# Consumer Price Index
# Republic of Palau

1st Quarter 2026
(Provisional)


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# Foreword

We are pleased to publish this quarter's Consumer Price Index (CPI) publication. The publication presents data for the first quarter of 2026 using the updated weights from the 2023/2024 Household Income and Expenditure Survey.

The statistical information presented in this publication contains a wealth of information that measures quarterly changes in prices of a "basket" of goods and services, which are representative of purchases by private households in Palau.

We acknowledge with great appreciation the valuable contributions of many offices of the National Government and state governments, as well as those participating establishments, for enabling us to continue the collection of prices every quarter for the selected items within the Palau CPI. With your cooperation and assistance, we will continue to publish the Palau CPI to account for the changes in the prices of commodities consumed by all the people residing in Palau.

Sincerely,

Kaleb Udui Jr.
Director

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# Explanatory Notes

**Brief Description of the Palau Consumer Price Index:**

The Palau Consumer Price Index (CPI) measures the quarterly change in prices of a *"basket of goods and services"* that are typically purchased by private households in Palau. The basket includes a wide range of items grouped according to the *12 divisions of the Classification of Individual Consumption According to Purpose (COICOP 1999)*. This classification ensures that Palau's CPI remains consistent with international statistical standards, facilitating comparisons with other countries. These divisions are *Food and non-alcoholic beverages*; *Alcoholic beverages, tobacco, and narcotics; Clothing and footwear*; *Housing, water, electricity, gas, and other fuels*; *Furnishings, household equipment, and routine household maintenance*; *Health; Transport; Communication*; *Recreation and culture*; *Education; Restaurants and hotels; and Miscellaneous goods and services*. Examples of items priced in each major group can be found in Appendix 2.

**New CPI Base Period**

The CPI has been rebased to the fourth quarter of 2025 (Q4, 2025 = 100), and the series is *linked and re-referenced to 2025=100*, which serves as the new reference period for the index. Rebasing ensures that the CPI reflects *current household consumption patterns and expenditure structures*. The first publication of the Consumer Price Index (CPI) using the new base period is scheduled for the first quarter of 2026. Previously, the CPI used the third quarter of 2016 as the base period (Q3, 2016 =100), which was based on the 2014 *Household Income and Expenditure Survey (HIES)*. The new base period incorporates updated expenditure information from the *2023/2024 Household Income and Expenditure Survey (HIES)*. This update allows the CPI to better represent how households in Palau currently spend their income.
Prices of goods and services included in the CPI are collected quarterly in the middle month of each quarter, from a representative range of retail outlets.

**Weighting of the CPI 'Basket'**

The weights used in the CPI represent the relative importance of each expenditure group in total household consumption. These weights are derived from the *2023/2024 HIES*, which measures how households allocate their spending across different goods and services. The total weight of all twelve divisions equals 100 percent, meaning that the CPI reflects the full distribution of household expenditures. For example:

- Food and non-alcoholic beverages account for a weight of 26.01 percent, indicating that approximately 26 percent of total household expenditure in Palau is spent on food and non-alcoholic beverages.
- Transport represents a significant share of 7.84% of the household spending due to fuel and vehicle-related costs.

Each division weight reflects the proportion of household spending allocated to that category in the 2023/2024 HIES. More details on the weights for each major group and sub-group can be found in Appendix 1.

**Goods and Services Price Indexes**

These sub-indices can give an indication of factors driving CPI price changes. The Goods index includes only goods items, such as food, fuel, furniture and furnishing, and beauty products. On the other hand, the Services index includes services such as laundry, rent payment, car maintenance, water bill, and electricity.
However, it should be noted that price movements in the CPI are significantly influenced by imported goods. For example, an increase in the prices of imported commodities such as fuel (classified as a good under the transport division) can have a broad impact on the overall CPI. Higher fuel prices not only raise the price of the fuel item itself but also increase the expenses of transportation and production, which in turn leads to higher prices for both goods and services included in the CPI basket.

In Palau, as in other Pacific countries, the CPI basket indicates a strong reliance on imported goods; the new weights constitute 58 percent of total consumption, compared to only 6 percent for domestically produced goods. On the other hand, services are primarily locally supplied, contributing 29 percent to the basket, while imported services account for 7 percent.

**Analysis of CPI Changes:**

Movements in index numbers from one period to another can be expressed in index points or as percentage changes. The following example illustrates the method of calculating changes in index points and percentage changes between any two periods. It is simply a difference between the current quarter index and the previous quarter index. The difference is divided by the previous quarter's index to generate the percentage change between those two periods.

## Example (quarterly change)

Reference Periods: 1st Quarter 2025 – 4th Quarter 2024

Change in Index: 112.1 - 111.8 = 0.3

Change in Percent: 0.3/111.8 = .003

.003 * 100 = 0.3%

## Example (annual change)

Reference Periods: 1st Quarter 2025 – 1st Quarter 2024

Change in Index: 112.1 – 103.9 = 8.2

Change in Percent: 8.2/103.9 = .079

.079 * 100 = 7.9%

**For Further Information**

In addition to the statistics included in this publication, the Office of Planning and Statistics may have further details available. Inquiries should be directed to Ms. Muriel Sinsak, Senior Planning Analyst, Office of Planning and Statistics, at phone: (680) 767-1269, fax: (680) 767-5642; or email: muriels@palaugov.org.

# PALAU CPI - SUMMARY OF MOVEMENTS FOR 2026 QTR 1

## Summary of Quarterly Movement

The Palau quarterly inflation rate shows a slight increase of 0.1 percent. Furnishings, household equipment and routine household maintenance group, Restaurants and hotels group, Communication group, Recreation and culture group, Miscellaneous goods and services group, Alcoholic beverages, tobacco and narcotics group, Education group, and Health group contributed to the increase. The table below illustrates the percentage contribution of the major groups when compared to the previous quarter.

| Major Division | 2026q1 quarterly % change |
|---|---|
| Food and non-alcoholic beverages | -1.2 |
| Alcoholic beverages, tobacco and narcotics | 1.1 |
| Clothing and footwear | -2.7 |
| Housing, water, electricity, gas and other fuels | -1.7 |
| Furnishings, household equipment and routine household maintenance | 4.0 |
| Health | 0.4 |
| Transport | -0.6 |
| Communication | 1.5 |
| Recreation and culture | 1.3 |
| Education | 0.4 |
| Restaurants and hotels | 1.8 |
| Miscellaneous goods and services | 1.2 |

This quarter's inflation rate can be further analyzed for goods and services items (Table 4). There was a -28.5 percent decrease in the prices of goods items, whereas prices for services items decreased by -24.4 percent.

