

Annual Inflation Rises to 3.0% in August 2022

In August 2022, the Consumer Price Index (CPI) increased by 3.0%, compared to August 2021, higher than July inflation rate of 2.7%. The main driver of CPI inflation in August is the higher prices of food and beverages (+4.0%) and transport (+4.0%).

Food and Beverage Prices are the Main Driver of Inflation in August 2022

Food and beverage prices increased by 4.0%, mainly due to food prices (4.3%), and in particular meat prices (+6.7%). The food and beverages prices were the main driver of the inflation rate in August 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 motor cars prices (+4.7%).

Housing, water, electricity, gas, and other fuels prices increased by 2.5%, as a result of the increase in rents for housing by 2.7%.

Personal goods and services prices increased by 2.1%, mainly resulting from the increase in prices of wedding hall rental (+21.7%).

Restaurants and hotels prices increased by 7.3%, due to the increase in catering services prices by 7.3%.

Education prices increased by 5.7%, mainly resulting from the increase in secondary education prices by 10.1%.

In contrast, clothing and footwear prices decreased by 0.9% due to the decrease in garments prices (-1.4%).

Prices Increased by 0.4% Compared to July 2022

Compared to July 2022, consumer prices slightly increased by 0.4%.

The monthly CPI was affected by the increase of food and beverage prices by 0.8%, mainly due to the increase in food prices by 0.9%.

Housing, water, electricity, gas, and other fuels prices increased by 0.4%, as a result of the increase in rents for housing by 0.4%.

Personal goods and services prices increased by 0.3%, restaurants and hotels prices increased by 0.8%, as well as recreation and culture went up by (0.6). Furniture, Household Equipment and Household Maintenance along with communication increased by (0.4%), and (0.1%) respectively.

Contrarily, prices decreased for clothing and footwear by (0.1%).

On the other hand, prices for Health, and Transport, and Tobacco, and Education, did not show any significant changes in August 2022.

Table 1. Annual and Monthly Change in CPI by Main Expenditure Category (August 2022)

Expenditure Category	Percent change in August 2022 compared to	
	August 2021	July 2022
General Index	3.0	0.4
Food & Beverages	4.0	0.8
Tobacco	0.3	0.0
Clothing and Footwear	-0.9	-0.1
Housing, Water, Electricity, Gas & Other Fuels	2.5	0.4
Furnishings, Household Equipment & Maintenance	1.6	0.4
Health	0.6	0.0
Transport	4.0	0.0
Communication	0.4	0.1
Recreation & Culture	5.1	0.6
Education	5.7	0.0
Restaurants & Hotels	7.3	0.8
Personal Goods and Services	2.1	0.3

Source: [Tables](#).

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](#).