



Consumer Prices up 5.7% in January 2021

The Consumer Price Index for January 2021 was up by 5.7% compared to the same month last year (January 2020), higher than in December 2020 (5.3%). Noting that consumer prices still reflect an increase of the Value Added Tax (VAT) from 5% to 15% in July 2020, the rise of the CPI originated mainly from higher prices of **Food and Beverages (+12.3%)** and **Transport (+9.6%)**.

Food prices the main driver of inflation compared to January 2020

- Prices of **Food and Beverages** recorded the highest annual increase of 12.3%, mainly due to the increase in Food prices (+12.6%). In particular, the increase of prices of Meat (+14.4%) and Vegetables (+18.2) 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 January 2021.
- **Tobacco** prices recorded an increase by 12.0% due to the rise of prices of Cigarettes by (+11.6%).
- **Communication** services prices registered an increase by 13.8%, mainly due to rising prices for Telephone and Telefax Services by (16.3%).
- **Transport** prices increased by 9.6%, mainly due the increase in prices of Purchase of Vehicles by 11.1%.
- Prices for **Furniture, Household Equipment and Household Maintenance** recorded an increase by 7.4%, mainly resulting from rising prices of Furniture and Furnishings, Carpets and Other Floor Coverings (+9.6%).
- Prices for **Miscellaneous Goods and Services** increased by (+5.6%), mainly resulted from an increase in prices of Jewelry, clocks and watches by 20.5%.
- On the other hand, prices for **Education** declined by (-9.8%) due to a decrease in prices of Pre-Primary and Primary Education by (-14.2%) and Secondary Education by (-12.2%). Prices of **Housing, Water, Electricity, Gas and other Fuels** also declined by (-0.9%) due to the decrease of prices of actual rentals for housing by (-1.7%).

Prices up by 0.2% compared to December 2020

- The monthly inflation index was affected by the increase of **Transport** prices (2.0%), which in turn was affected by an increase in operating price of personal transport by (+5.5%).
- **Communication** prices increased by (+1.6%), influenced by a rise in telephone and fax services by (+2.3%).
- Prices for **Recreation and culture** increased by (+0.8%), **Restaurants and Hotels** (+0.3%), **Miscellaneous Goods and Services** (+0.2%) ,and **Tobacco** (+0.1%).
- Contrarily, prices for **Education** decreased by -1.0% ,**Food and Beverages** (-0.6%), **Clothing and Footwear** (-0.3%) ,**Housing, Water, Electricity, Gas and other Fuels**



(-0.2%), Furniture, Household Equipment and Household Maintenance (-0.1%), and Health (-0.1%).

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.

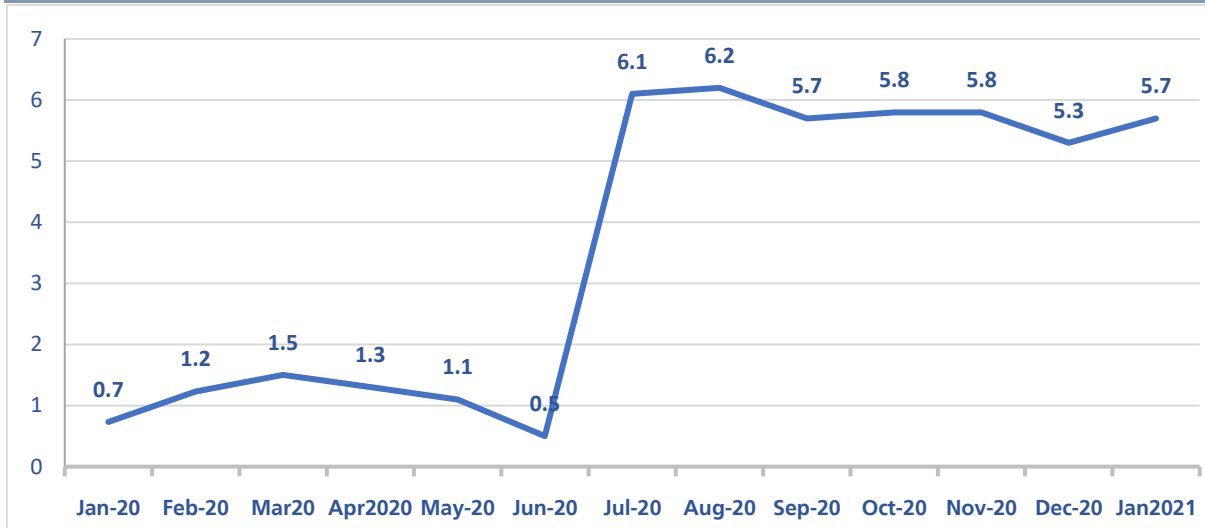
Annual and Monthly Change in CPI by Main Expenditure Category, January 2021

Expenditure Category	*Percent change in January 2021 compared to	
	January 2020	December 2020
GENERAL INDEX	5.7	0.2
FOOD AND BEVERAGES	12.3	-0.6
TOBACCO	12.0	0.1
CLOTHING AND FOOTWEAR	6.1	-0.3
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	-0.9	-0.2
FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE	7.4	-0.1
HEALTH	2.7	-0.1
TRANSPORT	9.6	2.0
COMMUNICATION	13.8	1.6
RECREATION AND CULTURE	3.2	0.8
EDUCATION	-9.8	-1.0
RESTAURANTS AND HOTELS	6.9	0.3
MISCELLANEOUS GOODS AND SERVICES	5.6	0.2

* =round to one decimal place.



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



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