More details on what has caused the latest quarterly movement can be found in the "quarterly change analysis" section of this report.

## Summary of Annual Movement

The annual inflation rate in Palau shows a slight increase of 0.4 percent. The groups that saw an increase were the Housing, water, electricity, gas and other fuels group, Furnishings, household equipment and routine household maintenance group, Restaurants and hotels group, Communication group, Recreation and culture group, Miscellaneous goods and services group, Education group, and Health group. The table below illustrates the percentage change contribution of the major groups over the corresponding quarters for the past 12 months.

| Major Division | 2026q1 annual % change |
|---|---|
| Food and non-alcoholic beverages | -2.1 |
| Alcoholic beverages, tobacco, and narcotics | -0.8 |
| Clothing and footwear | -2.8 |
| Housing, water, electricity, gas, and other fuels | 4.0 |
| Furnishings, household equipment, and routine household maintenance | 2.4 |
| Health | 0.4 |
| Transport | -0.3 |
| Communication | 1.5 |
| Recreation and culture | 1.3 |
| Education | 0.4 |
| Restaurants and hotels | 1.8 |
| Miscellaneous goods and services | 0.8 |

The annual inflation rate can be further analyzed for both goods and services items (Table 4). Goods items decreased by -29.1 percent, while services items decreased by -22.2 percent.

More details on the causes of the latest annual movement can be found in the "annual change analysis" section of this report.

# PALAU CPI – ANALYSIS OF INDEX, ANNUAL AND QUARTERLY

Table 1 below shows the value of the index for each major group, and its change over time, both from an annual and quarterly perspective. More information regarding the interpretation of the changes from both annual and quarterly can be found in the next two sections of the analysis in this report.

