



Consumer Prices up 5.8% in November 2020

The Consumer Price Index (CPI) increased by 5.8% in November 2020 compared to the same month last year (November 2019), which is the same rate of inflation as the previous month October 2020. Granted that the increase in the Value Added Tax (VAT) from 5% to 15% in July 2020 had an overall influence on consumer prices throughout the Kingdom, the rise of the CPI originated mainly from the increase in prices of **Food and Beverages** (+13.0%) and **Transport** (+8.0%).

Food prices the main driver of inflation compared to November 2019

- **Tobacco** prices recorded an increase of 13.3 due to the rise of prices of Cigarettes by (+12.9%).
- **Food and Beverages** recorded the highest annual increase 13.0%, mainly due to the increase in *Food* prices (+13.3%). In particular, the increase of prices of *Meat* (+14.8%) and *Vegetables* (+22.2) was remarkable. Due to their high importance in the Saudi consumer basket (with a weight of 17%), Food prices were the main driver of the inflation rate in November 2020.
- **Communication** services also registered an increase by 11.1% mainly due to rising prices for *Telephone and Telefax Services* by (12.9%).
- **Transport** also registered an increase by 8.0% mainly due the increase in prices of *Purchase of Vehicles* by 11.6%.
- **Furnishings, Household Equipment and Household Maintenance** recorded an increase of 7.6%, resulting mainly from rising prices of *Furniture and Furnishings, Carpets and Other Floor Coverings* (+9.6%).
- The increase in prices for **Miscellaneous Goods and Services** (+7.3%) resulted mainly from an increase in prices of *Jewelry, clocks and watches* by 23.0%.
- On the other hand, prices for **Education** services registered a decrease by 8.6% due to the decrease in prices of *Pre-Primary and Primary Education* by (-12.4%) and *Secondary Education* by (-11.1%). Prices of **Housing, Water, Electricity, Gas and other Fuels** also declined by 0.8% due to the decrease of prices of *rentals of housing* by (-1.6%).

Prices down by 0.1% compared to October 2020

- The monthly inflation index was affected by the decrease of prices in **Housing, Water, Electricity, Gas and other Fuels** by (-0.6%), mainly due to the decrease in the prices of *Actual rentals of housing* by (-0.7%).
- The decrease in prices for **Furnishings, Household Equipment and Household Maintenance** (-0.4%) also contributed significantly to the monthly inflation, mainly



due to the decrease of prices for *Major household appliances whether electric or not* by (-1.4%).

- **Recreation and Culture** decreased by -0.4%, **Communication** -0.2%, **Restaurants and Hotels** -0.2%, **Clothes and Footwear** -0.1%, and **Food and Beverages** -0.1% ,**Health** (-0.04%).
- Contrarily, **Transport** increased by (1.0%), **Tobacco** increased by (0.2%), and **Miscellaneous Goods and Services** by (0.1%).
- While **Education** did not register any significant change.

Methodology

The Consumer Price Index (CPI) reflects the changes in the prices paid by consumers for a fixed basket of goods and services consisting of 490 items. This basket resulted from 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 on a monthly basis.

Annual and Monthly Change in CPI by Main Expenditure Category, November 2020

Expenditure Category	Percent change in November 2020 compared to	
	November 2019	October 2020
GENERAL INDEX	5.8	-0.1
FOOD AND BEVERAGES	13.0	-0.1
TOBACCO	13.3	0.2
CLOTHING AND FOOTWEAR	6.0	-0.1
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	-0.8	-0.6
FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE	7.6	-0.4
HEALTH	2.4	-0.04
TRANSPORT	8.0	1.0
COMMUNICATION	11.1	-0.2
RECREATION AND CULTURE	3.7	-0.4
EDUCATION	-8.6	0.0
RESTAURANTS AND HOTELS	7.1	-0.2
MISCELLANEOUS GOODS AND SERVICES	7.3	0.1



CPI by Month (year-over-year, %)



Links: [All Tables](#), [Methodological Note](#)