

Kingdom's annual inflation rate reaches 2.0% in February 2025 compared to February 2024

The annual inflation rate in the Kingdom reached 2.0% in February 2025, compared to February 2024. This is primarily attributed to the rise in the prices of housing, water, electricity, gas, and other fuels by 7.1%, food and beverage by 1.0%, and personal goods and services by 3.9%. On the other hand, the prices of transportation decreased by 1.5%. (Figure1)

Rental prices main driver of inflation in February 2025 compared to February 2024

The housing, water, electricity, gas, and other fuels section increased by 7.1%, mainly driven by an 8.5% rise in rents paid for housing in February 2025, attributed to an 11.2% increase in villa rental prices. This increase significantly impacted the continuation of the annual inflation rate for February 2025, due to the section's weight, which amounted to 25.5%. Food and beverage prices increased by 1.0%, driven by a 3.7% increase in meat and poultry prices. Similarly, personal goods and services prices increased by 3.9%, influenced by a 26.7% rise in the prices of jewelry, watches, and precious antiques. Restaurants and hotels section also rose by 0.8%, driven by a 2.4% rise in hotel and furnished apartment service prices.

Meanwhile education section witnessed a 0.4% increase, primarily due to a 4.3% rise in fees of education tertiary.

On the other hand, furnishing and home equipment prices decreased by 2.5%, influenced by a 4.4% decline in furniture, carpets, and flooring prices. Similarly, clothing and footwear prices decreased by 1.0%, due to a 2.4% drop in ready-made clothing prices. Transportation prices also decreased by 1.5%, affected by a 2.4% decrease in vehicle purchase prices (Figure 2).

Stability of prices on a monthly basis in February 2025 compared to January 2025

On a monthly basis, the consumer price index in February 2025 recorded relative stability compared to January 2025, rising by 0.2% due to the increase of housing, water, electricity, gas, and other fuels section by 0.4%, driven by a 0.4% increase in actual housing rent prices. The index also recorded a 0.7% increase in the prices of personal goods and services, driven by a 5.5% rise in insurance prices. Similarly, recreation and culture prices increased by 0.7%, clothing and footwear by 0.3%, transportation by 0.1%, and restaurants and hotels by 0.1%.

However, the index witnessed a decrease in the prices of food and beverage by 0.2%, furnishing and home equipment by 0.3%, education by 0.2% and communication by 0.1%. On the other hand, the prices of health and tobacco showed no significant change in February 2025.

Figure1. CPI (Year-on-Year, %)

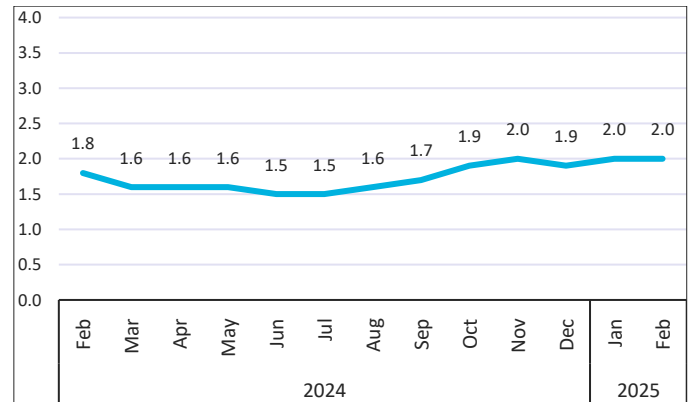
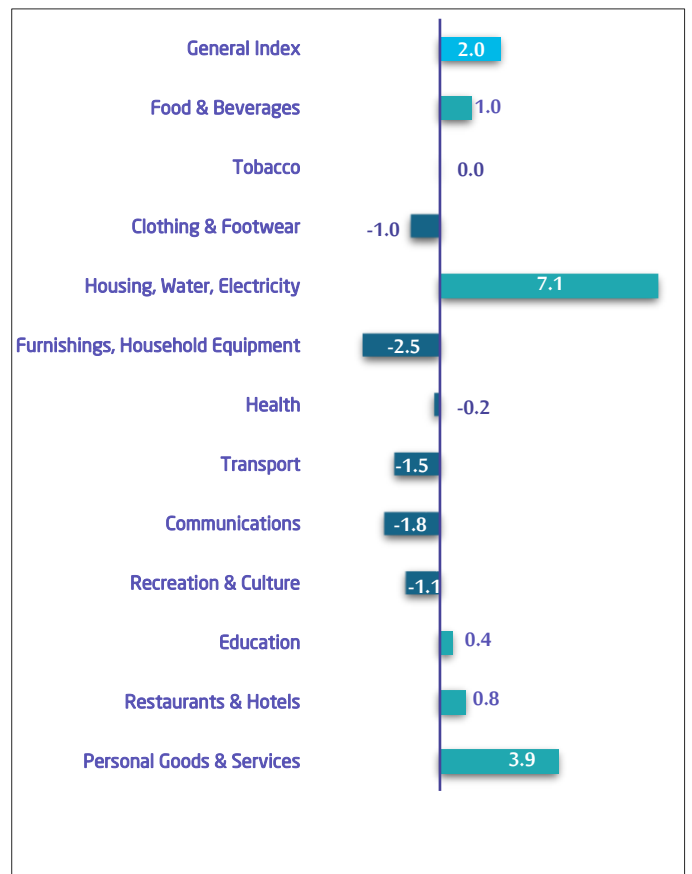


Figure2. Annual change in CPI by category (February 2025) (%)



CPI Methodology and Quality

The 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 household income and expenditure survey conducted in 2018, according to which the items and their weights were determined. The prices are collected through field visits to points of sale. The CPI statistics are published monthly. For more details, click [Methodology and Quality and Table](#).