

Annual inflation rises to 3.3% in December 2022

In December 2022, the Consumer Price Index (CPI) increased by 3.3%, compared to December 2021. The main driver of CPI inflation in December was the higher prices of housing, water, electricity, gas, and other fuels by 5.9%, and food and beverages by 4.2%.

Rents main driver of inflation in December 2022

Housing, water, electricity, gas, and other fuels prices increased by 5.9%, as a result of the increase in actual rentals for housing by 6.8%, and which in turn was affected by the increase in apartment rental prices by 18.1%. Prices for housing were the main driver of the inflation rate in December 2022 due to their high relative importance in the Saudi consumer basket (with a weight of 25.5%). Food and beverages prices increased by 4.2%, mainly due to food prices (4.3%), in particular meat and poultry prices (+5.9%).

Transport prices increased by 4.1%, mainly due to the increase in purchase of motor cars prices by 5.0%.

Restaurants and hotels prices increased by 6.8%, due to the increase in catering services prices by 7.0%.

Education prices increased by 3.6%, mainly resulting from the increase in pre-primary and primary education fees by 5.9%.

Communication prices increased by 1.0%, mainly resulting from the increase in telephone and telefax services by 2.3%.

In contrast, personal goods and services prices decreased by 0.4%, due to the decrease in charges to bring domestic helpers (-5.2%).

Clothing and footwear prices decreased by 1.4%, due to the decrease in garments prices (-2.4%).

Prices increase by 0.3% compared to November 2022

Compared to November 2022, consumer prices increased slightly by 0.3%.

The monthly CPI was affected by the increase in housing, water, electricity, gas, and other fuels prices by 0.9%, as a result of the increase in actual rentals for housing by 1.1%.

Transport prices increased by 0.4%, mainly due to the increase in purchase of motor cars prices by 0.7%, restaurants and hotels prices increased by 0.2%, and personal goods and services increased by 0.1%.

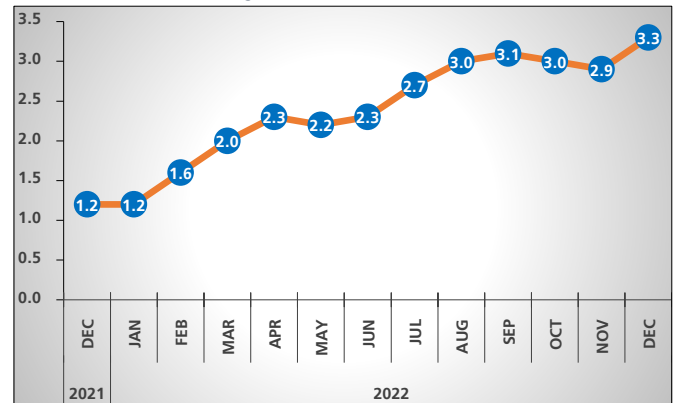
Contrarily, prices of food and beverages decreased by 0.1%, just as well as clothing and footwear (-0.2%), furnishings, household equipment & maintenance (-0.2%), recreation & culture (-0.6%), and communication (-0.1%).

Table 1. Annual and Monthly Change in CPI by Main Expenditure Category (December 2022)(%)

General Index, Sections	Percent change in December 2022 compared to	
	Dec 2021	Nov 2022
General Index	3.3	0.3
Food & Beverages	4.2	-0.1
Tobacco	0.0	0.0
Clothing and Footwear	-1.4	-0.2
Housing, Water, Electricity, Gas & Other Fuels	5.9	0.9
Furnishings, Household Equipment & Maintenance	0.6	-0.2
Health	1.2	0.0
Transport	4.1	0.4
Communication	1.0	-0.1
Recreation & Culture	0.8	-0.6
Education	3.6	0.0
Restaurants & Hotels	6.8	0.2
Personal Goods and Services	-0.4	0.1

Source: [Tables](#).

Figure 1. CPI (Year-on-Year, %)



CPI Methodology

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 [Methodology](#).