**TABLE 1: PALAU CONSUMER PRICE INDEX (2025 = 100)**

| COICOP Division | All-Items | Food and non-alcoholic beverages | Alcoholic beverages, tobacco and narcotics | Clothing and footwear | Housing, water, electricity, gas and other fuels | Furnishings, household equipment and routine household maintenance | Health | Transport | Communication | Recreation and culture | Education | Restaurants and hotels | Miscellaneous goods and services |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Weights** | 100% | 26.01% | 7.13% | 3.07% | 13.07% | 9.82% | 0.83% | 7.84% | 4.32% | 3.21% | 0.70% | 12.23% | 11.77% |
| **Annual** | | | | | | | | | | | | | |
| 2017 | **73.8** | 66.7 | 84.0 | 84.1 | 71.2 | 85.0 | 93.2 | 64.0 | 90.6 | 88.8 | 88.8 | 65.7 | 86.1 |
| 2018 | **75.4** | 69.4 | 83.8 | 85.0 | 73.6 | 83.7 | 95.1 | 68.1 | 90.3 | 86.7 | 88.8 | 64.3 | 84.3 |
| 2019 | **75.6** | 69.8 | 83.8 | 84.5 | 73.6 | 83.7 | 95.6 | 68.3 | 90.3 | 86.0 | 88.8 | 66.8 | 83.3 |
| 2020 | **75.7** | 71.3 | 84.3 | 88.5 | 72.4 | 83.8 | 95.8 | 66.3 | 90.3 | 86.6 | 89.6 | 66.8 | 82.4 |
| 2021 | **77.2** | 74.3 | 84.6 | 86.5 | 67.0 | 81.7 | 97.1 | 73.8 | 90.3 | 89.4 | 93.4 | 70.4 | 84.3 |
| 2022 | **87.9** | 84.4 | 87.2 | 92.6 | 95.2 | 86.6 | 97.2 | 87.5 | 90.3 | 92.3 | 97.6 | 71.9 | 86.0 |
| 2023 | **98.1** | 98.1 | 99.1 | 98.1 | 101.7 | 95.9 | 100.0 | 99.0 | 92.4 | 98.6 | 98.8 | 83.0 | 96.4 |
| 2024 | **100.4** | 97.8 | 100.7 | 97.6 | 107.0 | 100.3 | 100.0 | 101.6 | 98.1 | 100.0 | 100.0 | 91.9 | 98.7 |
| 2025 | **100.0** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| **Quarter** | | | | | | | | | | | | | |
| 2016 Sep | **73.1** | 65.6 | 84.0 | 87.6 | 69.5 | 84.1 | 93.2 | 62.6 | 90.6 | 87.6 | 88.8 | 66.2 | 86.2 |
| Dec | **72.8** | 65.6 | 83.7 | 83.7 | 69.5 | 85.0 | 93.2 | 62.8 | 90.6 | 87.6 | 88.8 | 65.7 | 84.0 |
| 2017 Mar | **73.5** | 66.7 | 83.8 | 83.7 | 69.9 | 85.3 | 93.2 | 63.6 | 90.6 | 87.6 | 88.8 | 65.7 | 86.2 |
| Jun | **73.5** | 66.1 | 84.0 | 83.9 | 70.1 | 84.8 | 93.2 | 64.5 | 90.6 | 89.6 | 88.8 | 65.7 | 85.6 |
| Sep | **73.6** | 66.4 | 84.0 | 84.5 | 70.1 | 85.2 | 93.2 | 64.0 | 90.6 | 89.0 | 88.8 | 65.7 | 85.6 |
| Dec | **74.6** | 67.6 | 84.0 | 84.5 | 74.8 | 84.8 | 93.2 | 63.7 | 90.6 | 89.0 | 88.8 | 65.7 | 86.9 |
| 2018 Mar | **74.7** | 67.9 | 83.6 | 85.8 | 73.4 | 83.7 | 93.4 | 66.3 | 90.7 | 87.4 | 88.8 | 63.9 | 84.0 |
| Jun | **75.6** | 70.5 | 83.6 | 85.6 | 73.7 | 83.7 | 95.6 | 67.1 | 89.8 | 89.3 | 88.8 | 63.9 | 84.7 |
| Sep | **75.7** | 69.6 | 84.0 | 84.0 | 73.8 | 83.7 | 95.6 | 69.2 | 90.3 | 85.1 | 88.8 | 65.6 | 84.8 |
| Dec | **75.7** | 69.5 | 84.0 | 84.6 | 73.4 | 83.6 | 95.6 | 69.8 | 90.3 | 85.1 | 88.8 | 63.9 | 83.6 |
| 2019 Mar | **75.2** | 70.2 | 83.8 | 82.4 | 73.6 | 83.6 | 95.6 | 65.5 | 90.3 | 87.5 | 88.8 | 66.8 | 83.5 |
| Jun | **75.6** | 69.3 | 83.8 | 85.0 | 73.7 | 83.7 | 95.6 | 68.4 | 90.3 | 87.5 | 88.8 | 66.8 | 84.1 |
| Sep | **75.5** | 69.2 | 83.8 | 85.0 | 73.6 | 83.7 | 95.6 | 68.4 | 90.3 | 84.5 | 88.8 | 66.8 | 83.4 |
| Dec | **76.2** | 70.3 | 83.8 | 85.6 | 73.5 | 83.7 | 95.6 | 70.7 | 90.3 | 84.5 | 89.0 | 66.8 | 82.3 |
| 2020 Mar | **76.7** | 70.8 | 84.3 | 86.5 | 74.4 | 83.9 | 95.6 | 71.4 | 90.3 | 84.5 | 89.6 | 66.8 | 82.3 |
| Jun | **75.3** | 72.4 | 84.2 | 86.9 | 73.9 | 83.9 | 95.6 | 61.7 | 90.3 | 87.3 | 89.6 | 66.8 | 82.6 |
| Sep | **76.0** | 71.4 | 84.3 | 90.0 | 74.1 | 83.5 | 93.6 | 66.0 | 90.3 | 87.3 | 89.6 | 66.8 | 82.6 |
| Dec | **74.7** | 70.5 | 84.3 | 90.5 | 67.2 | 84.0 | 98.1 | 66.2 | 90.3 | 87.3 | 89.6 | 66.8 | 82.2 |
| 2021 Mar | **73.6** | 71.1 | 84.4 | 90.5 | 56.8 | 82.1 | 98.1 | 67.3 | 90.3 | 87.3 | 89.6 | 70.2 | 83.8 |
| Jun | **74.9** | 71.5 | 84.4 | 85.9 | 58.7 | 79.6 | 98.1 | 73.5 | 90.3 | 87.9 | 88.8 | 70.2 | 85.0 |
| Sep | **79.4** | 75.1 | 85.4 | 84.4 | 75.6 | 82.5 | 96.2 | 76.5 | 90.3 | 91.1 | 97.6 | 70.2 | 83.9 |
| Dec | **80.9** | 79.3 | 84.4 | 85.3 | 76.7 | 82.5 | 96.2 | 77.9 | 90.3 | 91.2 | 97.6 | 71.0 | 84.6 |
| 2022 Mar | **83.6** | 81.1 | 84.4 | 89.7 | 86.8 | 84.5 | 96.2 | 79.9 | 90.3 | 91.2 | 97.6 | 71.7 | 84.5 |
| Jun | **87.6** | 82.2 | 84.8 | 91.8 | 95.8 | 86.7 | 97.5 | 90.9 | 90.4 | 91.3 | 97.6 | 71.7 | 85.2 |
| Sep | **90.3** | 85.9 | 89.2 | 93.7 | 101.3 | 86.4 | 97.5 | 91.1 | 90.2 | 93.0 | 97.6 | 72.2 | 86.7 |
| Dec | **90.1** | 88.4 | 90.5 | 95.3 | 96.8 | 89.0 | 97.5 | 88.0 | 90.3 | 93.6 | 97.6 | 72.2 | 87.4 |
| 2023 Mar | **97.7** | 97.2 | 98.5 | 94.8 | 105.7 | 92.7 | 100.0 | 97.9 | 92.2 | 95.1 | 97.6 | 81.2 | 94.7 |
| Jun | **98.7** | 97.8 | 99.0 | 99.1 | 110.6 | 95.4 | 100.0 | 94.8 | 92.5 | 99.5 | 97.6 | 83.3 | 95.8 |
| Sep | **98.4** | 99.3 | 99.1 | 100.4 | 96.2 | 97.6 | 100.0 | 102.5 | 92.5 | 99.6 | 100.0 | 83.8 | 97.2 |
| Dec | **97.6** | 98.1 | 99.8 | 97.9 | 94.4 | 97.9 | 100.0 | 100.8 | 92.5 | 100.0 | 100.0 | 83.8 | 97.7 |
| 2024 Mar | **99.6** | 96.0 | 100.4 | 96.9 | 104.6 | 100.1 | 100.0 | 105.2 | 92.5 | 100.0 | 100.0 | 83.9 | 98.1 |
| Jun | **101.1** | 99.2 | 100.5 | 96.9 | 108.3 | 100.0 | 100.0 | 101.8 | 100.0 | 100.0 | 100.0 | 93.8 | 97.8 |
| Sep | **100.7** | 97.8 | 101.0 | 98.2 | 108.3 | 100.0 | 100.0 | 100.6 | 100.0 | 100.0 | 100.0 | 94.9 | 99.3 |
| Dec | **100.3** | 98.0 | 101.0 | 98.5 | 106.7 | 101.2 | 100.0 | 99.0 | 100.0 | 100.0 | 100.0 | 94.9 | 99.5 |
| 2025 Mar | **100.1** | 101.0 | 101.3 | 100.0 | 96.5 | 101.2 | 100.0 | 100.9 | 100.0 | 100.0 | 100.0 | 100.0 | 99.7 |
| Jun | **99.7** | 99.7 | 101.3 | 100.0 | 99.2 | 99.7 | 100.0 | 98.1 | 100.0 | 100.0 | 100.0 | 100.0 | 100.6 |
| Sep | **99.8** | 99.2 | 98.2 | 100.0 | 102.1 | 99.6 | 100.0 | 99.7 | 100.0 | 100.0 | 100.0 | 100.0 | 100.4 |
| Dec | **100.4** | 100.1 | 99.3 | 99.9 | 102.1 | 99.6 | 100.0 | 101.3 | 100.0 | 100.0 | 100.0 | 100.0 | 99.3 |
| 2026 Mar | **100.5** | 98.9 | 100.4 | 97.3 | 100.4 | 103.5 | 100.4 | 100.7 | 101.5 | 101.3 | 100.4 | 101.8 | 100.5 |

***Note: **The current weights apply from Q1-2026, and before that, the previous weights reference period was 2013/14.***

# PALAU CPI – QUARTERLY CHANGE ANALYSIS, Dec 2016 – Mar 2026

## MARCH QUARTER KEY POINTS

ALL GROUPS CPI

- Increased by 0.1 percent compared to last quarter.

OVERVIEW OF CPI MOVEMENTS

- Divisions that showed an increase were the Furnishings, household equipment and routine household maintenance group, Restaurants and hotels group, Communication group, Recreation and culture group, Miscellaneous goods and services group, Alcoholic beverages, tobacco and narcotics group, Health group and Education group. Laundry detergent, takeaway meals, and car maintenance service prices are among the factors that led to the growth of these groups.

