

## Inflation falls to 1.7% in September 2023

In September 2023, the Consumer Price Index (CPI) increased by 1.7%, compared to September 2022, down from 2.0% in the previous month (August 2023). The main driver of CPI inflation in September was higher prices of housing, water, electricity, gas, and other fuels (8.1%) and prices of restaurants and hotels (2.5%).

### Rents main driver of inflation in September 2023

Actual rents for housing increased by 9.8% in September 2023, reflecting the increase in rents for apartments Of 19.8%. Prices for rents were the main driver of the inflation rate in September 2023 due to their high relative importance in the Saudi consumer basket (with a weight of 21.0%).

Restaurants and hotels prices increased by 2.5%, due to the increase in catering services prices (2.1%).

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

Recreation and culture prices increased by 1.2%, due to the increase in package holidays prices by 6.7%.

In contrast, furnishings, household equipment & maintenance prices decreased by 2.8%, due to the decrease in furniture, carpets and other floor coverings (-3.6%). Clothing and footwear prices decreased by 3.6%, due to the decrease in garments prices (-5.3%), Food and beverages prices decreased by 0.2%, due to the decrease in vegetables prices (6.3%).

### Prices stable in September 2023

Compared to August 2023, consumer prices remained stable in September 2023 (0.01% increase).

The monthly CPI was affected by the increase in housing, water, electricity, gas, and other fuels prices by 0.3%, as a result of the increase in actual rents for housing by 0.3%.

Food and beverages prices increased by 0.4%, and tobacco prices increased by 0.1%.

However, prices of transport decreased by 0.5%, furnishings and household equipment decreased by 0.1%, clothing and footwear decreased by -0.2%, personal goods and services decreased by -0.3%, restaurants and hotels decreased by -0.1%, communications decreased by -0.1%, and recreation and culture decreased by -0.4%.

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

General Index, Sections	Percent change in September 2023 compared to	
	Sep 2022	Aug 2023
General Index	1.7	0.0
Food & Beverages	-0.2	0.4
Tobacco	0.1	0.1
Clothing and Footwear	-3.6	-0.2
Housing, Water, Electricity, Gas & Other Fuels	8.1	0.3
Furnishings, Household Equipment & Maintenance	-2.8	-0.1
Health	0.0	0.0
Transport	-0.1	-0.5
Communications	-1.2	-0.1
Recreation & Culture	1.2	-0.4
Education	1.8	0.0
Restaurants & Hotels	2.5	-0.1
Personal Goods and Services	-0.7	-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 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](#)