

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

The annual inflation rate in the Kingdom reached 2.0% in January 2025, compared to January 2024. This is primarily attributed to the rise in the prices of housing, water, electricity, gas, and other fuels by 8.0%, food and beverage by 0.8%, and personal goods and services by 3.3%. On the other hand, the prices of transportation decreased by 1.9%. (Figure 1)

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

The housing, water, electricity, gas, and other fuels section increased by 8.0%, mainly driven by a 9.7% rise in rents paid for housing in January 2025, attributed to a 7.7% increase in villa rental prices. This increase significantly impacted the continuation of the annual inflation rate for January 2025, due to the section's weight, which amounted to 25.5%.

Food and beverage prices increased by 0.8%, driven by a 5.6% increase in vegetable prices. Similarly, personal goods and services prices increased by 3.3%, influenced by a 21.6% rise in the prices of jewelry, watches, and precious antiques. The restaurants and hotels section also rose by 0.8%, driven by a 3.1% rise in hotel and furnished apartment service prices.

Meanwhile, the education section witnessed a 0.6% increase, primarily due to a 0.6% rise in pre-primary and primary education costs.

On the other hand, furnishing and home equipment prices decreased by 2.4%, influenced by a 4.0% decline in furniture, carpets, and flooring prices. Similarly, clothing and footwear prices decreased by 1.5%, due to a 3.3% drop in ready-made clothing prices. Transportation prices also decreased by 1.9%, affected by a 2.8% decrease in vehicle purchase prices (Figure 2).

Stability of prices on a monthly basis in January 2025 compared to December 2024

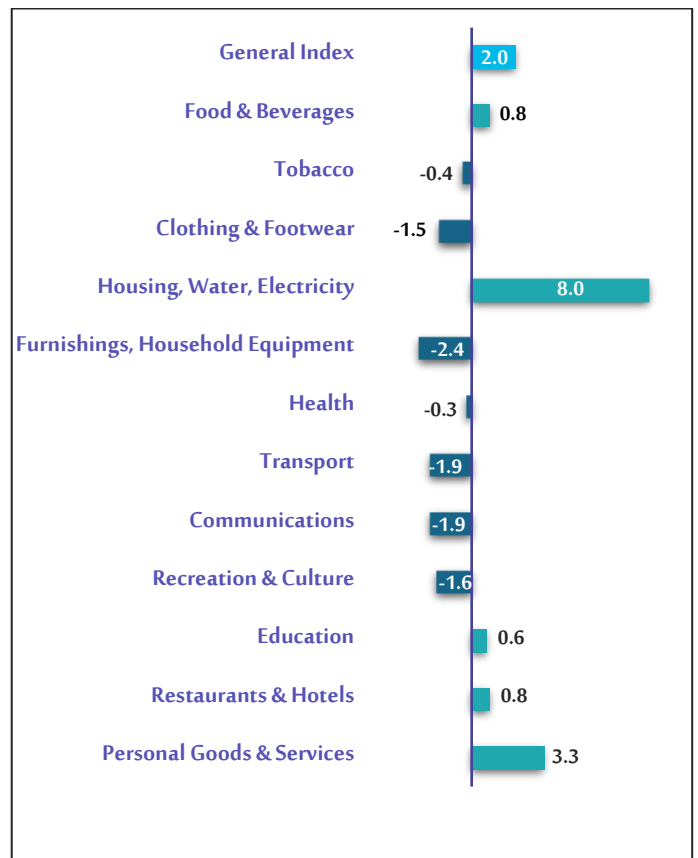
On a monthly basis, CPI in January 2025 recorded relative stability compared to December 2024, rising by 0.3% due to the increase of housing, water, electricity, gas, and other fuels section by 0.3%, driven by a 0.3% increase in actual housing rent prices. The index also recorded a 0.3% increase in the prices of food and beverages, driven by a 1.7% rise in fish and seafood prices. Similarly, transportation prices increased by 0.5%, personal goods and services by 0.5%, furnishing and home equipment by 0.5%, recreation and culture by 0.2%, health and tobacco by 0.3%, and clothing and footwear by 0.1%.

However, the index witnessed a decrease in the prices of communication by 0.3% and education by 0.1%. On the other hand, the prices of restaurants and hotels showed no significant change in January 2025.

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



Figure2. Annual change in CPI by category (January 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](#) table