

Inflation rises to 2.8% in May 2023

In May 2023, the Consumer Price Index (CPI) increased by 2.8%, compared to May 2022, higher than April 2023 (2.7%). The main driver of CPI inflation in May was the higher prices of housing, water, electricity, gas, and other fuels by 8.4%, and food and beverages by 0.9%.

Rents main driver of inflation in May 2023

Actual rents for housing increased by 9.9% in May 2023, reflecting the increase in rents for apartments by 23.7%. Prices for rents were the main driver of the inflation rate in May 2023 due to their high relative importance in the Saudi consumer basket (with a weight of 21.0%).

Food and beverages prices increased by 0.9%, in particular meat and poultry prices (+2.4%), Milk, milk products and eggs (8.5%).

Transport prices increased by 1.6%, mainly due to the increase in purchase of motor cars prices by 1.2%.

Restaurants and hotels prices increased by 5.0%, due to the increase in catering services prices by 5.2%.

Education prices increased by 3.0%, mainly resulting from the increase in pre-primary and primary education fees by 4.5%.

Recreation & culture prices increased by 3.8%, mainly resulting from the increase in package holidays by 14.1%.

In contrast, furnishings, household equipment & maintenance prices decreased by 2.0%, due to the decrease in furniture and furnishings, carpets and other floor coverings (-4.9%). Clothing and footwear prices decreased by 2.2%, due to the decrease in garments prices (-3.3%).

Prices increase by 0.2% compared to April 2023

Compared to April 2023, consumer prices increased slightly by 0.2% in May 2023.

The monthly CPI was affected by the increase in housing, water, electricity, gas, and other fuels prices by 0.4%, as a result of the increase in actual rents for housing by 0.4%.

Food prices increased by 0.1%, Transport increased by 0.5%, personal goods and services increased by 0.5%, recreation & culture prices increased by 0.5%, Health by 0.1%.

Prices of furnishings, household equipment & maintenance decreased by 0.1%, as well as prices of communications (-0.2%) and clothing and footwear (-0.8%), restaurants and hotels (-0.3%).

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

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

General Index, Sections	Percent change in May 2023 compared to	
	May 2022	Apr 2023
General Index	2.8	0.2
Food & Beverages	0.9	0.1
Tobacco	0.1	0.0
Clothing and Footwear	-2.2	-0.8
Housing, Water, Electricity, Gas & Other Fuels	8.4	0.4
Furnishings, Household Equipment & Maintenance	-2.0	-0.1
Health	0.7	0.1
Transport	1.6	0.5
Communications	-0.6	-0.2
Recreation & Culture	3.8	0.5
Education	3.0	0.0
Restaurants & Hotels	5.0	-0.3
Personal Goods and Services	0.4	0.5

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](#)