



Inflation rises to 1.5% in March 2020

The Consumer Price Index (CPI) (2018=100) increased by 1.5% in March 2020 on a year-on-year basis, above the previous month's rate of 1.2% 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 3.9% and 3.7%, respectively. "Housing, Water, Electricity, Gas and Other Fuels" stood out as the main dampening factors on inflation, with their average prices declining by 0.5%.

Food prices the main driver of inflation compared to March 2019

- Of the main expenditure categories, "Food and Beverages" recorded the highest annual increase (+3.9%), mainly due to an increase in Food prices (+4.2%). In particular, the increase of prices for Meat (+5.5%) and Vegetables (+12.7) 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 March 2020.
- The increase in prices for "Transport" (+3.7%) mainly resulted from an increase of Purchase of Vehicles by 2.9%. Prices for Operation of Personal Transport Equipment increased by a much higher rate of 5.6% but entered the consumer basket with a lower weight than Purchase of Vehicles.
- "Miscellaneous Goods and Services" recorded an increase of 1.7%, resulting mainly from rising prices of jewelry, clocks, and watches (+10.1%).
- The decrease in prices for "Housing, Water, Electricity, Gas and Other Fuels" (-0.5%) was mainly due to falling rents for housing (-0.6%). Prices for "Communication" also decreased by 0.6%, with prices of Telephone and Telefax Equipment falling by 3.8%.

Prices up by 0.1% compared to February 2020

- CPI increased by 0.1% compared to the previous month (February 2020), mainly due to the increase in average prices of "Food and Beverages" (0.7%).
- "Miscellaneous Goods and Services" (0.4%), and "Clothing and Footwear" (0.4%) also witnessed a relatively higher rate of increase.
- On the other hand, "Housing, Water, Electricity, Gas and Other Fuels" (-0.3%) and Recreation and Culture (-0.3%) recorded a decrease in prices.

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, March 2020

Expenditure Category	Percent change in March 2020 compared to	
	Mar 2019	Feb 2020
GENERAL INDEX	1.5	0.1
FOOD AND BEVERAGES	3.9	0.7
TOBACCO	0.7	0.2
CLOTHING AND FOOTWEAR	0.3	0.4
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	-0.5	-0.3
FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE	1.2	0.3
HEALTH	-0.2	0.0
TRANSPORT	3.7	0.1
COMMUNICATION	-0.6	0.0
RECREATION AND CULTURE	0.9	-0.3
EDUCATION	1.5	0.0
RESTAURANTS AND HOTELS	1.3	0.1
MISCELLANEOUS GOODS AND SERVICES	1.7	0.4

Annual Change in CPI (%)



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