

Annual inflation rises to 3.4% in January 2023

In January 2023, the Consumer Price Index (CPI) increased by 3.4%, compared to January 2022. The main driver of CPI inflation in January was the higher prices of housing, water, electricity, gas, and other fuels by 6.6%, and food and beverages by 4.2%.

Rents main driver of inflation in January 2023

Actual rents for housing increased by 7.7% in January 2023, reflecting the increase in rents for apartments by 19.3%. Prices for housing were the main driver of the inflation rate in January 2023 due to their high relative importance in the Saudi consumer basket (with a weight of 25.5%).

Food prices increased by 4.3%, in particular meat and poultry prices (+6.1%), milk products and eggs (15.8%).

Transport prices increased by 3.8%, mainly due to the increase in purchase of motor cars prices by 4.9%.

Restaurants and hotels prices increased by 6.5%, due to the increase in catering services prices by 6.8%.

Recreation & culture prices increased by 1.1%, mainly resulting from the increase in package holidays by 6.1%.

Education prices increased by 3.1%, mainly resulting from the increase in pre-primary and primary education fees by 4.6%.

In contrast, personal goods and services prices decreased by 0.4%, due to the decrease in domestic workers recruitment fees (-4.7%).

Clothing and footwear prices decreased by 1.6%, due to the decrease in garments prices (-2.6%).

Prices increase by 0.2% compared to December 2022

Compared to December 2022, consumer prices increased slightly by 0.2%.

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 rentals for housing by 1.0%.

Food and beverages prices increased by 0.5%, mainly due to the increase in food prices by 0.4%, restaurants and hotels prices increased by 0.3%, personal goods and services increased by 0.1%, and furnishings, household equipment & maintenance increased by 0.2%.

Contrarily, prices of transport decreased by 0.3%, just as well as clothing and footwear (-0.7%), communication (-0.7%), recreation & culture (-0.2%), and health (-0.1%).

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

General Index, Sections	Percent change in January 2023 compared to	
	Jan 2022	Dec 2022
General Index	3.4	0.2
Food & Beverages	4.2	0.5
Tobacco	0.0	0.0
Clothing and Footwear	-1.6	-0.7
Housing, Water, Electricity, Gas & Other Fuels	6.6	0.8
Furnishings, Household Equipment & Maintenance	0.2	0.2
Health	1.2	-0.1
Transport	3.8	-0.3
Communication	-0.2	-0.7
Recreation & Culture	1.1	-0.2
Education	3.1	0.0
Restaurants & Hotels	6.5	0.3
Personal Goods and Services	0.4	0.1

Source: [Tables](#).

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



CPI Methodology

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](#)