**TABLE 2: QUARTERLY CHANGE BY DIVISION, DECEMBER 2016 - MARCH 2026**

| COICOP Division | All-Items | Food and non-alcoholic beverages | Alcoholic beverages, tobacco and narcotics | Clothing and footwear | Housing, water, electricity, gas and other fuels | Furnishings, household equipment and routine household maintenance | Health | Transport | Communication | Recreation and culture | Education | Restaurants and hotels | Miscellaneous goods and services |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2016 Dec | **-0.3** | -0.1 | -0.4 | -4.4 | 0.0 | 1.1 | 0.0 | 0.4 | 0.0 | 0.0 | 0.0 | -0.8 | -2.6 |
| 2017 Mar | **0.9** | 1.6 | 0.2 | 0.0 | 0.7 | 0.4 | 0.0 | 1.3 | 0.0 | 0.0 | 0.0 | 0.0 | 2.7 |
| Jun | **0.1** | -0.9 | 0.3 | 0.2 | 0.3 | -0.7 | 0.0 | 1.4 | 0.0 | 2.3 | 0.0 | 0.0 | -0.8 |
| Sep | **0.0** | 0.5 | 0.0 | 0.7 | 0.0 | 0.6 | 0.0 | -0.7 | 0.0 | -0.6 | 0.0 | 0.0 | 0.0 |
| Dec | **1.4** | 1.9 | 0.0 | 0.0 | 6.7 | -0.5 | 0.0 | -0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 1.6 |
| 2018 Mar | **0.0** | 0.3 | -0.5 | 1.5 | -1.8 | -1.3 | 0.2 | 4.0 | 0.1 | -1.9 | 0.0 | -2.8 | -3.4 |
| Jun | **1.3** | 3.8 | 0.0 | -0.2 | 0.3 | 0.0 | 2.4 | 1.3 | -1.0 | 2.1 | 0.0 | 0.0 | 0.9 |
| Sep | **0.2** | -1.2 | 0.4 | -1.8 | 0.1 | 0.0 | 0.0 | 3.1 | 0.6 | -4.7 | 0.0 | 2.6 | 0.0 |
| Dec | **-0.1** | -0.1 | 0.0 | 0.7 | -0.5 | -0.2 | 0.0 | 0.9 | -0.1 | 0.0 | 0.0 | -2.6 | -1.4 |
| 2019 Mar | **-0.7** | 1.0 | -0.2 | -2.7 | 0.3 | 0.1 | 0.0 | -6.2 | 0.0 | 2.8 | 0.0 | 4.6 | -0.1 |
| Jun | **0.6** | -1.2 | 0.0 | 3.3 | 0.2 | 0.1 | 0.0 | 4.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.8 |
| Sep | **-0.2** | -0.2 | 0.0 | 0.0 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | -3.4 | 0.0 | 0.0 | -0.9 |
| Dec | **0.9** | 1.6 | 0.0 | 0.7 | -0.1 | -0.1 | 0.0 | 3.4 | 0.0 | 0.0 | 0.3 | 0.0 | -1.3 |
| 2020 Mar | **0.7** | 0.6 | 0.6 | 1.0 | 1.1 | 0.4 | 0.0 | 1.0 | 0.0 | 0.0 | 0.6 | 0.0 | 0.0 |
| Jun | **-1.8** | 2.3 | -0.1 | 0.5 | -0.6 | 0.0 | 0.0 | -13.7 | 0.0 | 3.3 | 0.0 | 0.0 | 0.4 |
| Sep | **0.9** | -1.3 | 0.1 | 3.6 | 0.3 | -0.6 | -2.1 | 7.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dec | **-1.6** | -1.3 | 0.0 | 0.5 | -9.4 | 0.7 | 4.8 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | -0.5 |
| 2021 Mar | **-1.5** | 0.9 | 0.2 | 0.0 | -15.5 | -2.3 | 0.0 | 1.7 | 0.0 | 0.0 | 0.0 | 5.1 | 2.0 |
| Jun | **1.8** | 0.6 | -0.1 | -5.1 | 3.3 | -3.1 | 0.0 | 9.3 | 0.0 | 0.7 | -0.9 | 0.0 | 1.5 |
| Sep | **6.1** | 5.0 | 1.2 | -1.8 | 28.8 | 3.7 | -1.9 | 4.1 | 0.0 | 3.6 | 9.9 | 0.0 | -1.3 |
| Dec | **1.9** | 5.5 | -1.1 | 1.2 | 1.5 | 0.1 | 0.0 | 1.8 | 0.0 | 0.1 | 0.0 | 1.1 | 0.8 |
| 2022 Mar | **3.3** | 2.3 | 0.0 | 5.2 | 13.1 | 2.3 | 0.0 | 2.6 | 0.0 | 0.0 | 0.0 | 1.0 | -0.1 |
| Jun | **4.8** | 1.3 | 0.4 | 2.3 | 10.4 | 2.6 | 1.4 | 13.8 | 0.1 | 0.1 | 0.0 | 0.0 | 0.9 |
| Sep | **3.1** | 4.5 | 5.3 | 2.1 | 5.8 | -0.3 | 0.0 | 0.3 | -0.2 | 1.9 | 0.0 | 0.7 | 1.7 |
| Dec | **-0.2** | 3.0 | 1.4 | 1.7 | -4.4 | 3.0 | 0.0 | -3.4 | 0.1 | 0.6 | 0.0 | 0.0 | 0.8 |
| 2023 Mar | **8.4** | 9.9 | 8.8 | -0.5 | 9.1 | 4.2 | 2.5 | 11.3 | 2.0 | 1.7 | 0.0 | 12.4 | 8.3 |
| Jun | **1.0** | 0.7 | 0.5 | 4.5 | 4.6 | 2.9 | 0.0 | -3.2 | 0.3 | 4.6 | 0.0 | 2.7 | 1.2 |
| Sep | **-0.2** | 1.5 | 0.1 | 1.3 | -13.0 | 2.3 | 0.0 | 8.1 | 0.0 | 0.1 | 2.5 | 0.6 | 1.4 |
| Dec | **-0.9** | -1.3 | 0.8 | -2.4 | -1.9 | 0.3 | 0.0 | -1.6 | 0.0 | 0.4 | 0.0 | 0.0 | 0.5 |
| 2024 Mar | **2.1** | -2.1 | 0.6 | -1.1 | 10.9 | 2.3 | 0.0 | 4.3 | 0.0 | 0.0 | 0.0 | 0.1 | 0.4 |
| Jun | **1.5** | 3.4 | 0.1 | 0.0 | 3.5 | -0.1 | 0.0 | -3.3 | 8.1 | 0.0 | 0.0 | 11.7 | -0.3 |
| Sep | **-0.4** | -1.5 | 0.5 | 1.4 | 0.0 | 0.0 | 0.0 | -1.2 | 0.0 | 0.0 | 0.0 | 1.2 | 1.6 |
| Dec | **-0.4** | 0.2 | 0.0 | 0.3 | -1.4 | 1.2 | 0.0 | -1.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| 2025 Mar | **-0.2** | 3.0 | 0.2 | 1.5 | -9.6 | 0.0 | 0.0 | 1.9 | 0.0 | 0.0 | 0.0 | 5.3 | 0.2 |
| Jun | **-0.4** | -1.2 | 0.0 | 0.0 | 2.8 | -1.4 | 0.0 | -2.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| Sep | **0.1** | -0.5 | -3.1 | 0.0 | 2.9 | -0.2 | 0.0 | 1.7 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 |
| Dec | **0.6** | 0.8 | 1.1 | -0.1 | 0.0 | 0.0 | 0.0 | 1.5 | 0.0 | 0.0 | 0.0 | 0.0 | -1.1 |
| 2026 Mar | **0.1** | -1.2 | 1.1 | -2.7 | -1.7 | 4.0 | 0.4 | -0.6 | 1.5 | 1.3 | 0.4 | 1.8 | 1.2 |

