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RMI Consumer Price Index (CPI) Report 4th Quarter, 2025

Key highlights

The annual inflation rate saw an increase of 1.95 percent over the last 12 months. Quarterly inflation rate saw an increase of 0.41 percent this quarter.

The CPI measures the changes in the cost of a basket of good and services typically purchase by household in the Marshall Islands.

The quarterly consumer price index (CPI) rose 0.41 percent in the 4th quarter 2025. One out of the twelve CPI groups recorded a negative contribution in the quarterly CPI. The rest of the groups in the CPI basket recorded an increase, while Health and Education groups remained unchanged.

The table below illustrates CPI index by all major groups by two consecutive years.

RMI Consumer Price Index, 2nd Quarter 2024 to 4th Quarter 2025

	COICOP Divisions	CPI Weights	2024			2025			
			Q2	Q3	Q4	Q1	Q2	Q3	Q4
01	FOOD AND NON-ALCOHOLIC BEVERAGES	*354.1*	*100.0*	100.63	103.85	102.95	104.14	105.59	105.72
02	ALCOHOL AND TOBACCO	*51.5*	*100.0*	100.17	100.91	101.84	102.16	102.89	103.72
03	CLOTHING AND FOOTWEAR	*40.6*	*100.0*	100.00	106.90	106.53	105.73	103.74	104.59
04	HOUSING, WATER, ELECTRICTY, GAS AND OTHER FULELS	*110.4*	*100.0*	105.52	107.01	113.84	113.76	112.39	112.49
05	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE	*55.0*	*100.0*	100.04	105.37	109.29	110.46	107.38	108.26
06	HEALTH	*2.1*	*100.0*	100.00	100.00	100.00	100.00	100.00	100.00
07	TRANSPORT	*107.1*	*100.0*	100.00	100.03	99.96	99.50	99.48	97.75
08	COMMUNICATION	*29.6*	*100.0*	100.00	99.68	99.68	99.68	99.68	99.77
09	RECREATION AND CULTURE	*19.2*	*100.0*	100.25	99.12	97.65	97.85	99.58	101.41
10	EDUCATION	*14.1*	*100.0*	100.55	100.55	100.55	100.55	100.55	100.55
11	RESTURANTS AND HOTELS	*153.8*	*100.0*	101.92	108.58	106.97	107.62	107.00	108.93
12	MISCELLANEOUS GOODS AND SERVICES	*62.7*	*100.0*	100.62	97.25	97.20	99.47	106.72	108.30

Source: EPPSO

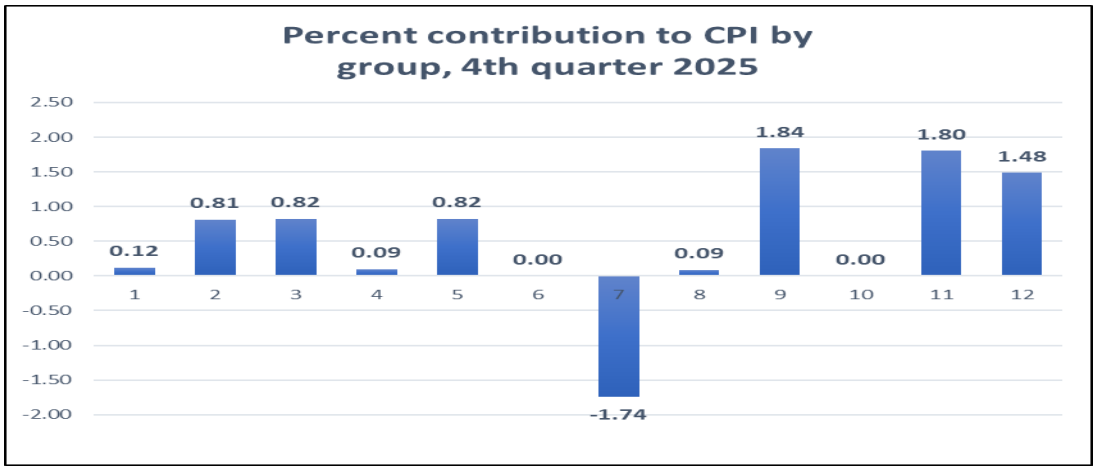
The table below illustrates the percentage contribution of the major groups when compare to previous quarter.

