

Inflation falls to 1.5% in December 2023

In December 2023, the Consumer Price Index (CPI) increased by 1.5%, compared to December 2022, down from 1.7% in the previous month (November 2023). The main driver of CPI inflation in November was higher prices of housing, water, electricity, gas, and other fuels 7.5% and prices of food and beverages 1.2%.

Rents main driver of inflation in December 2023

Actual rents for housing increased by 9.0% in December 2023, reflecting the increase in rents for apartments of 12.1%. Prices for rents were the main driver of the inflation rate in December 2023 due to their high relative importance in the Saudi consumer basket (with a weight of 21.0%).

Food and beverages prices increased by 1.2% due to the increase in milk products and eggs 4.1%.

Restaurants and hotels prices increased by 2.5%, due to the increase in catering services prices 2.2%.

Recreation and culture prices increased by 1.0%, due to the increase in package holidays prices by 7.1%.

Education prices increased by 0.8%, mainly resulting from the increase in secondary education prices by 3.1%.

In contrast, furnishings, household equipment & maintenance prices decreased by 3.2%, due to the decrease in furniture, carpets and other floor coverings 4.9%. Clothing and footwear prices decreased by 4.2%, due to the decrease in garments prices 6.6%. Transport prices decreased by 1.3%, due to the decrease in purchase of motor cars 2.5%.

Prices increase by 0.1% In December 2023 compared to November 2023

Compared to November 2023, consumer prices increased slightly by 0.1%, in December 2023.

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 0.4%, and personal goods and services prices increased by 0.4%.

However, prices of food and beverages decreased by 0.3%, Transport decreased by 0.4%, furnishings, household equipment & maintenance decreased by 0.4%, clothing and footwear decreased by 0.3%, health 0.2%, communications decreased by 0.1%, and recreation & culture decreased by 0.1%.

On the other hand, prices of education and tobacco, did not show any significant change in December 2023.

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

General Index, Sections	Percent change in December 2023 compared to	
	Dec 2022	Nov 2023
General Index	1.5	0.1
Food & Beverages	1.2	-0.3
Tobacco	0.2	0.0
Clothing and Footwear	-4.2	-0.3
Housing, Water, Electricity, Gas & Other Fuels	7.5	0.7
Furnishings, Household Equipment & Maintenance	-3.2	-0.4
Health	-0.4	-0.2
Transport	-1.3	-0.4
Communications	-2.7	-0.1
Recreation & Culture	1.0	-0.1
Education	0.8	0.0
Restaurants & Hotels	2.5	0.4
Personal Goods and Services	-0.5	0.4

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 household income and expenditure 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](#)