Croix (**10.3%**). Price growth among the islands was the slowest in St. John (**4.8%**).

INFLATION

THE USVI REACHES THE HIGHEST RATE SINCE 2010



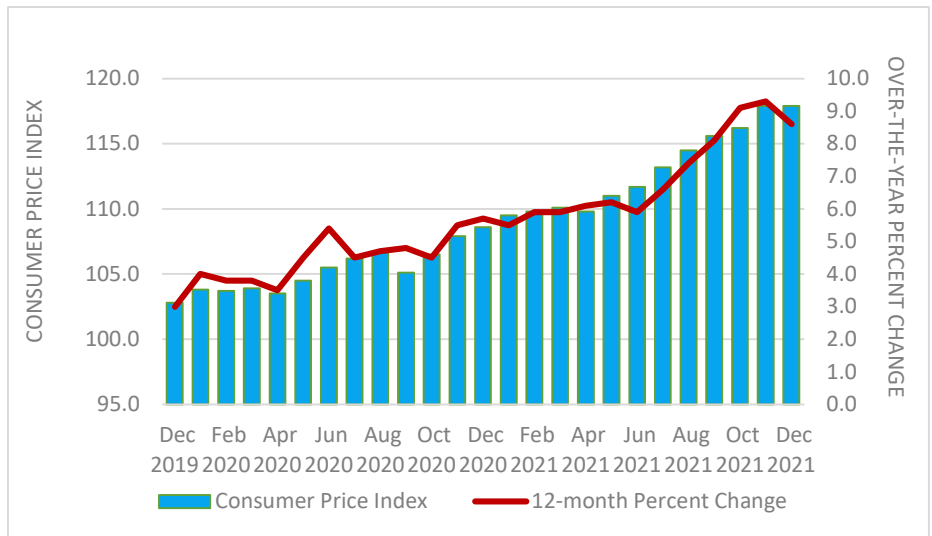
U.S. Virgin Islands' consumer prices surged over the past 12 months, with inflation—measured as the year-on-year change in the consumer price index—reaching 8.6 percent in 2021 from 5.7 percent in 2020.

Price inflation was unrelenting in 2021, with most months above 6 percent. The recovery in demand for goods and services following the COVID-19 pandemic, global supply disruptions, and rising food and energy prices have pushed inflation to high levels.



U.S. VIRGIN ISLANDS CONSUMER PRICE INDEX 2021 INFLATION REVIEW

Figure 1. USVI CPI and Over-the-Year Change (%) from December 2019 - December 2021
Source: U.S. Virgin Islands Bureau of Economic Research



PRICES ROSE

PRICE INCREASES FASTER IN EIGHT OF THE NINE MAJOR COMPONENTS

Sharp price increases were also seen in transportation (**11.6 percent**), mainly due to surging prices for gasoline at the pump and motor fuels and higher utility bills.

Clothing and footwear prices increased **15.9 percent** in 2021 as public health measures and restrictions eased, and people returned to work and school activities.

The cost of medical care rose, but to a lesser degree, by **6.2 percent** in 2021. Consumers spent more on self-prescribed medicines and other prescription drugs.

The rise in inflation also reflects sharply higher prices for recreation (**3.4 percent**) and other goods and services, which rose **6.6 percent**. The sole decline in consumer prices among the major categories was education and communication, where price inflation was **-1.9 percent** lower than a year earlier.



Figure 2. USVI Monthly Consumer Price Index (CPI) Major Groups from December 2020 to December 2021
 Source: US Virgin Islands Bureau of Economic Research

