

Legislature of the Virgin Islands

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The Honorable
Angel Bolques, Jr.
Senator-At-Large
35th Legislature of the Virgin Islands

CHAIRMAN
Committee on Culture, Youth, Aging, Sports, & Parks

VICE-CHAIRMAN
Committee on Economic Development & Agriculture

MEMBER
Committee on Rules & Judiciary
Committee on Homeland Security, Justice & Public Safety
Committee on Housing, Transportation, & Telecommunication
Subcommittee on Energy & Infrastructure Development



For Immediate Release:

October 30, 2024

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MEDIA PRESS RELEASE

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Senator At Large Angel Bolques Jr. Highlights the 2023 Economic Report from the Bureau of Economic Research

U.S. Virgin Islands — Reviewing the 2023 Economic Report from the Bureau of Economic Research, Senator Angel Bolques Jr. celebrated the strides made in the Virgin Islands' economy while addressing challenges that continue to impact daily life. The report shows record-low unemployment, strong tourism growth, and a construction upswing, underscoring the resilience of the Virgin Islands yet highlighting areas for improvement.

"Our Virgin Islands' resilience shines in our recent economic achievements," said Senator Bolques Jr. "For twelve consecutive months in 2023, our unemployment rate has remained below 4%, showing real progress in creating jobs and expanding opportunity. At the same time, this report underscores critical areas affecting our residents—like high energy costs and housing inflation—that require continued focus."

In 2023, the Virgin Islands saw remarkable economic progress with record-low unemployment below 4% and notable growth in key sectors like Leisure & Hospitality (+7%) and Construction (+4.4%), leading to a 3% increase in private sector employment. Tourism surged with 2.4 million arrivals, marking a 32.1% rise from 2022 and a 67% increase in cruise guests, while inflation eased, dropping from 9.8% to 8.4%, and food prices decreased by 7.3%. Building permits also peaked at \$346.7 million, driving significant growth in residential and public Construction. "This economic momentum



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strengthens stability for our workforce, makes life more affordable for families, and builds a Virgin Islands that's vibrant, open, and prepared for a brighter future," said Senator Bolques.

Despite progress, the Virgin Islands still faces critical challenges impacting affordability and economic stability. High energy costs, at over \$0.40 per kWh, place a heavy burden on residents and businesses, underscoring the urgency of transitioning to renewable energy sources. Export declines, particularly a 22.7% drop in petroleum products to the U.S., reveal the vulnerabilities of relying on a single market, pointing to the need for economic diversification into tourism, technology, and agriculture. Housing inflation reached 10.7%, with rents up 6.2%, putting pressure on affordability. Government revenue fell nearly 60% from the previous fiscal year, affecting essential services and infrastructure, while manufacturing has struggled to recover following the 2015 refinery closure.

Rising costs across other goods and services increased by 10%, straining household budgets even as inflation in food eased. The report also warns of global economic pressures potentially impacting the Virgin Islands in 2024. "These challenges highlight the importance of building an economy that is resilient, diversified, and capable of sustaining quality of life for our residents," said Senator Bolques. "Stable revenue, affordable housing, new opportunities in emerging industries, and economic diversification are essential to create a sustainable and prosperous Virgin Islands for all."

Senator Bolques expressed his commitment to working with his colleagues, the executive branch, the federal government, and our private sector partners to address these challenges. "Economic growth isn't just statistics; it's improving the quality of life."

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