**Figure 1: Palau CPI, Quarterly Change (%), All Items, March 2026**

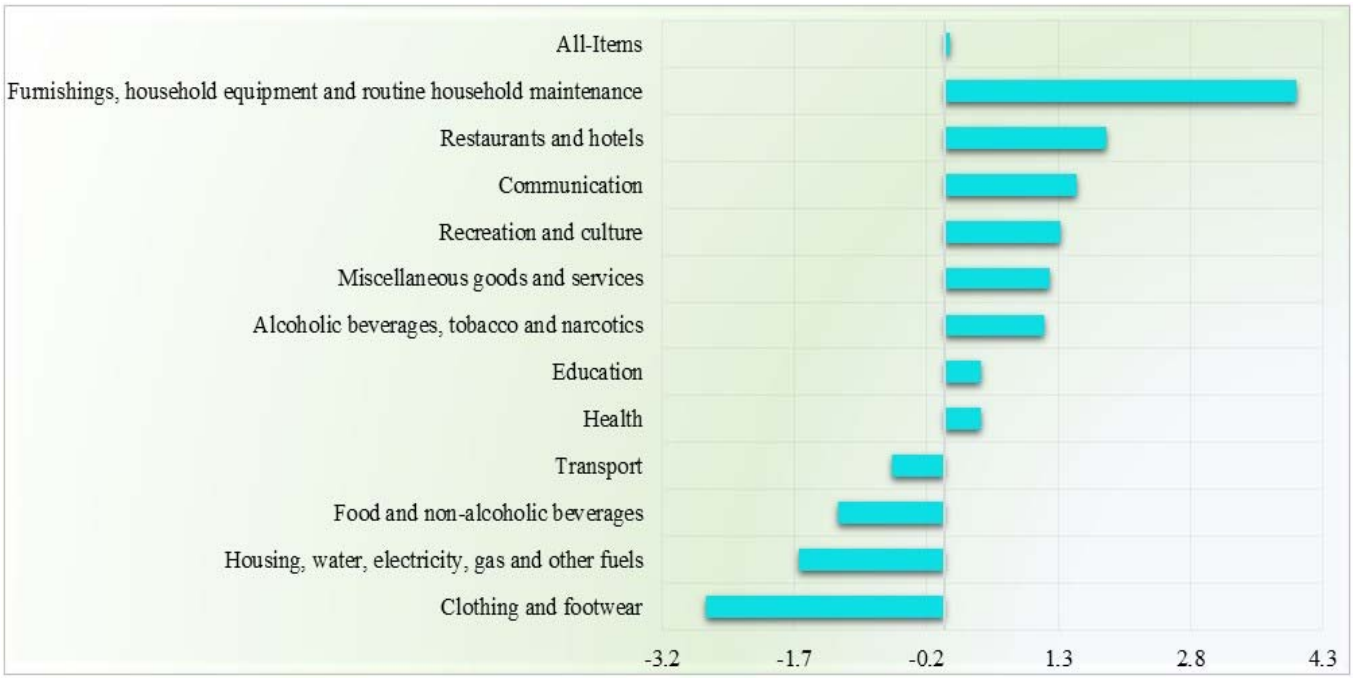


**Figure 1.1: Palau CPI, Quarterly Change, All Items, Dec 2016 – March 2026**

# PALAU CPI – ANNUAL CHANGE ANALYSIS, 2017 - 2026

ALL GROUPS CPI

- The annual inflation rate shows an increase of 0.4 over the last 12 months.

OVERVIEW OF CPI MOVEMENTS

- Divisions that saw a major increase in price for the last 12 months were the Housing, water, electricity, gas and other fuels group, Furnishings, household equipment and routine household maintenance group, Restaurants and hotels group, Communication group, Recreation and culture group, Miscellaneous goods and services group, Education group, and Health group. Items that contributed to the increase were water, electricity, restaurant meals, bento, laundry detergent, and cleaning products.

