



Inflation rises to 1.2% in February 2020, the highest since December 2018

The Consumer Price Index (CPI) (2018=100) increased by 1.2% in February 2020 on a year-on-year basis, above the previous month's rate of 0.4% and the highest since December 2018. Given their significant weights in the index, "Food and Beverages" and "Transport" contributed most to this increase, with their average prices rising by 3.4% and 3.7%, respectively. On the contrary, "Housing, Water, Electricity, Gas and Other Fuels" stood out as the main dampening factor on inflation, with their average prices declining by 0.7%.

Food prices the main driver of inflation compared to February 2019

- Of the main expenditure categories, "Transport" recorded the highest annual increase (+3.7%), mainly due to an increase in prices for Purchase of Vehicles (+3.4%). Prices for Operation of Personal Transport Equipment increased by a much higher rate of 4.2%, but entered the consumer basket with a lower weight than Purchase of Vehicles.
- The increase in prices for "Food and Beverages" (+3.4%) resulted mostly from Food prices, which increased by 3.6% in February 2020. In particular, the increase of prices for Meat and Poultry was remarkable (+4.6%). 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 February 2020.
- "Education" recorded an increase of 1.5%, resulting mainly from rising fees in Pre-Primary and Primary Education (+4.0%)
- "Housing, Water, Electricity, Gas and Other Fuels" recorded the largest decrease (-0.7%), mainly due to falling rents for housing (-0.7%).
- "Communication" (-0.6%) and "Health" (-0.5%) recorded a decline as well.

Prices up by 0.3% compared to January 2020

- CPI increased by 0.3% compared to the previous month (January 2020), mainly due to the increase in average prices of "Food and Beverages" (1.2%).
- "Transport" (0.9%), "Housing, Water, Electricity, Gas and Other Fuels" (0.8%), and "Communication" (0.5%) also witnessed an increase.
- On the other hand, "Recreation and Culture" (-1.6%) recorded the highest decrease in prices, followed by "Restaurants and Hotels" (-1.3%).

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 was chosen based on the results of the Expenditure and Income Survey conducted in 2018, and 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, February 2020

Expenditure Category	Percent change in February 2020 compared to	
	Feb 2019	Jan 2020
GENERAL INDEX	1.2	0.3
FOOD AND BEVERAGES	3.4	1.2
TOBACCO	0.4	-0.9
CLOTHING AND FOOTWEAR	0.3	-0.2
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	-0.7	0.8
FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE	1.1	-0.1
HEALTH	-0.5	-0.3
TRANSPORT	3.7	0.9
COMMUNICATION	-0.6	0.5
RECREATION AND CULTURE	0.4	-1.6
EDUCATION	1.5	-0.3
RESTAURANTS AND HOTELS	1.3	-1.3
MISCELLANEOUS GOODS AND SERVICES	1.2	-0.8

Annual Change in CPI (%)



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