

Inflation declines to 2.7% in March 2023

In March 2023, the Consumer Price Index (CPI) increased by 2.7%, compared to March 2022, lower than the previous inflation rate of 3.0% in February 2023. The main driver of CPI inflation in March was the higher prices of housing, water, electricity, gas, and other fuels by 7.4%, and food and beverages by 2.3%.

Rents main driver of inflation in March 2023

Actual rents for housing increased by 8.7% in March 2023, reflecting the increase in rents for apartments by 22.0%. Prices for rents were the main driver of the inflation rate in March 2023 due to their high relative importance in the Saudi consumer basket (with a weight of 21.0%).

Food prices increased by 2.3%, in particular meat and poultry prices (+2.6%), Milk, and milk products and eggs (14.1%).

Transport prices increased by 1.8%, mainly due to the increase in purchase of motor cars prices by 1.6%.

Restaurants and hotels prices increased by 6.3%, due to the increase in catering services prices by 6.3%.

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

Recreation & culture prices increased by 0.6%, mainly resulting from the increase in package holidays by 4.5%.

In contrast, personal goods and services prices decreased by 0.4%, due to the decrease in domestic workers recruitment fees (-6.0%).

Clothing and footwear prices decreased by 2.2%, due to the decrease in garments prices (-3.7%).

Prices increase by 0.1% compared to February 2023

Compared to February 2023, consumer prices increased slightly by 0.1%.

The monthly CPI was affected by the increase in housing, water, electricity, gas, and other fuels prices by 0.4%, as a result of the increase in actual rents for housing by 0.4%.

Transport prices increased by 0.2%, mainly due to the increase in transport services prices by 3.6%, personal goods and services prices increased by 0.3%, restaurants and hotels increased by 0.1%, and tobacco increased by 0.1%.

Contrarily, prices of food and beverages decreased by 0.4%, and furnishings, household equipment & maintenance decreased by (-0.5%). Communications decreased by (-0.1%).

On the other hand, prices of education, clothing and footwear, recreation & culture, and health did not show any significant change in March 2023.

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

General Index, Sections	Percent change in March 2023 compared to	
	Feb 2023	Mar 2022
General Index	0.1	2.7
Food & Beverages	-0.4	2.3
Tobacco	0.1	0.2
Clothing and Footwear	0.0	-2.2
Housing, Water, Electricity, Gas & Other Fuels	0.4	7.4
Furnishings, Household Equipment & Maintenance	-0.5	-1.5
Health	0.0	1.1
Transport	0.2	1.8
Communications	-0.1	-0.4
Recreation & Culture	0.0	0.6
Education	0.0	3.1
Restaurants & Hotels	0.1	6.3
Personal Goods and Services	0.3	-0.4

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](#)