**TABLE 3: ANNUAL CHANGE BY DIVISION, DECEMBER 2016 - MARCH 2026**

| COICOP Division | All-Items | Food and non-alcoholic beverages | Alcoholic beverages, tobacco and narcotics | Clothing and footwear | Housing, water, electricity, gas and other fuels | Furnishings, household equipment and routine household maintenance | Health | Transport | Communication | Recreation and culture | Education | Restaurants and hotels | Miscellaneous goods and services |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | | | | | | | | | | | | | |
| 2018 | **2.2** | 4.0 | -0.2 | 1.0 | 3.3 | -1.6 | 2.0 | 6.5 | -0.4 | -2.4 | 0.0 | -2.2 | -2.1 |
| 2019 | **0.2** | 0.6 | 0.0 | -0.6 | 0.1 | 0.0 | 0.6 | 0.2 | 0.0 | -0.8 | 0.1 | 3.9 | -1.1 |
| 2020 | **0.1** | 2.2 | 0.5 | 4.7 | -1.7 | 0.2 | 0.1 | -2.9 | 0.0 | 0.7 | 0.8 | 0.0 | -1.1 |
| 2021 | **2.0** | 4.2 | 0.4 | -2.2 | -7.5 | -2.6 | 1.5 | 11.3 | 0.0 | 3.2 | 4.3 | 5.4 | 2.3 |
| 2022 | **13.9** | 13.6 | 3.1 | 7.0 | 42.2 | 6.0 | 0.0 | 18.5 | 0.0 | 3.2 | 4.5 | 2.2 | 1.9 |
| 2023 | **11.6** | 16.2 | 13.6 | 5.9 | 6.8 | 10.7 | 2.9 | 13.2 | 2.3 | 6.8 | 1.2 | 15.5 | 12.1 |
| 2024 | **2.4** | -0.3 | 1.7 | -0.5 | 5.2 | 4.6 | 0.0 | 2.7 | 6.2 | 1.5 | 1.2 | 10.6 | 2.4 |
| 2025 | **-0.4** | 2.3 | -0.7 | 2.4 | -6.5 | -0.3 | 0.0 | -1.6 | 1.9 | 0.0 | 0.0 | 8.8 | 1.3 |
| 2017 Sep | **0.7** | 1.1 | 0.0 | -3.5 | 0.8 | 1.3 | 0.0 | 2.4 | 0.0 | 1.6 | 0.0 | -0.8 | -0.8 |
| Dec | **2.4** | 3.1 | 0.4 | 0.9 | 7.7 | -0.3 | 0.0 | 1.5 | 0.0 | 1.6 | 0.0 | 0.0 | 3.4 |
| 2018 Mar | **1.6** | 1.8 | -0.2 | 2.4 | 5.0 | -1.9 | 0.2 | 4.1 | 0.1 | -0.3 | 0.0 | -2.8 | -2.7 |
| Jun | **2.8** | 6.7 | -0.5 | 2.0 | 5.1 | -1.2 | 2.6 | 4.1 | -1.0 | -0.4 | 0.0 | -2.8 | -1.0 |
| Sep | **3.0** | 4.9 | -0.1 | -0.5 | 5.2 | -1.8 | 2.6 | 8.1 | -0.3 | -4.4 | 0.0 | -0.3 | -0.9 |
| Dec | **1.4** | 2.8 | 0.0 | 0.2 | -1.9 | -1.4 | 2.6 | 9.5 | -0.4 | -4.4 | 0.0 | -2.8 | -3.8 |
| 2019 Mar | **0.7** | 3.4 | 0.3 | -4.0 | 0.2 | -0.1 | 2.4 | -1.2 | -0.5 | 0.1 | 0.0 | 4.6 | -0.5 |
| Jun | **0.0** | -1.6 | 0.2 | -0.6 | 0.1 | 0.0 | 0.0 | 1.9 | 0.6 | -2.0 | 0.0 | 4.6 | -0.7 |
| Sep | **-0.4** | -0.6 | -0.2 | 1.2 | -0.2 | 0.0 | 0.0 | -1.1 | -0.1 | -0.7 | 0.0 | 1.9 | -1.6 |
| Dec | **0.6** | 1.2 | -0.2 | 1.2 | 0.2 | 0.1 | 0.0 | 1.3 | 0.0 | -0.7 | 0.3 | 4.6 | -1.5 |
| 2020 Mar | **2.0** | 0.8 | 0.6 | 5.0 | 1.0 | 0.4 | 0.0 | 9.1 | 0.0 | -3.4 | 0.9 | 0.0 | -1.4 |
| Jun | **-0.4** | 4.4 | 0.5 | 2.2 | 0.2 | 0.3 | 0.0 | -9.9 | 0.0 | -0.2 | 0.9 | 0.0 | -1.8 |
| Sep | **0.6** | 3.2 | 0.5 | 5.9 | 0.7 | -0.3 | -2.1 | -3.6 | 0.1 | 3.3 | 0.9 | 0.0 | -0.9 |
| Dec | **-1.9** | 0.2 | 0.5 | 5.7 | -8.7 | 0.5 | 2.6 | -6.4 | 0.1 | 3.3 | 0.6 | 0.0 | -0.2 |
| 2021 Mar | **-4.0** | 0.5 | 0.1 | 4.7 | -23.6 | -2.2 | 2.6 | -5.8 | 0.1 | 3.3 | 0.0 | 5.1 | 1.8 |
| Jun | **-0.5** | -1.1 | 0.2 | -1.2 | -20.6 | -5.2 | 2.6 | 19.2 | 0.1 | 0.7 | -0.9 | 5.1 | 2.9 |
| Sep | **4.6** | 5.2 | 1.3 | -6.3 | 2.0 | -1.2 | 2.7 | 15.9 | 0.0 | 4.3 | 9.0 | 5.1 | 1.6 |
| Dec | **8.3** | 12.5 | 0.2 | -5.7 | 14.2 | -1.8 | -1.9 | 17.7 | 0.0 | 4.4 | 9.0 | 6.2 | 2.9 |
| 2022 Mar | **13.7** | 14.1 | 0.1 | -0.9 | 52.8 | 2.8 | -1.9 | 18.8 | 0.0 | 4.4 | 9.0 | 2.1 | 0.8 |
| Jun | **17.0** | 14.8 | 0.5 | 6.8 | 63.3 | 8.9 | -0.6 | 23.6 | 0.1 | 3.9 | 9.9 | 2.1 | 0.3 |
| Sep | **13.7** | 14.3 | 4.5 | 11.1 | 34.0 | 4.7 | 1.4 | 19.1 | -0.1 | 2.1 | 0.0 | 2.8 | 3.3 |
| Dec | **11.4** | 11.6 | 7.2 | 11.7 | 26.2 | 7.8 | 1.4 | 13.0 | 0.0 | 2.6 | 0.0 | 1.7 | 3.3 |
| 2023 Mar | **16.9** | 19.8 | 16.7 | 5.7 | 21.8 | 9.8 | 4.0 | 22.6 | 2.0 | 4.3 | 0.0 | 13.3 | 12.1 |
| Jun | **12.6** | 19.1 | 16.8 | 8.0 | 15.4 | 10.1 | 2.5 | 4.4 | 2.3 | 9.0 | 0.0 | 16.3 | 12.4 |
| Sep | **9.0** | 15.7 | 11.0 | 7.2 | -5.1 | 13.0 | 2.5 | 12.5 | 2.5 | 7.0 | 2.5 | 16.1 | 12.1 |
| Dec | **8.3** | 10.9 | 10.3 | 2.8 | -2.6 | 10.0 | 2.5 | 14.6 | 2.4 | 6.9 | 2.5 | 16.1 | 11.8 |
| 2024 Mar | **2.0** | -1.2 | 1.9 | 2.1 | -1.0 | 8.0 | 0.0 | 7.5 | 0.3 | 5.1 | 2.5 | 3.4 | 3.6 |
| Jun | **2.4** | 1.4 | 1.5 | -2.3 | -2.1 | 4.8 | 0.0 | 7.3 | 8.1 | 0.5 | 2.5 | 12.5 | 2.1 |
| Sep | **2.3** | -1.5 | 2.0 | -2.2 | 12.5 | 2.5 | 0.0 | -1.8 | 8.1 | 0.4 | 0.0 | 13.2 | 2.2 |
| Dec | **2.8** | 0.0 | 1.2 | 0.6 | 13.1 | 3.3 | 0.0 | -1.8 | 8.1 | 0.0 | 0.0 | 13.2 | 1.8 |
| 2025 Mar | **0.5** | 5.2 | 0.8 | 3.3 | -7.7 | 1.0 | 0.0 | -4.1 | 8.1 | 0.0 | 0.0 | 19.1 | 1.6 |
| Jun | **-1.4** | 0.5 | 0.8 | 3.3 | -8.4 | -0.3 | 0.0 | -3.6 | 0.0 | 0.0 | 0.0 | 6.7 | 2.8 |
| Sep | **-0.9** | 1.5 | -2.8 | 1.8 | -5.7 | -0.4 | 0.0 | -0.8 | 0.0 | 0.0 | 0.0 | 5.3 | 1.1 |
| Dec | **0.1** | 2.1 | -1.7 | 1.4 | -4.4 | -1.6 | 0.0 | 2.3 | 0.0 | 0.0 | 0.0 | 5.3 | -0.1 |
| 2026 Mar | **0.4** | -2.1 | -0.8 | -2.8 | 4.0 | 2.4 | 0.4 | -0.3 | 1.5 | 1.3 | 0.4 | 1.8 | 0.8 |

