

## Inflation rises to 2.7% in July 2022

In July 2022, the Consumer Price Index (CPI) increased by 2.7% compared to July 2021, higher than June's inflation rate of 2.3%. The main driver of CPI inflation in June were the higher prices of food and beverages (+3.9%) and transport (+3.6%).

### Food prices are the main driver of inflation in July 2022

Food and beverage prices increased by 3.9%, mainly due to food prices (4.2%), and in particular Meat prices (+5.1%). Food and beverages prices were the main driver of the inflation rate in July 2022 due to their high relative importance in the Saudi consumer basket (with a weight of 18.8%).

Transport prices increased by 3.6%, mainly due to the increase in purchase of motor cars prices (+4.2%).

Personal goods and services prices increased by 2.1%, mainly resulting from the increase in prices of wedding hall rental (+22.0%). Restaurants and hotels prices increased by 6.3%, due to the increase in catering services prices by 6.5%. Education increased by 5.7%, mainly resulting from the increase in Secondary education by 10.1%. Housing, water, electricity, gas, and other fuels prices increased by 2.0%, as a result of the increase in rents for housing by 2.1%.

In contrast, clothing and footwear prices decreased by 1.2% due to the decrease in garments prices (- 1.5%).

### Prices increased by 0.5% compared to June 2022

Compared to June 2022, consumer prices increased slightly by 0.5%.

The monthly CPI was affected by the increase of Transport prices by 1.1%, mainly due to the increase in Purchase of Vehicles prices by 1.1%. Restaurants and hotels prices increased by 1.7%, mainly due to the increase in catering services prices by 1.4%. Housing, water, electricity, gas, and other fuels prices increased by 0.7%, Food and beverage prices increased by 0.1%, as well as clothing and footwear (0.3%), Education (0.9%), Health (0.5%), Tobacco (0.1%).

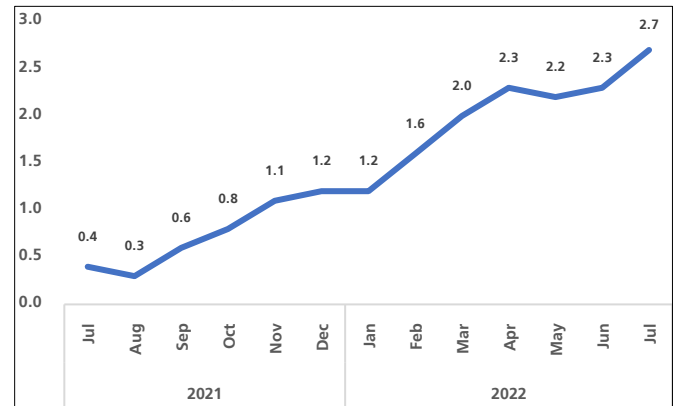
Contrarily, prices decreased for Furnishings, household equipment & maintenance by (0.1%), Personal goods and services by (0.1%), Communication by (0.1%).

Table1 . Annual and Monthly Change in CPI by Main Expenditure Category (July 2022)

Expenditure Category	Percent change in July 2022 compared to	
	July 2021	June 2022
General Index	2.7	0.5
Food & Beverages	3.9	0.1
Tobacco	0.1	0.1
Clothing And Footwear	-1.2	0.3
Housing, Water, Electricity, Gas & Other Fuels	2.0	0.7
Furnishings, Household Equipment & Maintenance	1.4	-0.1
Health	0.6	0.5
Transport	3.6	1.1
Communication	0.2	-0.1
Recreation & Culture	4.2	1.7
Education	5.7	0.9
Restaurants & Hotels	6.3	1.7
Personal Goods and Services	2.1	-0.1

Source: [Tables](#).

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



### CPI Methodology

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 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 [Methodology](#).