

Annual inflation at 2.2% in May 2022

In May 2022, the Consumer Price Index (CPI) increased by 2.2% compared to May 2021, slightly below April's inflation rate of 2.3%. The main driver of CPI inflation in May were the higher prices of food and beverages (+4.2%) and transport (+4.0%).

Food prices are the main driver of inflation in May 2022

Food and beverage prices increased by 4.2%, mainly due to food prices (4.6%), and in particular meat prices (+3.4%). Food and beverages prices were the main driver of the inflation rate in May 2022 due to their high relative importance in the Saudi consumer basket (with a weight of 18.8%).

Transport prices increased by 4.0%, mainly due to the increase in purchase of vehicles prices by 4.7%, which can be attributed to the increase in motor cars prices (+4.7%).

Personal goods and services prices increased by 2.1%, mainly resulting from the increase in prices of wedding hall rental (+17.2%). education prices increased by 6.2%, mainly resulting from the increase in secondary education fees by 13.8%. Restaurants and hotels prices increased by 4.1%, due to the increase in catering services prices by 3.9%. Housing, water, electricity, gas, and other fuels prices increased by 0.5%, as a result of the increase in rents for housing by 0.5%.

In contrast, clothing and footwear prices decreased by 1.7% due to the decrease in garments prices (-2.6%). Cigarettes prices declined by 1.2%.

Prices are stable compared to April 2022

Compared to April 2022, consumer prices remained relatively stable as they slightly increased by 0.1%.

The monthly CPI was affected by the increase of food and beverages prices by 0.2%, mainly due to the increase in food prices by 0.2%. Restaurants and hotels prices increased by 0.8%, mainly due to the increase in catering services prices by 1.1%. Furnishings, household equipment & maintenance prices increased by 0.7%, as well as goods and services (0.1%), health (0.1%), housing, water, electricity, gas, and other fuels (0.1%), communication (0.1%).

Contrarily, prices for clothing and footwear decreased by 0.7%, as well as recreation & culture prices 0.2%.

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](#).

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

Expenditure Category	Percent change in May 2022 compared to	
	May 2021	Apr 2022
General Index	2.2	0.1
Food & Beverages	4.2	0.2
Tobacco	-0.7	0.0
Clothing And Footwear	-1.7	-0.7
Housing, Water, Electricity, Gas & Other Fuels	0.5	0.1
Furnishings, Household Equipment & Maintenance	1.8	0.7
Health	0.1	0.1
Transport	4.0	0.0
Communication	0.0	0.1
Recreation & Culture	2.4	-0.2
Education	6.2	0.0
Restaurants & Hotels	4.1	0.8
Personal Goods and Services	2.1	0.1

Source: [Tables](#)