



## Inflation further eases to 0.5% in June 2020

The Consumer Price Index (CPI) increased by 0.5% in June 2020 on a year-on-year basis, below the previous month's rate of 1.1%. "Food and Beverages" and "Miscellaneous Goods and Services" contributed most to this increase, with their average prices rising by 6.4% and 1.8%, respectively. "Transport" stood out as the main dampening factor on inflation, with its average prices declining by 5.2%.

## Food prices the main driver of inflation compared to June 2019

- Of the main expenditure categories, **Food and Beverages** recorded the highest annual increase (+6.4%), mainly due to an increase in *Food* prices (+6.9%). In particular, the increase of prices for *Meat* (+10.7%) and *Vegetables* (+16.2%) was remarkable. Due to their high importance in the Saudi consumer basket (with a weight of 17%), *Food* prices were the main driver of the inflation rate in June 2020.
- The increase in prices for **Miscellaneous Goods and Services** (+1.8%) resulted mainly from an increase in prices of *Jewelry, Clocks and Watches* by 14.4%.
- **Furnishings, Household Equipment and Household Maintenance** recorded an increase of 1.4%, resulting mainly from rising prices of *Furniture and Furnishings, Carpets and Other Floor Coverings* (+2.8%).
- **Education** services also registered an increase by 1.2% mainly due to rising fees for *Pre-Primary and Primary Education* by 3.9%, while the fees for *Post-Secondary Non-Tertiary Education* and *Tertiary Education* declined by 2.6% and 1.5%, respectively.
- The decrease in prices for **Transport** (-5.2%) was mainly due to a decrease in prices for *Operation of Personal Transport Equipment* (-19.4%). Prices for **Housing, Water, Electricity, Gas and Other Fuels** also decreased by 0.7%, due to falling prices of *Actual Rentals for Housing* by 0.7%.

## Prices down by 0.3% compared to May 2020

- CPI decreased by 0.3% compared to the previous month (May 2020), mainly due to the decrease in average prices of **Housing, Water, Electricity, Gas and Other Fuels** (-0.7%), due to a fall in prices of *Actual Rentals for Housing* (-0.8%).
- **Transport** (-0.9%), **Clothing and Footwear** (-0.6%), **Food and Beverages** (-0.4%) and **Recreation and Culture** (-0.4%) also witnessed a decline in prices.
- On the other hand, **Miscellaneous Goods and Services** (+0.5%) recorded the highest increase, with *Other Services N.E.C.* increasing by 0.5% mainly due to rising prices of **Wedding Hall Rental** by 1.8%.

## Data collection changes due to COVID-19 crisis lockdown and restrictions

The implications of the COVID-19 crisis affected the way prices were collected by GASTAT in June 2020. Most prices of items in the CPI consumer basket were collected outside of curfew hours by enumerators around the country visiting supermarkets and shops. Prices for items sold by shops and outlets under lockdown were collected applying methods as recommended by the International Monetary Fund.<sup>1</sup>

Restaurants and Cafés prices were collected from the menus for the delivery and take-away items that are available online via websites. Airline ticket and hotel prices were collected online and from travel agents. Prices that could not be collected due to the COVID-19 crisis impact were treated as temporarily missing and were imputed.

## Methodology

The Consumer Price Index (CPI) reflects the changes in the prices paid by consumers for a fixed basket of goods and services consisting of 490 items. This basket resulted from the Expenditure and Income Survey conducted in 2018, providing the individual items and their weights in the consumer basket. The respective prices are collected through field visits to points of sale. The CPI statistics are published on a monthly basis.

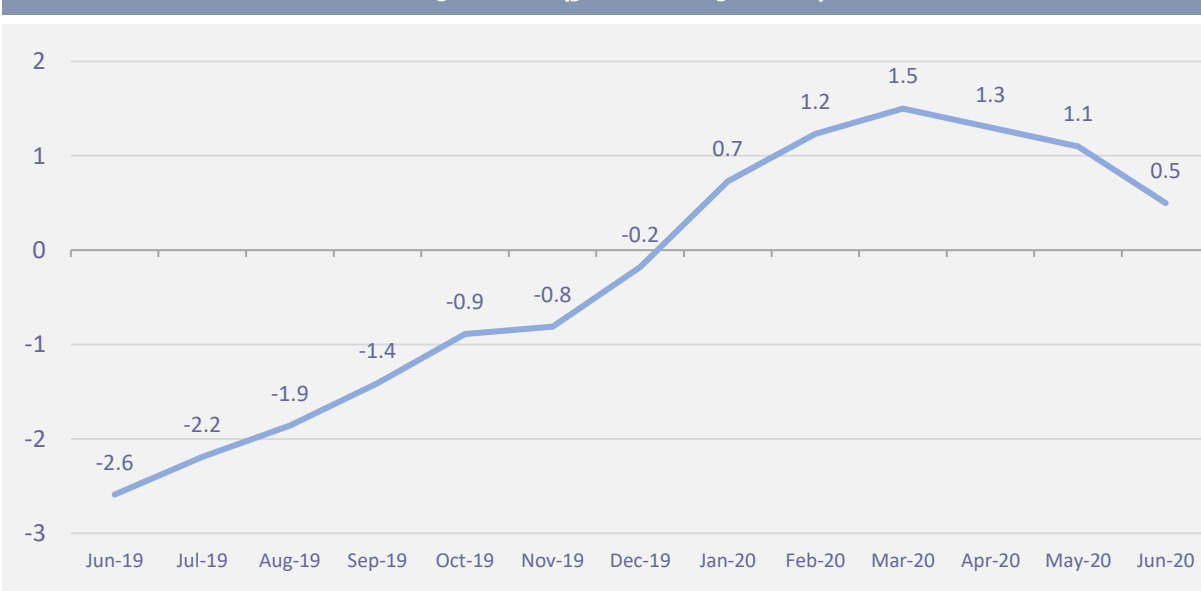
<sup>1</sup> Consumer Price Index Continuity. IMF  
(<https://statswiki.unece.org/download/attachments/278037166/STA%20CPI%20Business%20Continuity.pdf?api=v2>)



Annual and Monthly Change in CPI by Main Expenditure Category,  
June 2020

Expenditure Category	Percent change in June 2020 compared to	
	June 2019	May 2020
<b>GENERAL INDEX</b>	<b>0.5</b>	<b>-0.3</b>
FOOD AND BEVERAGES	6.4	-0.4
TOBACCO	1.5	0.1
CLOTHING AND FOOTWEAR	-1.1	-0.6
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	-0.7	-0.7
FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE	1.4	0.0
HEALTH	0.6	0.0
TRANSPORT	-5.2	-0.9
COMMUNICATION	-0.6	0.1
RECREATION AND CULTURE	-2.3	-0.4
EDUCATION	1.2	0.0
RESTAURANTS AND HOTELS	0.2	0.3
MISCELLANEOUS GOODS AND SERVICES	1.8	0.5

CPI by Month (year-over-year, %)



Links: [All Tables](#), [Methodological Note](#)