

Wholesale prices up 5.6% in August 2020

The Wholesale Price Index (WPI) increased by 5.6% in August 2020 on year-on-year basis, slightly higher than the rate in the previous month (+5.1%). The rise of the index originated mainly from higher prices of **metal products, machinery and equipment** (+13.3%), given their weight in the index, in addition to an overall impact of the scaling up of the Value Added Tax (VAT) from 5% to 15% on July 1. On the other hand, the lower prices of *refined petroleum products*, which fell 17.5% from August 2019, came as the most offsetting factor on the wholesale price inflation.

The largest annual increase in prices registered by agricultural products

Of the main product categories, **agricultural and fishery products** (+15.0%) registered the largest increase in wholesale prices in the past twelve months through August, mainly due to a rise in prices of *products of agriculture* (+14.0%), especially cereals (+24.8%).

The increase in prices of **metal products, machinery and equipment** (+13.3%) resulted mainly from higher prices of *transport equipment* (+16.5%) and *basic metals* (+12.9%).

Food products, beverages and tobacco and textiles (+12.2%) registered an increase in their wholesale prices as well, resulting from rising prices of *meat, fish, fruit, vegetables, oils and fats* (+18.2%) and *grain mills, starch and other food products* (+12.1%).

Ores and minerals (+5.4%) registered a relatively lower rate of increase in wholesale prices, originating from rising prices of *stones and sand* (+5.4%).

On the other hand, **other transportable goods** (-5.2%) registered a decline in their prices year-on-year in August 2020, mostly due to lower prices of *refined petroleum products* (-17.5%).

Wholesale prices up 0.6% from July

On a monthly basis, the Wholesale Price Index increased by 0.6% in August 2020, mainly influenced by higher prices of *basic chemicals*, which increased 7.2% from the previous month. The higher prices of *basic chemicals* contributed the most to the increase in average prices of **other transportable goods** (+0.9%). Of the other major product categories, **agricultural and fishery products** registered even a higher rate of +1.0%, originating mainly from higher prices of *products of agriculture* (+1.4%). In addition, **metal products, machinery and equipment** (+0.4%) and **food products, beverages and tobacco and textiles** (+0.2%) also recorded an increase in their prices as compared to the previous month. On the other hand, prices of **ores and minerals** did not show a significant change (0.0%).



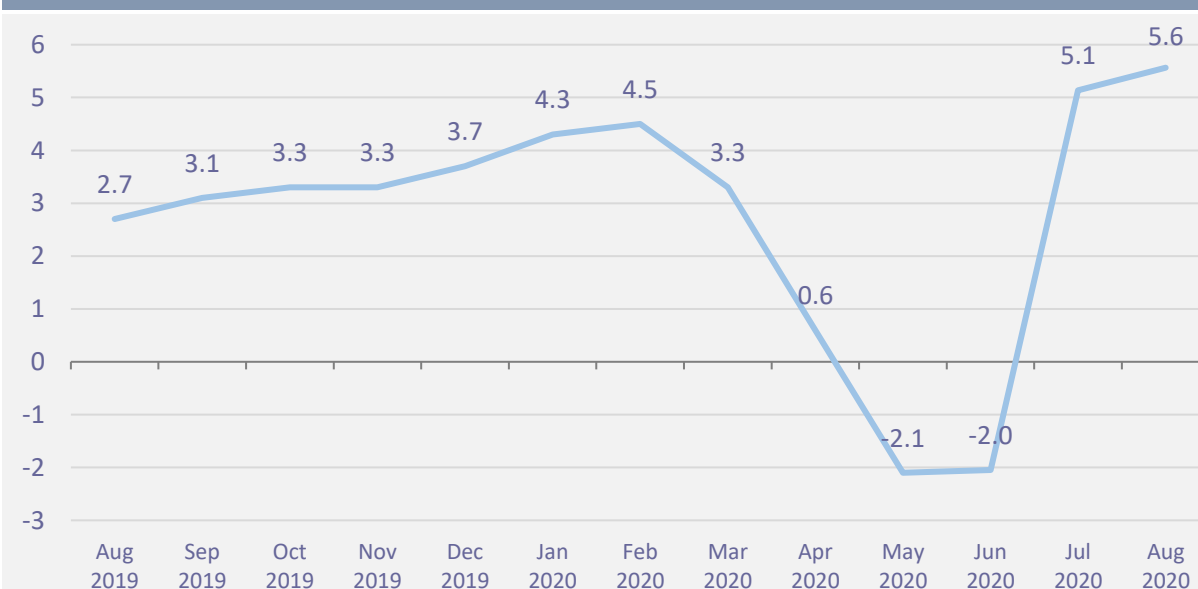
Methodology

The Wholesale Price Index (WPI) reflects the movements of pre-retail prices of goods against a fixed basket of 343 items. The prices are collected for three cities (Riyadh, Jeddah, and Dammam) through field visits to points of sale. The year 2014 was determined as the base year. WPI statistics are published on a monthly basis.

Annual and monthly change in wholesale price index by main product category, August 2020

Product Category	Percentage change (%) in August 2020 compared to:	
	August 2019	July 2020
General Index	5.6	0.6
Agriculture and fishery products	15.0	1.0
Ores and Minerals	5.4	0.0
Food products, beverages and tobacco and textiles	12.2	0.2
Other transportable goods	-5.2	0.9
Metal products, machinery and equipment	13.3	0.4

WPI by month (year-on-year, %)



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