



## Consumer Prices increase by 6.2% in June 2021

The Consumer Price Index for June 2021 was up by 6.2% compared to the same month last year (June 2020), also higher than May 2021 (5.7%). Noting that consumer prices still reflect an increase of the Value Added Tax (VAT) from 5% to 15% in July 2020, the rise of the CPI resulted mainly from higher prices of Transport (+22.6%) and Food and Beverages (+8.1%).

## Transport prices are the main driver of inflation in June 2021

- Transport prices increased by 22.6%, mainly due to the increase in Purchasing Vehicles (+10.6%) and operating of personal transport equipment prices (+56.2%), which in turn was affected by the increase in prices of Fuels and lubricants (+110.7%). Transport prices were the main driver of the inflation rate in June 2021 due to their high importance in the Saudi consumer basket (with a weight of 13%). Without transport prices, the inflation rate would have reached 3.4% in June.
- Food and Beverages prices increased by 8.1%, mainly due to the increase in prices of Food (+8.0%).
- Tobacco prices recorded an increase of 12.3% due to the rise in Cigarettes prices (+13.5%).
- Communication services prices increased by 13.2%, mainly due to rising prices for Telephone and Telefax Services (+15.4%).
- Prices of Furniture, Household Equipment and Household Maintenance increased by 7.9%, mainly resulting from rising prices of Furniture, Carpets and Other Floor Coverings (+9.9%).
- Prices of Miscellaneous Goods and Services increased by 4.5%, mainly resulting from an increase in prices of Jewelry, clocks and watches (+13.7%).
- On the other hand, prices for Education declined by 9.1% due to a decrease in prices of Pre-Primary and Primary Education (-14.3%) and Secondary Education (-11.0%). Prices of Housing, Water, Electricity, Gas, and other Fuels also declined by 2.3% due to the decrease in prices of actual rentals for housing (-3.4%).

## Prices are stable compared to May 2021

- Compared to the previous month (May 2021), consumer prices remained relatively stable and rose by 0.2%.
- The monthly inflation index was affected by an increase in Transport prices by 1.8%, which in turn was affected by an increase in Purchasing Vehicles prices (+1.5%) as well as increases of prices of Fuels and lubricants (+4.6%).
- Food and Beverage prices increased by 0.2% influenced by a rise in food prices (+0.3%), Restaurants and Hotels prices also increased by (+0.3%).
- Contrarily, prices for Housing, Water, Electricity, Gas and other Fuels decreased by 0.4%, Tobacco 0.7%, Clothing and Footwear 0.4%, Furniture, Household Equipment and Household Maintenance 0.2%, Recreation and Culture 0.2%, Communication 0.1%, Miscellaneous Goods and Services 0.1%.
- On the other hand, prices for Health, and Education did not register any significant changes in June 2021.



## Methodology

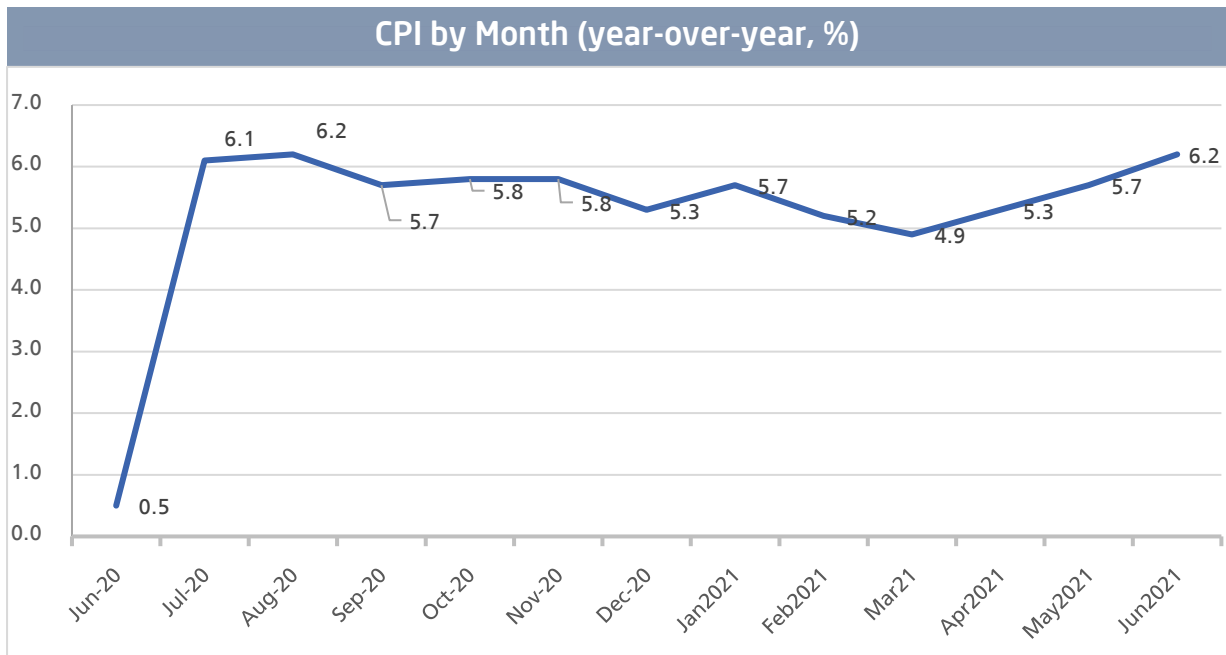
The Consumer Price Index (CPI) measures the prices paid by consumers for a fixed basket of goods and services consisting of 490 items. This basket resulted from the Expenditure and Income Survey conducted in 2018, according to which the items and their weights were determined. The respective prices are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

### Annual and Monthly Change in CPI by Main Expenditure Category,

June 2021

Expenditure Category	*Percent change in June 2021 compared to	
	June 2020	May 2021
GENERAL INDEX	6.2	0.2
FOOD AND BEVERAGES	8.1	0.2
TOBACCO	12.3	-0.7
CLOTHING AND FOOTWEAR	6.1	-0.4
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	-2.3	-0.4
FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE	7.9	-0.2
HEALTH	3.2	0.0
TRANSPORT	22.6	1.8
COMMUNICATION	13.2	-0.1
RECREATION AND CULTURE	5.1	-0.2
EDUCATION	-9.1	0.0
RESTAURANTS AND HOTELS	8.3	0.3
PERSONAL GOODS AND SERVICES	4.5	-0.1

\*round to one decimal place.



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