

## Annual inflation rises to 3.0% in February 2023

In February 2023, the Consumer Price Index (CPI) increased by 3.0%, compared to February 2022. The main driver of CPI inflation in February was the higher prices of housing, water, electricity, gas, and other fuels by 7.0%, and food and beverages by 3.1%.

### Rents main driver of inflation in February 2023

Actual rents for housing increased by 8.3% in February 2023, reflecting the increase in rents for apartments by 21.4%. Prices for Rents were the main driver of the inflation rate in February 2023 due to their high relative importance in the Saudi consumer basket (with a weight of 20.9%).

Food prices increased by 3.1%, in particular meat and poultry prices (+4.1%), milk products and eggs (14.1%).

Transport prices increased by 2.7%, mainly due to the increase in purchase of motor cars prices by 3.2%.

Restaurants and hotels prices increased by 6.5%, due to the increase in catering services prices by 6.6%.

Recreation & Culture prices increased by 0.9%, mainly resulting from the increase in package holidays by 7.1%.

Education prices increased by 3.1%, mainly resulting from the increase in pre-primary and primary education fees by 4.6%.

In contrast, personal goods and services prices decreased by 0.6%, due to the decrease in domestic workers recruitment fees (-7.2%).

Clothing and footwear prices decreased by 2.2%, due to the decrease in garments prices (-3.6%).

### Prices decrease by 0.1% compared to January 2023

Compared to January 2023, consumer prices decrease slightly by 0.1%.

The monthly CPI was affected by the decrease in food and beverages prices by 0.6%, as a result of the decrease in food by -0.7%.

Transport prices decrease by 0.5%, mainly due to the decrease in motor cars prices by 0.9%, furnishings, household equipment & maintenance prices decreased by 0.5%, communication decreased by 0.3%, and clothing and footwear decreased by 0.3%, recreation & culture decreased by 0.1%.

Contrarily, prices of housing, water, electricity, gas, and other fuels increased by 0.6%, just as well as personal goods and services (0.1%).

On the other hand, prices of education, tobacco, restaurants, hotels, and health did not show any significant change in February 2023.

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

General Index, Sections	Percent change in February 2023 compared to	
	Jan 2023	Feb 2022
<b>General Index</b>	<b>-0.1</b>	<b>3.0</b>
Food & Beverages	-0.6	3.1
Tobacco	0.0	0.1
Clothing and Footwear	-0.3	-2.2
Housing, Water, Electricity, Gas & Other Fuels	0.6	7.0
Furnishings, Household Equipment & Maintenance	-0.5	-1.0
Health	0.0	1.1
Transport	-0.5	2.7
Communication	-0.3	-0.4
Recreation & Culture	-0.1	0.9
Education	0.0	3.1
Restaurants & Hotels	0.0	6.5
Personal Goods and Services	0.1	-0.6

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](#)