

Inflation at 2.7% in June 2023

In June 2023, the Consumer Price Index (CPI) increased by 2.7%, compared to June 2022, down from 2.8% in the previous month (May 2023). The main driver of CPI inflation in June were higher prices of housing, water, electricity, gas, and other fuels (9.1%) and prices for food and beverages (1.0%).

Rents main driver of inflation in June 2023

Actual rents for housing increased by 10.8% in June 2023, reflecting the increase in rents for apartments by 22.8%. Prices for rents were the main driver of the inflation rate in June 2023 due to their high relative importance in the Saudi consumer basket (with a weight of 21.0%).

Food and beverages prices increased by 1.0%, in particular due to rising meat and poultry prices (2.3%), as well as prices for milk, milk products and eggs (7.1%).

Transport prices increased by 1.6%, mainly due to higher motor cars prices (1.3%).

Restaurants and hotels prices increased by 4.3%, due to the increase in catering services prices by 4.1%.

Education prices increased by 3.0%, mainly resulting from the increase in pre-primary and primary education fees by 4.5%.

Recreation & culture prices increased by 2.6%, mainly resulting from the increase in package holidays by 11.5%.

In contrast, furnishings, household equipment & maintenance prices decreased by 2.3%, due to the decrease in furniture and furnishings, carpets and other floor coverings (-4.6%). Clothing and footwear prices decreased by 2.9%, due to the decrease in garments prices (-4.6%).

Prices stable compared to May 2023

Compared to May 2023, consumer prices remained relatively stable and slightly increased by 0.2% in June 2023.

The monthly CPI was affected by the increase in housing, water, electricity, gas, and other fuels prices by 0.8%, as a result of the increase in actual rents for housing by 1.0%.

Food and beverages prices increased by 0.4%, transport prices increased by 0.3%, and restaurants and hotels prices increased by 0.4%. Prices of furnishings, household equipment & maintenance decreased by 0.6%, Clothing and footwear (-0.6%), personal goods and services (-0.4%), recreation & culture (-0.4%), Health (-0.1%), communications (-0.2%).

Figure 1. CPI (Year-on-Year, %)



CPI Reference Metadata

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 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 monthly. For more details, click [Reference Metadata](#)

Table 1. Annual and Monthly Change in CPI by Main Expenditure Category (June 2023)(%)

General Index, Sections	Percent change in June 2023 compared to	
	June 2022	May 2023
General Index	2.7	0.2
Food & Beverages	1.0	0.4
Tobacco	0.1	0.0
Clothing and Footwear	-2.9	-0.6
Housing, Water, Electricity, Gas & Other Fuels	9.1	0.8
Furnishings, Household Equipment & Maintenance	-2.3	-0.6
Health	0.6	-0.1
Transport	1.6	0.3
Communications	-0.7	-0.2
Recreation & Culture	2.6	-0.4
Education	3.0	0.0
Restaurants & Hotels	4.3	0.4
Personal Goods and Services	-0.1	-0.4

Source: [Tables](#).