



Consumer Prices up 5.3% in December 2020

The Consumer Price Index (CPI) increased by 5.3% in December 2020 compared to the same month last year (December 2019), which is lower than the inflation rate of the previous month November 2020 (5.8%). Taken into account that the increase of the Value Added Tax (VAT) from 5% to 15% in July 2020 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** (+12.7%) and **Transport** (+6.9%).

Food prices the main driver of inflation compared to December 2019

- **Food and Beverages** recorded the highest annual increase 12.7%, mainly due to the increase in Food prices (+12.9%). In particular, the increase of prices for Meat (+14.8%) and Vegetables (+20.8) 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 December 2020.
- **Tobacco** prices recorded an increase by 13.7% due to the rise of prices of Cigarettes by 13.1%.
- **Communication** services also registered an increase by 11.4% mainly due to rising prices for Telephone and Telefax Services by 12.9%.
- **Furnishings, Household Equipment and Household Maintenance** recorded an increase by 7.5%, mainly resulted from rising prices of Furniture and Furnishings, Carpets and Other Floor Coverings (+9.4%).
- **Transport** also registered an increase by 6.9% mainly due the increase in prices of Purchase of Vehicles by 9.6%.
- **Miscellaneous Goods and Services** increased by 6.1% mainly resulting from an increase in prices of Jewelry, clocks and watches by 21.1%.
- On the other hand, prices for **Education** services registered a decrease of 8.6% due to a fall in prices of Pre-Primary and Primary Education 12.3% and Secondary Education by 11.1%. Prices of **Housing, Water, Electricity, Gas and other Fuels** also declined by 1.5% due to the decrease of prices of rentals of housing by 2.4%.

Prices down by 0.2% compared to November 2020

- The monthly inflation index was affected by a decrease in the **Transport** (%1.0) which in turn was affected by a decrease in vehicle prices of Purchase of Vehicles by (-1.6%) .
- **Housing, Water, Electricity, Gas and other Fuels** decreased by -0.2% ,due to the decrease of prices of rentals of housing by -0.2%.



- The **Clothing and footwear** prices decreased by -0.3% , **Food and Beverages** by -0.2% , and the **Miscellaneous Goods and Services** by -0.1% .
- Contrarily, **Communication** increased by 0.2% , **Restaurants and Hotels** increased by 0.2% , and **Tobacco** by 0.1% .
- The sections of **Furnishings, Household Equipment and Household Maintenance**, **Health**, **Recreation and Culture** department did not record any relative change in December 2020

Methodology

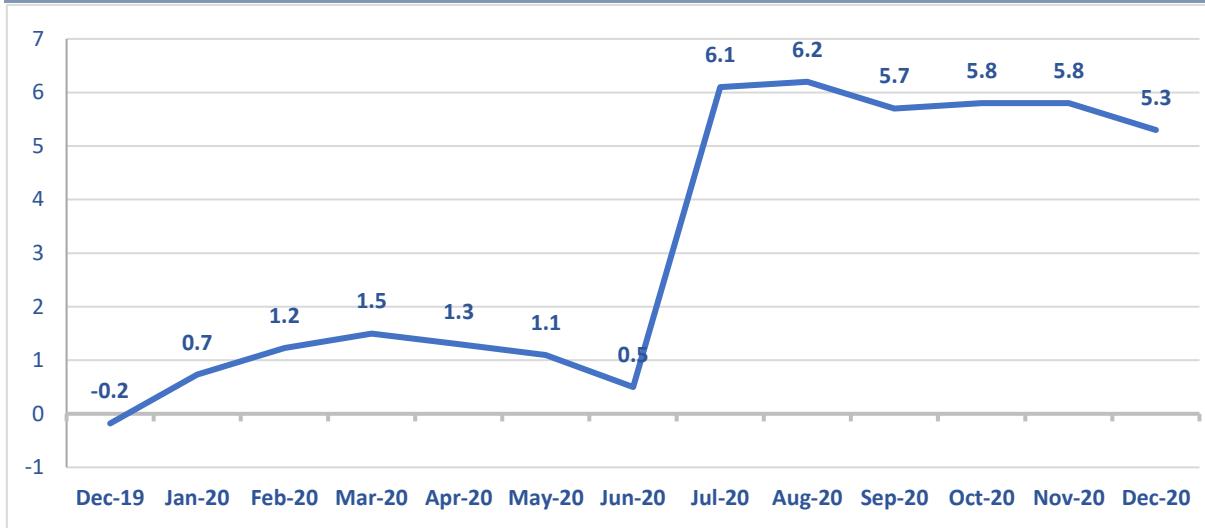
The Consumer Price Index (CPI) reflects the changes in the prices paid by consumers for a fixed basket of goods and services consisting of 490 items. This basket resulted from the Expenditure and Income Survey conducted in 2018, according to which the items and their weights were determined. The respective 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, December 2020

Expenditure Category	Percent change in December 2020 compared to	
	December 2019	November 2020
GENERAL INDEX	5.3	-0.2
FOOD AND BEVERAGES	12.7	-0.2
TOBACCO	13.7	0.1
CLOTHING AND FOOTWEAR	6.1	-0.3
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	-1.5	-0.2
FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE	7.5	0.0
HEALTH	3.1	0.0
TRANSPORT	6.9	-1.0
COMMUNICATION	11.4	0.2
RECREATION AND CULTURE	3.4	0.0
EDUCATION	-8.6	0.0
RESTAURANTS AND HOTELS	7.5	0.2
MISCELLANEOUS GOODS AND SERVICES	6.1	-0.1



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



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