



Consumer Prices increase by 5.7% in May 2021

The Consumer Price Index for May 2021 was up by 5.7% compared to the same month last year (May 2020), also higher than April 2021 (5.3%). Noting that consumer prices still reflect an increase of the Value Added Tax (VAT) from 5% to 15% in July 2020, the rise of the CPI resulted mainly from higher prices of Food and Beverages (+7.4%) and Transport (+19.3%).

Food prices are the main driver of inflation in May 2021

- Prices of Food and Beverages recorded the highest annual increase of 7.4%, mainly due to the increase in Food prices (+7.3%). In particular, the increase in prices of Meat (+6.8%) and Vegetables (+6.7%) was remarkable. Due to their high importance in the Saudi consumer basket (with a weight of 17%), Food prices were the main driver of the inflation rate in May 2021.
- Transport prices increased by 19.3%, mainly due to the increase in prices of Purchasing Vehicles (+8.7%).
- Tobacco prices recorded an increase of 13.3% due to the rise in Cigarettes prices (+14.3%).
- Communication services prices increased by 13.5%, mainly due to rising prices for Telephone and Telefax Services (+15.4%).
- Prices of Furniture, Household Equipment and Household Maintenance increased by 8.1%, mainly resulting from rising prices of Furniture, Carpets and Other Floor Coverings (+10.9%).
- Prices of Miscellaneous Goods and Services increased by 5.1%, mainly resulting from an increase in prices of Jewelry, clocks and watches (+14.4%).
- On the other hand, prices for Education declined by 9.1% due to a decrease in prices of Pre-Primary and Primary Education (-14.3%) and Secondary Education (-11.0%). Prices of Housing, Water, Electricity, Gas and other Fuels also declined by 2.6% due to the decrease in prices of actual rentals for housing (-3.8%).

Prices are stable compared to April 2021

- Compared to the previous month (April 2021), consumer prices remained relatively stable and rose by 0.2%.
- The monthly inflation index was affected by an increase in Transport prices by 0.5%, which in turn was affected by an increase in operating of personal transport equipment prices (+2.1%).
- Miscellaneous Goods and Services prices increased by 0.7%, influenced by a rise in Jewelry, clocks and watches (+2.8%).
- Prices of Furniture, Household Equipment and Household Maintenance increased by 0.4%, Food and Beverages 0.2%, Clothing and Footwear 0.3%, Tobacco 0.2%, Recreation and Culture 0.2%.
- Contrarily, prices for Housing, Water, Electricity, Gas and other Fuels decreased by 0.2%, Communication 0.1%, Restaurants and Hotels 0.1%.
- On the other hand, prices for **Health**, and **Education** did not register any significant changes in May 2021.



Methodology

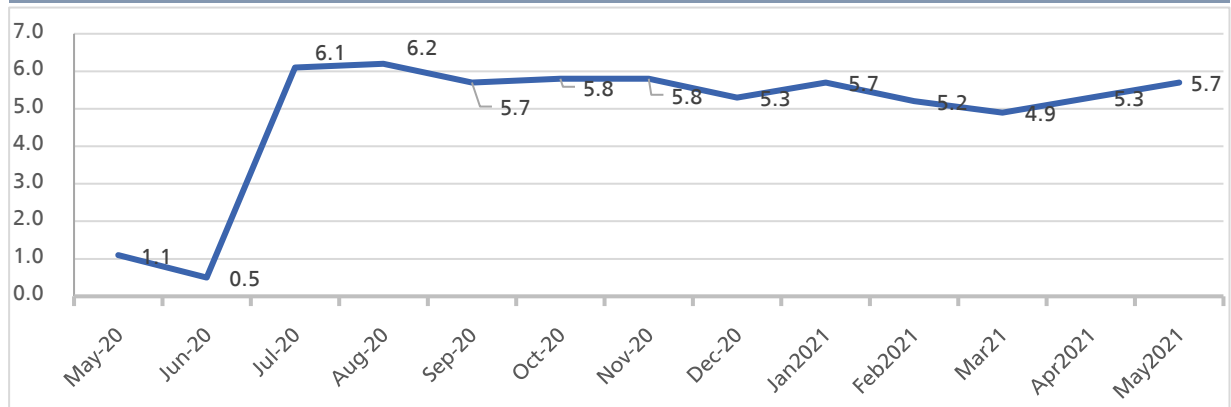
The Consumer Price Index (CPI) measures the prices paid by consumers for a fixed basket of goods and services consisting of 490 items. This basket resulted from the Expenditure and Income Survey conducted in 2018, according to which the items and their weights were determined. The respective prices are collected through field visits to points of sale. The CPI statistics are published on a monthly basis.

Annual and Monthly Change in CPI by Main Expenditure Category, May 2021

Expenditure Category	*Percent change in May 2021 compared to	
	May 2020	April 2021
GENERAL INDEX	5.7	0.2
FOOD AND BEVERAGES	7.4	0.2
TOBACCO	13.3	0.2
CLOTHING AND FOOTWEAR	5.9	0.3
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	-2.6	-0.2
FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE	8.1	0.4
HEALTH	3.2	0.0
TRANSPORT	19.3	0.5
COMMUNICATION	13.5	-0.1
RECREATION AND CULTURE	4.9	0.2
EDUCATION	-9.1	0.0
RESTAURANTS AND HOTELS	8.2	-0.1
PERSONAL GOODS AND SERVICES	5.1	0.7



CPI by Month (year-over-year, %)



Links: [All Tables](#), [Methodological Note](#)