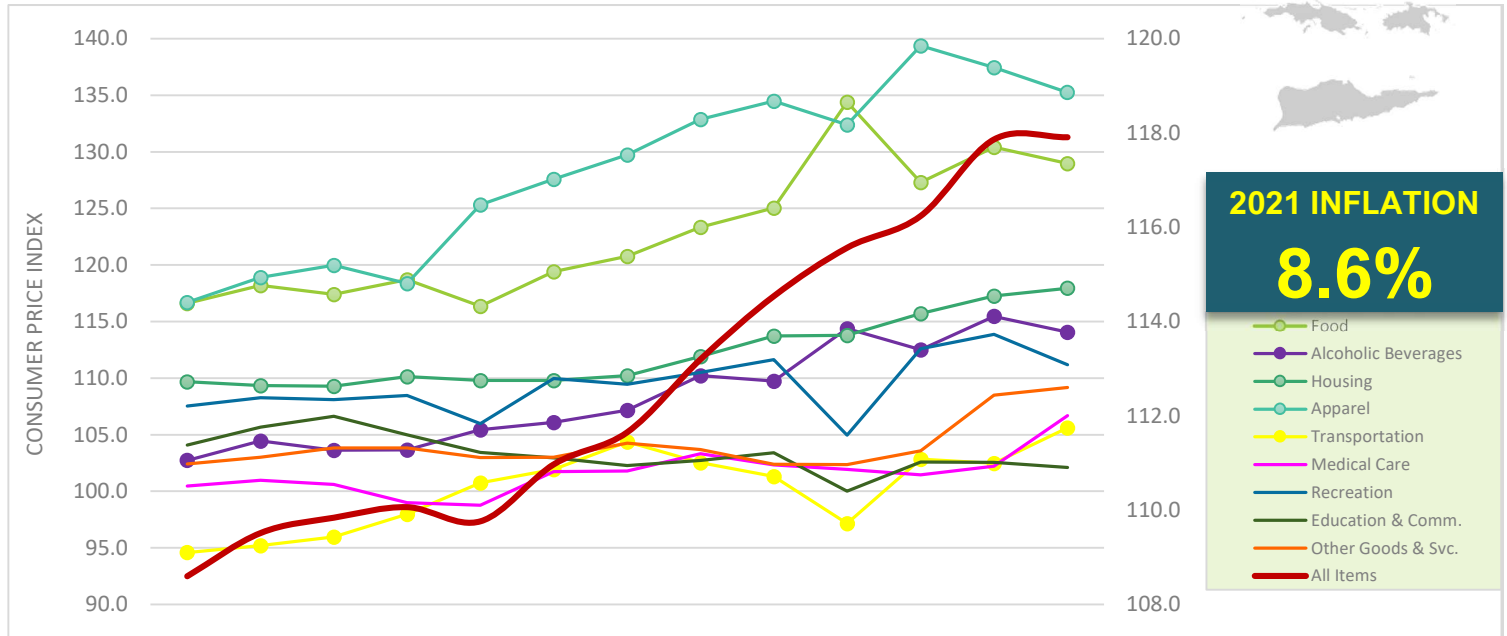


Table 1. USVI Monthly Consumer Price Index (CPI) Major Groups and Inflation Rate (%) from December 2020 to December 2021

Major Groups	Weight	Dec-20	2019=100												12- MONTHS INFLATION RATE
			Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	
Food	13.2	116.6	118.2	117.4	118.7	116.4	119.4	120.8	123.3	125.0	134.4	127.3	130.4	129.0	10.6
Alcoholic Beverages	1.4	102.8	104.4	103.6	103.7	105.4	106.1	107.2	110.2	109.7	114.4	112.5	115.5	114.1	11.0
Housing	41.9	109.7	109.3	109.3	110.1	109.8	109.8	110.2	111.9	113.7	113.8	115.7	117.3	118.0	7.5
Apparel	8.5	116.7	118.9	120.0	118.4	125.3	127.6	129.7	132.9	134.5	132.4	139.4	137.5	135.2	15.9
Transportation	9.3	94.6	95.2	96.0	98.0	100.7	101.9	104.4	102.5	101.3	97.2	102.8	102.5	105.6	11.6
Medical Care	4.3	100.5	101.0	100.6	99.0	98.8	101.7	101.8	103.3	102.3	101.9	101.4	102.2	106.7	6.2
Recreation	3.7	107.5	108.3	108.1	108.5	106.0	110.0	109.5	110.5	111.6	105.0	112.6	113.9	111.2	3.4
Education & Comm.	10.7	104.1	105.7	106.6	105.0	103.4	103.0	102.3	102.7	103.4	100.0	102.6	102.6	102.1	-1.9
Other Goods & Svc.	8.0	102.4	103.0	103.8	103.8	103.0	103.0	104.2	103.7	102.4	102.4	103.6	108.5	109.2	6.6
All Items	100	108.6	109.5	109.8	110.1	109.8	111.0	111.7	113.2	114.5	115.6	116.2	117.9	117.9	8.6

Source: US Virgin Islands Bureau of Economic Research

The CPI Explained

This release examines the percentage change between the annual average Consumer Price Index (CPI) in 2021 and 2020.

The USVI CPI measures the change in prices paid by consumers for a basket of goods and services over time 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 the CPI in formulating fiscal and economic policy.

For inquiries and technical questions, please contact The Office of the Governor, Bureau of Economic Research (340-776-7953) or www.usviber.org.

Note: All data is subject to revision.