

## Inflation at 3.4% in 2020

The annual inflation rate of consumer prices in Saudi Arabia stood at 3.4% in 2020 , largely driven by the effects of an increase in the Value Added Tax (VAT) from 5% to 15% in July 2020. The main driver of inflation were prices of Food and Beverages (+9.0%) and Transport (+3.8%).

### Food prices drive inflation in 2020

- Prices of **Food and Beverages** recorded a 9.0% increase in 2020 ,which in turn was influenced by a 11.5% rise in meat and poultry prices , as well as vegetable prices by 17.1%.
- **Tobacco** recorded a rise by 7.1% due to a 6.2% increase in cigarette prices.
- Prices of **Communication** recorded a 4.8% increase, mainly resulting from the rise in the price of telephone and fax services by 5.9%.
- Prices of **Furnishings, Household Equipment and Household Maintenance** increased by 4.6%.
- **Transport** prices recorded a rise of 3.8% due to 7.0% increase in vehicle purchase prices.
- **Miscellaneous Goods and Services** prices increased by 4.0% due to the increase in the prices of jewelry, watches and precious antiques by 16.8%.

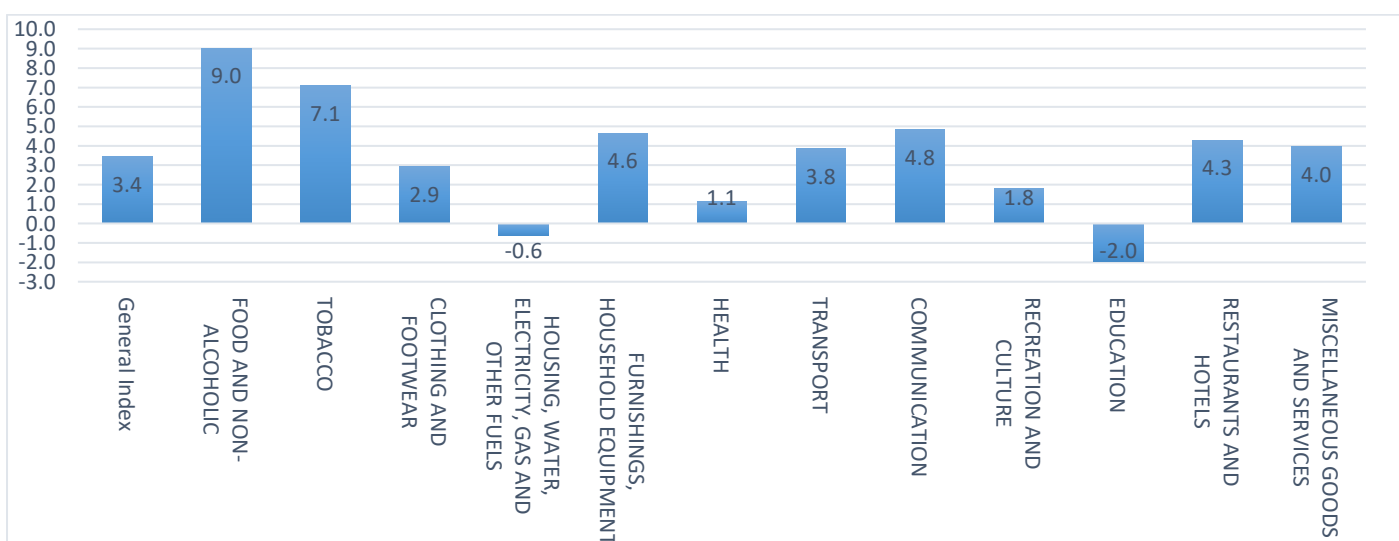
### Housing rents and education costs decline in 2020

- **Housing, Water, Electricity, Gas and other Fuels** decreased by -0.6% ,due to the decrease of housing rents by -1.0%.
- **Education** costs recorded a decrease of 2.0%, which is due to reductions in the prices of pre - and primary education (-1.6%) and middle and secondary Education (-3.4%).

## Change of annual CPI by section, 2020

Section	Average index during the year:		
	2020	2019	Percentage change %
<b>Overall Record</b>	101.28	97.91	3.4
FOOD AND BEVERAGES	111.28	102.08	9.0
TOBACCO	108.11	100.96	7.1
CLOTHING AND FOOTWEAR	101.48	98.6	2.9
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	90.83	91.41	-0.6
FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE	104.	99.38	4.6
HEALTH	101.26	100.14	1.1
TRANSPORT	102.4	98.61	3.8
COMMUNICATION	103.49	98.72	4.8
RECREATION AND CULTURE	100.13	98.34	1.8
EDUCATION	100.48	102.5	-2.0
RESTAURANTS AND HOTELS	107.65	103.22	4.3
MISCELLANEOUS GOODS AND SERVICES	103.54	99.6	4.0

## Annual change of consumer price index for 2020 (%)



Links: [Tables](#)