**Figure 2: Palau CPI, Annual Change, All Items, March 2026**

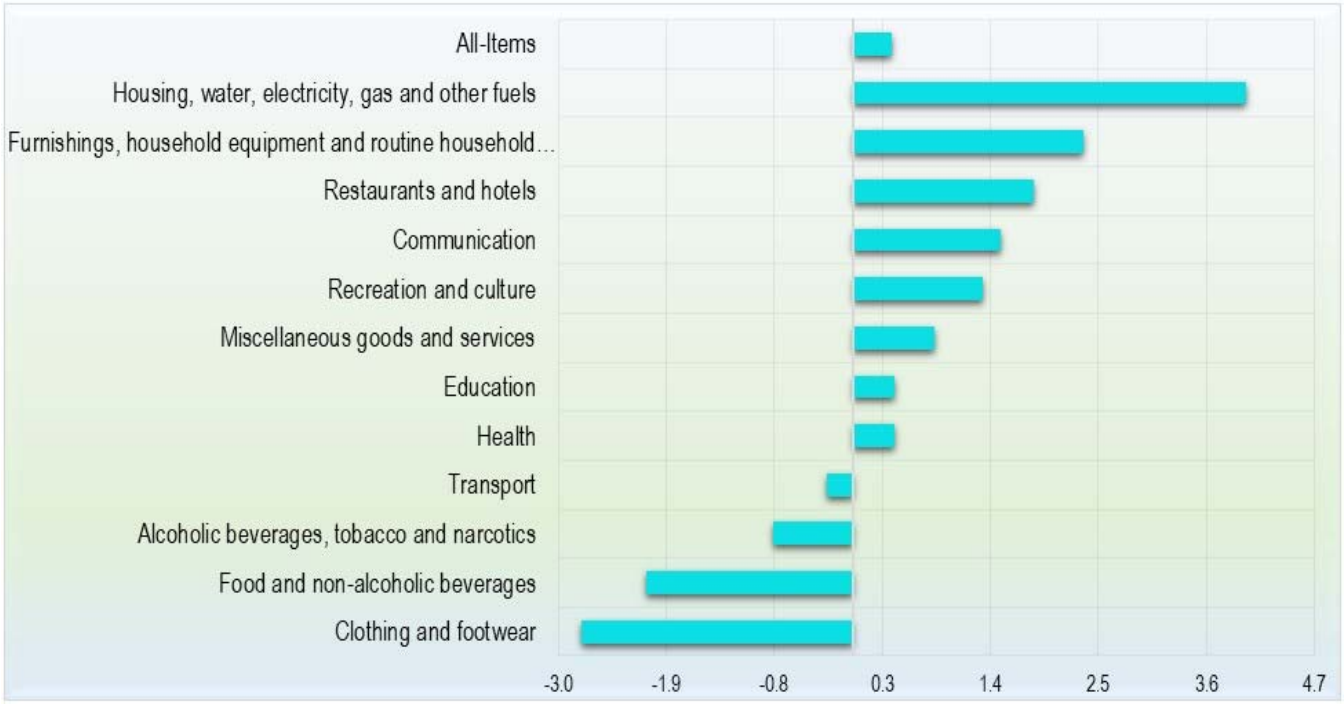


**Figure 2.2: Palau CPI, Annual Change, All Items, September 2017 – March 2026**

# PALAU CPI – GOODS V SERVICES ITEM ANALYSIS

The final analysis section examines the impact of both goods and services items on the CPI for Palau. As discussed in the explanatory notes, goods items make up the bulk of household expenditure, accounting for 64 percent in total, with the remaining 36 percent covering expenditure on services items.

Both Table 4 and Figure 3.3 show the change in the index for both groups since the re-base in December 2025. Compared to the same period last year, the prices of goods and services decreased by 29.1 percent and 22.2 percent, respectively. The decline in goods and services for Q1 2026 was primarily due to the rebasing of the new CPI indexes to their new weights.

