

## Annual inflation rate in the Kingdom reaches 2.1% in July 2025 compared to the same period last year

The annual inflation rate in the Kingdom witnessed a relative slowdown in the pace of growth during July 2025, reaching 2.1%, compared to 2.3% in the previous June. The prices of housing , water ,electricity ,gas, and fuel section recorded the largest increase among the sections by 5.6%. The prices of food and beverages section increased by 1.6%, and the prices of the miscellaneous personal goods and services section also increased by 4.3% (Figure1).

### Rental prices main driver of inflation in July 2025 compared to July 2024

The housing, water, electricity, gas, and other fuels section increased by 5.6%, mainly driven by a 6.6% rise in rents paid for housing in July 2025, attributed to a 6.4% increase in rental prices for villas. This increase significantly impacted the overall annual inflation rate in July 2025 due to the section's weight, which amounted to 25.5%.

Food and beverage prices increased by 1.6%, driven by a 2.6% rise in meat and poultry prices. Similarly, personal goods and services prices increased by 4.3%, resulting from a 24.7% rise in the prices of jewelry, watches, and precious antiques. Restaurants and hotels section also rose by 1.4%, driven by a 1.5% rise in restaurants, cafes, garments and the like prices.

Meanwhile, the education section rose by 1.1%, primarily due to a 3.8% increase in tertiary education fees.

On the other hand, furnishing and home equipment prices decreased by 2.0%, influenced by a 3.9% decline in prices of furniture, carpets, and flooring. Similarly, clothing and footwear prices decreased by 0.4%, due to a 1.3% drop in garment prices. Transportation prices also decreased by 0.3%, affected by a 1.6% decrease in vehicle purchase prices (Figure2).

### Prices remain stable month-on-month in July 2025 compared to June 2025

On a monthly basis ,Consumer Price Index (CPI) stabilized in July2025 compared to June 2025 as a result of the stability of the following sections :transportation ,restaurants ,hotels ,clothing and footwear , health ,telecommunications ,and tobacco ,as they did not record any significant relative change in July 2025.

On the other hand ,the prices of housing ,water ,electricity ,gas and fuel increased by 0.2%,as well as the prices of entertainment and culture which increased by 0.2%. The index also witnessed a decrease in the prices of food and beverages section by 0.2% ,miscellaneous personal goods and services section by 0.1% , home furnishings section by 0.2 %, and education section by 0.1 %.

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

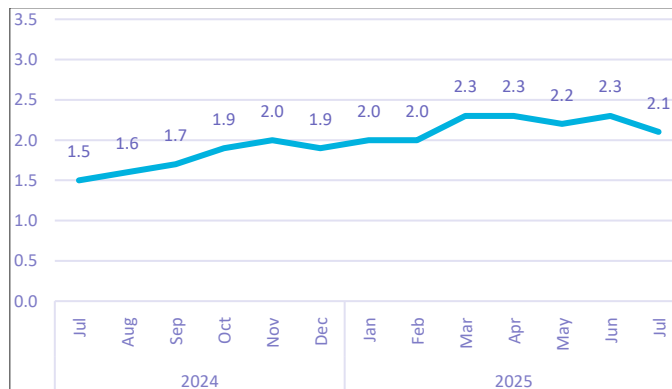
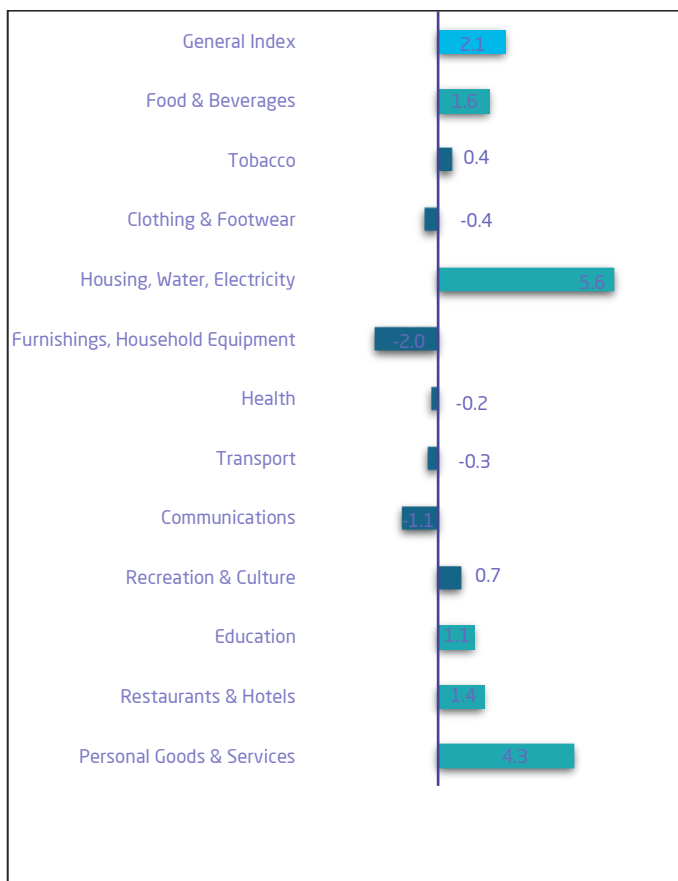


Figure2. Annual change in CPI by category (July 2025) (%)



### 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](#), [Publishing Tables](#).