

Inflation at 2.0% in August 2023

In August 2023, the Consumer Price Index (CPI) increased by 2.0%, compared to August 2022, down from 2.3% in the previous month (July 2023). The main driver of CPI inflation in July were higher prices of housing, water, electricity, gas, and other fuels (9.0%) and prices of food and beverages (0.4%).

Rents main driver of inflation in August 2023

Actual rents for housing increased by 10.8% in August 2023, reflecting the increase in rents for apartments by 22.5%. Prices for rents were the main driver of the inflation rate in August 2023 due to their high relative importance in the Saudi consumer basket (with a weight of 21.0%).

Food and beverages prices increased by 0.4%, due to rising milk, milk products and eggs prices (5.9).

Transport prices increased by 0.5%, mainly due to the increase in transport services prices (3.6%).

Restaurants and hotels prices increased by 2.7%, due to the increase in catering services prices by 2.1%.

Education prices increased by 1.8%, mainly resulting from the increase in tertiary education prices by 5.5%.

In contrast, furnishings, household equipment & maintenance prices decreased by 3.2%, due to the decrease in furniture and furnishings, carpets and other floor coverings (-4.6%). Clothing and footwear prices decreased by 4.2%, due to the decrease in garments prices (-6.2%).

Prices stable compared to July 2023

Compared to July 2023, consumer prices remained stable in August 2023 (0.03% increase).

The monthly CPI was affected by the increase in housing, water, electricity, gas, and other fuels prices by 0.7%, as a result of the increase in actual rents for housing by 0.8%.

Restaurants and hotels prices increased by 0.6%.

Prices of Food and beverages decreased by 0.2%, furnishings, household equipment & maintenance decreased by 0.3%, clothing and footwear (-0.3%), personal goods and services (-0.3%), transport (-0.4%), communications (-0.3), Health (-0.2%), recreation & culture (-0.1).

Table 1. Annual and Monthly Change in CPI by Main Expenditure Category (August 2023)(%)

General Index, Sections	Percent change in August 2023 compared to	
	Aug 2022	Jul 2023
General Index	2.0	0.0
Food & Beverages	0.4	-0.2
Tobacco	0.1	0.0
Clothing and Footwear	-4.2	-0.3
Housing, Water, Electricity, Gas & Other Fuels	9.0	0.7
Furnishings, Household Equipment & Maintenance	-3.2	-0.3
Health	0.1	-0.2
Transport	0.5	-0.4
Communications	-1.3	-0.3
Recreation & Culture	0.7	-0.1
Education	1.8	0.0
Restaurants & Hotels	2.7	0.6
Personal Goods and Services	-1.2	-0.3

Source: [Tables](#).

Figure 1. CPI (Year-on-Year, %)



CPI Reference Metadata

Consumer Price Index (CPI) measures the prices paid by consumers for a fixed basket of goods and services consisting of 490 items. The basket was selected based on the results of 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 monthly. For more details, click [Reference Metadata](#)