**TABLE 4. PALAU CPI: GOODS V SERVICES INDEX, SEPTEMBER 2016 - MARCH 2026**

| YEAR | QUARTER | GOODS | SERVICES | TOTAL |
|---|---|---|---|---|
| 2016 | Sep | 71.8 | 75.9 | 73.1 |
| | Dec | 71.6 | 75.6 | 72.8 |
| 2017 | Mar | 72.3 | 76.0 | 73.5 |
| | Jun | 72.7 | 75.5 | 73.5 |
| | Sep | 72.7 | 75.5 | 73.6 |
| | Dec | 73.1 | 77.9 | 74.6 |
| 2018 | Mar | 73.5 | 77.2 | 74.7 |
| | Jun | 75.0 | 77.0 | 75.6 |
| | Sep | 75.2 | 77.0 | 75.7 |
| | Dec | 75.4 | 76.4 | 75.7 |
| 2019 | Mar | 74.4 | 76.9 | 75.2 |
| | Jun | 75.0 | 77.0 | 75.6 |
| | Sep | 74.8 | 77.0 | 75.5 |
| | Dec | 75.5 | 77.6 | 76.2 |
| 2020 | Mar | 76.0 | 78.0 | 76.7 |
| | Jun | 74.0 | 78.1 | 75.3 |
| | Sep | 74.8 | 78.6 | 76.0 |
| | Dec | 74.5 | 75.1 | 74.7 |
| 2021 | Mar | 75.0 | 70.3 | 73.6 |
| | Jun | 77.0 | 70.2 | 74.9 |
| | Sep | 79.4 | 79.6 | 79.4 |
| | Dec | 81.9 | 78.8 | 80.9 |
| 2022 | Mar | 82.9 | 85.1 | 83.6 |
| | Jun | 86.8 | 89.3 | 87.6 |
| | Sep | 89.5 | 92.2 | 90.3 |
| | Dec | 89.6 | 91.3 | 90.1 |
| 2023 | Mar | 96.9 | 99.5 | 97.7 |
| | Jun | 96.8 | 102.9 | 98.7 |
| | Sep | 99.8 | 95.5 | 98.4 |
| | Dec | 98.9 | 94.6 | 97.6 |
| 2024 | Mar | 99.5 | 99.9 | 99.6 |
| | Jun | 99.8 | 104.0 | 101.1 |
| | Sep | 99.2 | 104.1 | 100.7 |
| | Dec | 98.9 | 103.4 | 100.3 |
| 2025 | Mar | 101.0 | 98.2 | 100.1 |
| | Jun | 99.7 | 99.6 | 99.7 |
| | Sep | 99.2 | 101.1 | 99.8 |
| | Dec | 100.1 | 101.1 | 100.4 |
| 2026 | Mar | 71.6 | 76.4 | 100.5 |

**Figure 3: Palau CPI, Annual Index for Goods v Services Items**

**Figure 3.3: Palau CPI, Index for Goods v Services Items, September 2016 – March 2026**

# Appendix 1: CPI Weights for Major Groups

| Group | | Weight |
|---|---|---|
| | **TOTAL** | **100.00%** |
| **01** | **Food and non-alcoholic beverages** | **26.01%** |
| 01.1 | Food | 23.81% |
| 01.2 | Non- alcoholic beverages | 2.20% |
| **02** | **Alcoholic beverages, tobacco and narcotics** | **7.13%** |
| 02.1 | Alcoholic beverages | 1.30% |
| 02.2 | Tobacco | 4.38% |
| 02.3 | Narcotics | 1.45% |
| **03** | **Clothing and footwear** | **3.07%** |
| 03.1 | Clothing | 2.40% |
| 03.2 | Footwear | 0.66% |
| **04** | **Housing, water, electricity, gas and other fuels** | **13.07%** |
| 04.1 | Actual rentals for housing | 5.33% |
| 04.3 | Maintenance and repair of the dwelling | 0.32% |
| 04.4 | Water supply and miscellaneous services relating to the dwelling | 1.58% |
| 04.5 | Electricity, gas and other fuels | 5.84% |
| **05** | **Furnishings, household equipment and routine household maintenance** | **9.82%** |
| 05.1 | Furniture and furnishings, carpets and other floor coverings | 0.27% |
| 05.2 | Household textiles | 0.07% |
| 05.3 | Household appliances | 0.97% |
| 05.4 | Glassware, tableware and household utensils | 0.38% |
| 05.5 | Tools and equipment for house and garden | 0.17% |
| 05.6 | Goods and services for routine household maintenance | 7.97% |
| **06** | **Health** | **0.83%** |
| 06.1 | Medical products, appliances and equipment | 0.39% |
| 06.2 | Outpatient services | 0.44% |
| **07** | **Transport** | **7.84%** |
| 07.2 | Operation of personal transport equipment | 6.09% |
| 07.3 | Transport services | 1.75% |
| **08** | **Communication** | **4.32%** |
| 08.2 | Telephone and telefax equipment | 0.39% |
| 08.3 | Telephone and telefax services | 3.93% |
| **09** | **Recreation and culture** | **3.21%** |
| 09.1 | Audio-visual, photographic and information processing equipment | 0.20% |
| 09.2 | Maintenance and repair of other major durables for recreation and culture | 1.22% |
| 09.3 | Other recreational items and equipment, gardens and pets | 1.09% |
| 09.4 | Recreational and cultural services | 0.48% |
| 09.5 | Newspapers, books and stationery | 0.21% |
| **10** | **Education** | **0.70%** |
| 10.1 | Pre-primary and primary education | 0.23% |
| 10.2 | Secondary education | 0.47% |
| **11** | **Restaurants and hotels** | **12.23%** |
| 11.1 | Catering services | 12.23% |
| **12** | **Miscellaneous goods and services** | **11.77%** |
| 12.1 | Personal care | 11.50% |
| 12.7 | Other Services n.e.c. | 0.28% |

# Appendix 2: Examples of items being priced

| Major Division | | Examples of Items Priced |
|---|---|---|
| 01 | Food and non-alcoholic beverages | Fresh fish, Frozen chicken, Canned beef, Onions, Taro, Rice, Flour, Bread, Oil, Soya sauce, Milk, Egg, Soft drink, Coffee |
| 02 | Alcoholic beverages, tobacco and narcotics | Cigarettes, Beer, Wine, Spirits, Betelnut |
| 03 | Clothing and footwear | Jeans, T-shirt, Shorts, Sport shoes, Laundry |
| 04 | Housing, water, electricity, gas and other fuels | Rent, Electricity bill, Water bill, LP Gas, Paint, Tin Roof |
| 05 | Furnishings, household equipment and routine household maintenance | Sofa set, Refrigerator, Washer, Laundry soap, Housekeeping services |
| 06 | Health | Pain reliever, Outpatient consultation fee, Doctors Fee |
| 07 | Transport | Gasoline, Diesel, Car hire, Airfare, Boat hire |
| 08 | Communication | Mobile phone, Air Time Top-Up |
| 09 | Recreation and culture | Television set, Toys, Dog food, Cat food, Books |
| 10 | Education | Private school fee, College enrollment fee |
| 11 | Restaurants and hotels | Fried chicken take-out, Cheeseburger, Bento, Food takeaway from Hotels and Bars. |
| 12 | Miscellaneous goods and services | Haircut, Shampoo, Toothpaste, Bath soap, Diapers, Toilet paper, Passport Fees |