RMI Consumer Price Index Quarterly Change, 3rd Quarter 2024 to 4th Quarter 2025

COICOP Divisions		2024		2025			
		Q3	Q4	Q1	Q2	Q3	Q4
01	FOOD AND NON-ALCOHOLIC BEVERAGES	0.63	3.20	-0.87	1.16	1.39	0.12
02	ALCOHOL AND TOBACCO	0.17	0.74	0.92	0.31	0.71	0.81
03	CLOTHING AND FOOTWEAR	0.00	6.90	-0.35	-0.75	-1.88	0.82
04	HOUSING, WATER, ELECTRICTY, GAS AND OTHER FULELS	5.52	1.41	6.38	-0.06	-1.21	0.09
05	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTAINANC	0.04	5.33	3.72	1.07	-2.79	0.82
06	HEALTH	0.00	0.00	0.00	0.00	0.00	0.00
07	TRANSPORT	0.00	0.03	-0.07	-0.46	-0.02	-1.74
08	COMMUNICATION	0.00	-0.32	0.00	0.00	0.00	0.09
09	RECREATION AND CULTURE	0.25	-1.12	-1.49	0.21	1.77	1.84
10	EDUCATION	0.55	0.00	0.00	0.00	0.00	0.00
11	RESTURANTS AND HOTELS	1.92	6.54	-1.48	0.61	-0.58	1.80
12	MISCELLANEOUS GOODS AND SERVICES	0.62	-3.35	-0.05	2.34	7.29	1.48

Source: EPPSO

The following graph shows the impact of items that rose and fell in price by major group.



Quarterly Change

In the 4th quarter 2025 compared to 3rd quarter 2025, CPI increased **0.41** percent. The main causes of increase are chicken meat, Milk liquid, spirit whisky, smoking tobacco, raw fabric, air conditioner, TV set and laptop computer.

- Food and non-alcoholic beverages increased **0.12** percent, main contribution;
  - Rice (down 3.2 percent)
  - Flour (down 1.4 percent)
  - Chicken meat/whole chicken (up 8.4 percent)
  - Milk liquid (up 4.4 percent)
  - Sugar (down 11.5 percent)
  - Egg (down 20.0 percent)
- Alcohol and Tobacco rose **0.81** percent, main contribution;
  - Spirit (up 14.8 percent)
  - Wine (down 1.0 percent)
  - Smoking Tobacco (up 2.4 percent)

- Clothing and Footwear increased **0.82** percent, main contribution;
    - Raw fabric (up 14.6 percent)
    - School uniform (down 10.1 percent)
- Housing, Water, Electricity, Gas and other Fuels rose **0.09** percent, main contribution;
    - Roofing maintenance (up 1.3 percent)
    - Diesel/bio fuel private generator (up 1.0 percent)
- Furnishing, Household Equipment and Routine Maintenance increased **0.82** percent, main contribution;
    - Bed sheet (up 2.7 percent)
    - Air Conditioner (up 4.3 percent)
    - Insecticides & Pesticides (up 4.5 percent)
    - Refrigerator Or Freezer (down 2.4 percent)
- Health remains unchanged

- Transport decreased **1.74** percent, main contribution;
    - Gasoline fuel (up 0.07 percent)
    - Air Fare – International (down 12.8 percent)
- Communication increased **0.09** percent, main contribution;
    - Cellphone (up 0.08 percent)
- Recreation and Culture increased **1.84** percent, main contribution;
    - TV set (up 9.7 percent)
    - Laptop computer (up 4.5 percent)
- Education remains unchanged
- Restaurants and Hotels increased **1.80** percent, main contribution;
    - Hot drink away from home (up 24.0 percent)
- Miscellaneous Goods and Services rose **1.48** percent, main contribution;
    - Hair Shampoo, Conditioner (down 0.8 percent)
    - Baby Diapers, Wipes (up 4.1 percent)

Annual Change

The CPI annual inflation rate for this quarter saw an increase of 1.95 percent. All major groups experienced an increase or no change this quarter except for the Clothing and Footwear group and Transport group. The table below illustrates the percentage change contribution of the major groups over the corresponding quarters for the past 12 months.

CPI Major Groups	2025 q4 Annual % change
FOOD AND NON-ALCOHOLIC BEVERAGES	1.8
ALCOHOL AND TOBACCO	2.8
CLOTHING AND FOOTWEAR	-2.2
HOUSING, WATER, ELECTRICTY, GAS AND OTHER FULELS	5.1
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTAINANCE	2.7
HEALTH	0.0
TRANSPORT	-2.3
COMMUNICATION	0.1
RECREATION AND CULTURE	2.3
EDUCATION	0.0
RESTURANTS AND HOTELS	0.3
MISCELLANEOUS GOODS AND SERVICES	11.4

Source: EPPSO

RMI CPI Metadata

Introduction

The following CPI metadata describes the main characteristics of the consumer price indices (CPIs) produced in the RMI by the Economic policy, planning, and statistics office (EPPSO). It is intended to give a broad overview of consumer price indices in the RMI.

