

## Annual inflation rate in the Kingdom reaches 2.3% in June 2025 compared to the same period last year

The annual inflation rate in the Kingdom remained relatively stable in June 2025, reaching 2.3% compared to June 2024. This was mainly driven by a 6.5% increase in housing, water, electricity, gas, and fuel prices, a 1.5% rise in food and beverage prices, and a 4.1% increase in prices of personal goods and services. (Figure1)

### Rental prices main driver of inflation in June 2025 compared to June 2024

The housing, water, electricity, gas, and other fuels section increased by 6.5%, mainly driven by a 7.6% rise in rents paid for housing in June 2025, attributed to a 7.1% increase in rental prices for villas. This increase significantly impacted the overall annual inflation rate in June 2025 due to the section's weight, which amounted to 25.5%.

Food and beverage prices increased by 1.5%, driven by a 2.4% rise in meat and poultry prices. Similarly, personal goods and services prices increased by 4.1%, resulting from a 26.5% rise in the prices of jewelry, watches, and precious antiques. The restaurants and hotels section also rose by 1.6%, driven by a 1.9% rise in restaurants, cafes and the like prices.

Meanwhile, the education section rose by 1.4%, primarily due to a 5.0% increase in tertiary education fees.

On the other hand, furnishing and home equipment prices decreased by 1.7%, influenced by a 3.6% decline in prices of furniture, carpets, and flooring. Similarly, clothing and footwear prices decreased by 0.6%, due to a 1.4% drop in garments prices. Transportation prices also decreased by 0.7%, affected by a 1.7% decrease in vehicle purchase prices (Figure2).

### Prices remain stable month-on-month in June 2025 compared to May 2025

On a monthly basis, CPI remained stable in June 2025, recording a 0.2% increase compared to May 2025.

This was mainly due to a 0.2% rise in the housing, water, electricity, gas, and other fuels section, driven by a 0.3% increase in actual housing rent prices.

The index also recorded a 0.1% increase in food and beverage prices. Similarly, personal goods and services prices increased by 0.5%, while recreation and culture prices rose by 0.3%, furnishing and home equipment by 0.2%, clothing and footwear by 0.1%, restaurants and hotels by 0.1%, and education by 0.1%.

However, the index recorded a decrease in the prices of health by 0.3% and communication by 0.1%.

On the other hand, the prices of transportation and tobacco products showed no significant change in June 2025.

Figure1. CPI (Year-on-Year, %)

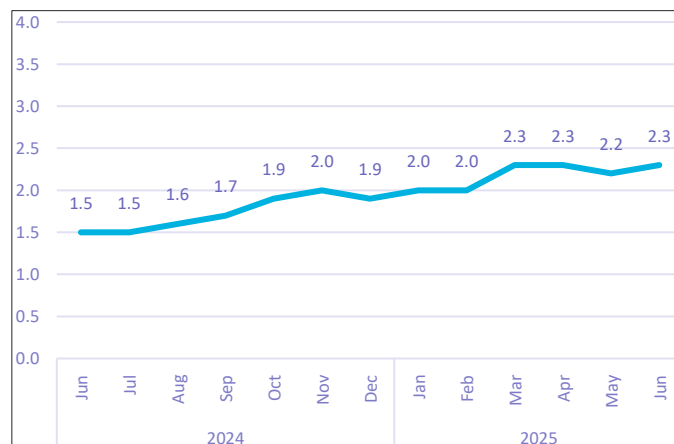
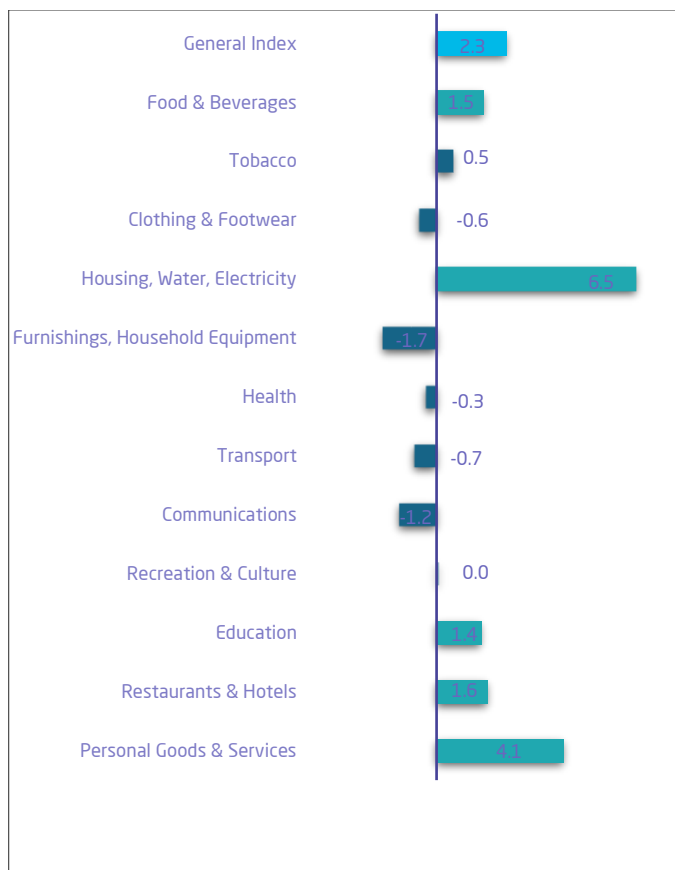


Figure2. Annual change in CPI by category (Jun 2025) (%)



### Methodology and Quality

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 household income and expenditure survey conducted in 2018, according to which the items and their weights were determined. The prices are collected through field visits to points of sale. The CPI statistics are published monthly. For more details, click [Methodology and Quality](#), [Publishing Tables](#).