



Consumer Prices up 6.2% in August 2020

The Consumer Price Index (CPI) increased by 6.2% in August 2020 compared to the same month last year (August 2019), slightly above the previous month's rate of 6.1%. Granted that the scaling up of the Value Added Tax (VAT) from 5% to 15% in July had an overall influence on consumer prices throughout the Kingdom, the rise of the CPI originated mainly from the increase in prices of **Food and Beverages** (+13.5%) and **Transport** (+8.2%), given their weight in the index. Fuel prices decreased by 25.2% (Gasoline 95) and 6.4% (Gasoline 91) which partly offset the increase in CPI.

Food prices the main driver of inflation compared to August 2019

- **Food and Beverages** recorded the highest annual increase (+13.5%), mainly due to the increase in *Food* prices (+13.8%). In particular, the increase of prices for Meat (+17.3%) and Vegetables (+17.8) 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 August 2020.
- **Tobacco** prices increased by 13.0% mainly due to rising prices of cigarettes (+11.9%).
- **Communication** services also registered an increase by 9.6% mainly due to rising prices for Telephone and Telefax Services by 10.8%.
- **Furnishings, Household Equipment and Household Maintenance** recorded an increase of 8.4%, resulting mainly from rising prices of Furniture and Furnishings, Carpets and Other Floor Coverings (+10.7%).
- The increase in prices for **Transport** (+8.2%) resulted mainly from an increase in prices of Purchase of Vehicles by 12.8%, while prices for fuels and lubricants for personal transport equipment declined by 8.8% mainly due to fallen fuel prices (-6.4% for Gasoline 91 and -25.2% for Gasoline 95).
- **Restaurants and Hotels** also registered an increase by 7.7% mainly due to rising fees for Catering Services by 8.9%, while Accommodation Services declined by 3.4%.

Prices up by 0.2% compared to July 2020

- The monthly inflation index was affected by the rise in transport by 0.9%, mainly due to the increase in the operation of personal transport equipment by 5.4%.
- The increase in prices for **Miscellaneous Goods and Services** (+0.8%) also contributed significantly to the monthly inflation, mainly due to the increase of prices for Jewelry, clocks and watches by 4.8%.



- Clothing and footwear increased by 0.5%, tobacco 0.4%, restaurants and hotels 0.4%, furnishing and Household Maintenance 0.3%, health 0.3%, food and beverage 0.1%.
- While education, recreation, and culture did not register any significant change.

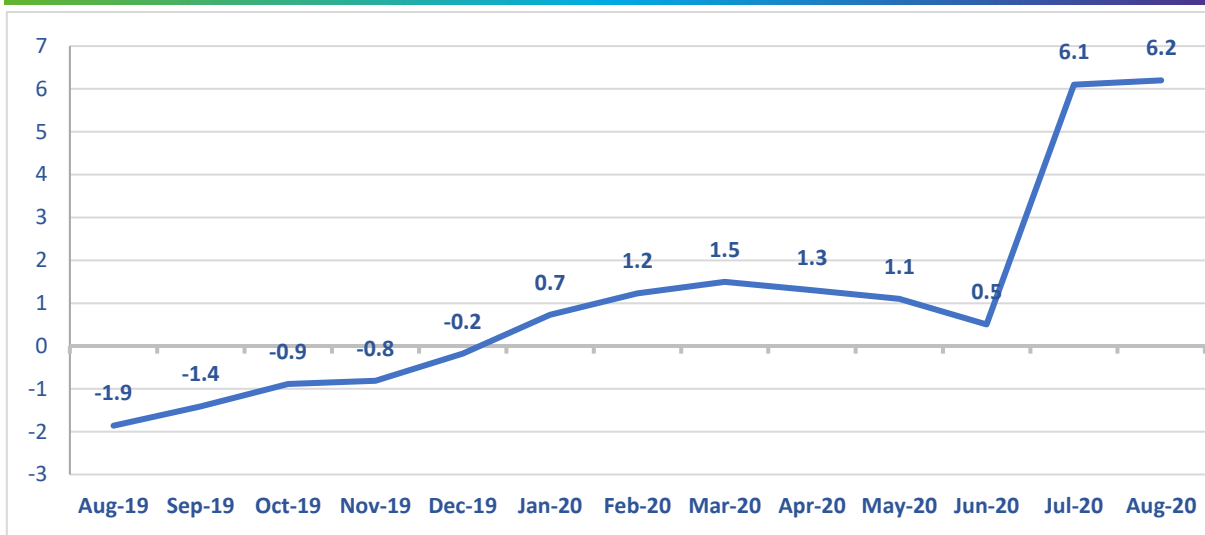
Methodology

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, 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, August 2020

Expenditure Category	Percent change in August 2020 compared to	
	August 2019	July 2020
GENERAL INDEX	6.2	0.2
FOOD AND BEVERAGES	13.5	0.1
TOBACCO	13.0	0.4
CLOTHING AND FOOTWEAR	5.3	0.5
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	0.2	-0.2
FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE	8.4	0.3
HEALTH	2.0	0.3
TRANSPORT	8.2	0.9
COMMUNICATION	9.6	-0.2
RECREATION AND CULTURE	2.3	0.0
EDUCATION	1.2	0.0
RESTAURANTS AND HOTELS	7.7	0.4
MISCELLANEOUS GOODS AND SERVICES	5.2	0.8

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



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