Up until 2024 Q2, EPPSO published two CPI indices, an index for Majuro Atoll, and an index for Ebeye atoll. The Majuro CPI was used as a proxy for a national CPI, as Majuro accounts for over half of the RMI population. From 2024 Q3, these indices were superseded by a single RMI CPI which is calculated with national expenditure weights and with prices collected in both Majuro and Ebeye. Price collection in the outer atolls is not possible due to the low availability of products to buy and their remoteness.

The RMI CPI

To ensure the representativity and relevance of a consumer price index, CPIs should be periodically updated to ensure they reflect the current purchasing patterns of households.

To ensure the continued relevance of the CPI, EPPSO has reviewed and updated the CPI indices in the RMI. The review was based on data from the household and income expenditure survey (HIES) conducted in 2019. The HIES which covered all of RMI measures expenditures made by households. From these data, EPPSO derived a new CPI basket of goods and services, which reflects what products households in the RMI currently buy. The same data were also used to estimate new CPI expenditure weights, which reflect the relative importance of the different types of goods and services households buy. For example, in 2019, approximately 35 percent of household expenditure was for the purchase of food and non-alcoholic beverages.

The review gave EPPSO the opportunity to further align the CPI with international best practice. In particular to replace the CPIs for Majuro and Ebeye with a single national RMI CPI, as this better reflects the use of the CPI as a national macroeconomic indicator. The international *classification of individual consumption by purpose* (COICOP 1999) classification, which is the standard classification used for household expenditure in economic statistics, was also introduced for the new RMI CPI. Following international best practice, the Jevons (geometric mean) formula, replaced the Dutot (arithmetic mean) formula, for averaging the prices used in the CPI.

The development of a new basket of goods and services, and the new classification provided the opportunity to increase both the number of representative items priced in the CPI, and to allow for the introduction of new goods, and in particular, new services, to be included in the CPI basket. EPPSO also reviewed and expanded the sample of outlets (shops) in which the prices used to calculate the CPI are collected. Additionally, the number of prices collected per item, was also increased.

Taken together, the above are considered by EPPSO to represent a significant improvement to the quality, relevance, and representativity of the CPI in the RMI.

Table 1 gives an overview and comparison of the main characteristics of the former Majuro and Ebeye CPIs, and the new RMI CPI.

Long-run CPI index series

In order to provide users with a long-run index series, the Majuro all-groups index and the RMI all-items indexes have been linked. The overlap or link period is 2024 Q2. The index reference period for the linked series is 2024 Q2=100. The linking was achieved by re-referencing (rescaling) the Majuro all-groups index to the 2024 Q2 Majuro index level. While this results in changes to the index numbers, historical inflation rates are unchanged as the re-referencing was undertaken on unrounded index numbers.

Given the limited basket size of the Majuro and Ebeye atoll CPI baskets, and differences in the classifications, it is not possible to link the 12 COICOP division indices of the RMI CPI and sub-group indices of the Majuro and Ebeye atoll indices. However, re-referenced sub-group indices, 2024 Q2=100, for the Majuro and Ebeye atoll indices, are available from EPPSO upon request.

Table 1 Main characteristics of consumer price indices in the RMI

Characteristics	Majuro CPI	Ebeye CPI	RMI CPI
Index reference period	2003 Q1	2006 Q4	2024 Q2
Weights reference period	2002	2002	2019
Price reference period	2003 Q1	2006 Q4	2024 Q2
Classification	Bespoke	Bespoke	Classification of individual consumption by purpose (COICOP) 1999
Published aggregates	All-Groups plus nine sub-groups	All-Groups plus nine sub-groups	All-items pus 12 COICOP divisions
Frequency	Quarterly	Quarterly	Quarterly
Geographic coverage of the weights	Majuro atoll	Ebeye atoll	National
Source of weights	2002 HIES	2002 HIES	2019 HIES
Product basket	Approximately 60 items	Approximately 60 items	Approximately 120 items
Price collection period	Second week of February, May, August, and November	Third week of February, May, August, and November	Second and third weeks of February, May, August, and November
Prices recorded	Shelf prices (excludes sales tax)	Shelf prices (excludes sales tax)	Purchaser prices (inclusive of sales tax)
Treatment of missing prices	Carry forward last observed price	Carry forward last observed price	Prices are imputed for one quarter, if the price is still missing the item is replaced
Publication schedule	Target: no later than one-month after the reference quarter	Target: no later than one-month after the reference quarter	Target: no later than one-month after the reference quarter
Dissemination	Paper and website	Paper and website	Paper and website
Index type	Laspeyres-type, long-term price relative	Laspeyres-type, long-term price relative	Laspeyres-type. long-term price relative
Elementary aggregate formula	Dutot (arithmetic mean)	Dutot (arithmetic mean)	Jevons (Geometric mean)
Chain-linked	No	No	Yes. The RMI CPI all-items index is linked to the Majuro all-groups index

			with May 2024 Q2 being the link month