

Saudi Arabia's annual inflation rate increases to 1.6% in May 2024 compared to last year.

The annual inflation rate in Saudi Arabia reached 1.6% in May 2024, marking the third consecutive month with this rate. This increase is primarily attributed to an 8.7% rise in prices of housing, water, electricity, gas, and other fuels, as well as a 1.4% increase in prices of food and beverages. Meanwhile, prices of transportation decreased by 2.4%.

Rental prices main driver of inflation in May 2024 compared to May 2023

Actual housing rents increased by 10.5% in May 2024, influenced by a 14.3% increase in apartments rents. This increase had a significant impact on maintaining the annual inflation rate for May 2024, due to the substantial weight of this category (21.0%).

Similarly, prices of food and beverage increased by 1.4%, influenced by a 6.9% rise in vegetables prices. Additionally, prices of restaurants and hotels rose by 2.5%, affected by a 1.9% increase in prices of food services.

Meanwhile, education sector witnessed an increase of 1.1%, driven by a 4.1% rise in the intermediate and secondary education fees.

On the other hand, prices of furnishing and home equipment decreased by 3.8%, influenced by a 5.8% decline in prices of furniture, carpets, and flooring. Similarly, prices of clothing and footwear decreased by 4.0%, driven by a 6.9% decline in ready-made clothing prices. Transportation prices also decreased by 2.4%, affected by a 4.1% decrease in vehicle purchase prices.

Increase of prices by 0.2% in May2024 compared to April2024

In May 2024, the Consumer Price Index recorded a slight increase of 0.2% compared to April 2024. This monthly inflation index was influenced by a 0.4% increase in housing, water, electricity, gas, and other fuels, which, in turn, was affected by a 0.5% increase in actual housing rents.

Additionally, the Index saw increases in the prices of the following categories: food and beverages by 0.7%, restaurants and hotels by 0.2%, and personal goods and services by 0.1%.

Furthermore, the Index witnessed decreases in the prices of: clothing and footwear by 0.6%, transportation by 0.4%, recreation and culture by 0.2%, communications by 0.2%, and health by 0.1%.

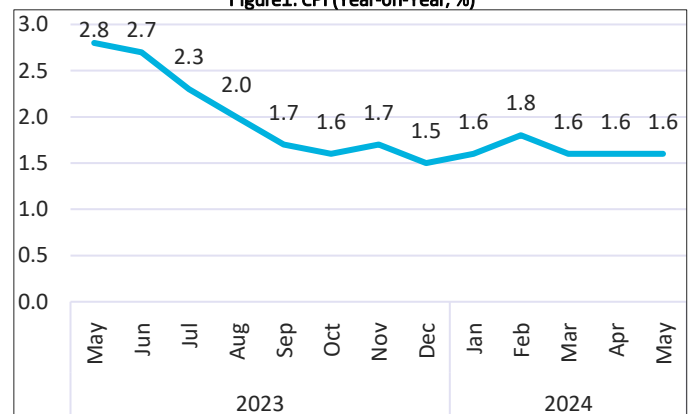
However, prices of education, furnishing and home equipment, and tobacco products. did not show any significant change in May 2024.

Table1. Annual and monthly change in CPI by category (May2024) (%)

General Index, Categories	Percent change in May2024 compared to	
	May 2023	Apr 2024
General Index	1.6	0.2
Food & Beverages	1.4	0.7
Tobacco	-1.1	0.0
Clothing and Footwear	-4.0	-0.6
Housing, Water, Electricity, Gas & Other Fuels	8.7	0.4
Furnishings, Household Equipment & Maintenance	-3.8	0.0
Health	-1.1	-0.1
Transport	-2.4	-0.4
Communications	-1.9	-0.2
Recreation & Culture	-2.1	-0.2
Education	1.1	0.0
Restaurants & Hotels	2.5	0.2
Personal Goods and Services	-0.7	0.1

Source: tables.

Figure1. 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 prices are collected through field visits to points of sale. The CPI statistics are published monthly. For more details, click [Reference Metadata](#)