

## Annual inflation rate in the Kingdom reaches 2.2% in May 2025 compared to May 2024

The annual inflation rate in the Kingdom remained relatively stable in May 2025, reaching 2.2% compared to May 2024. This was mainly driven by a 6.8% increase in housing, water, electricity, gas, and fuel prices, a 1.6% rise in food and beverage prices, and a 4.0% increase in prices of personal goods and services. (Figure1)

### Rental prices are the main driver of inflation in May 2025 compared to May 2024

The housing, water, electricity, gas, and other fuels section increased by 6.8%, mainly driven by an 8.1% rise in rents paid for housing in May 2025, attributed to a 7.1% increase in rental prices for villas. This increase significantly impacted the overall annual inflation rate in May 2025 due to the section's weight, which amounted to 25.5%.

Food and beverage prices increased by 1.6%, driven by a 2.8% rise in meat and poultry prices. Similarly, personal goods and services prices increased by 4.0%, resulting from a 24.4% rise in the prices of jewelry, watches, and precious antiques. Restaurants and hotels section also rose by 1.8%, driven by a 1.6% rise in Catering service prices.

Meanwhile, the education section rose by a 1.3%, primarily due to a 5.6% increase in non-university post-secondary education.

On the other hand, furnishing and home equipment prices decreased by 2.5%, influenced by a 4.0% decline in furniture, carpets, and flooring prices. Similarly, clothing and footwear prices decreased by 0.9%, due to a 2.7% drop in footwear prices. Transportation prices also decreased by 0.8%, affected by a 1.9% decrease in vehicle purchase prices (Figure2).

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

On a monthly basis, the consumer price index remained stable in May 2025, recording a 0.1% increase compared to April 2025.

This was mainly due to a 0.3% rise in housing, water, electricity, gas, and other fuels section, driven by a 0.4% 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 tobacco prices rose by 0.2%.

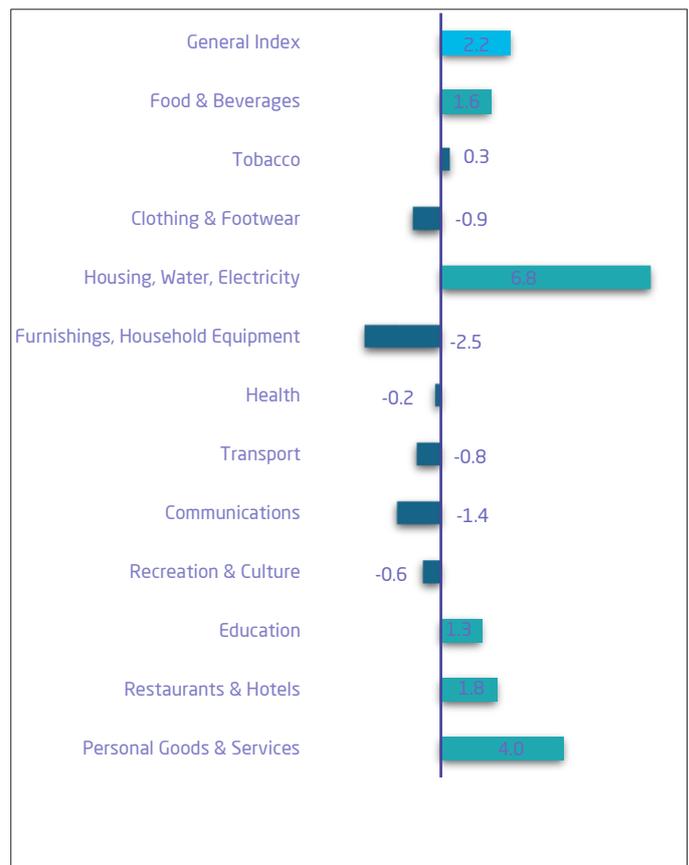
However, the index recorded a decrease in the prices of transportation by 0.2%, recreation and culture by 0.1%, furnishing and home equipment by 0.7%, clothing and footwear by 0.4%, and communication by 0.1%.

On the other hand, the prices of restaurants and hotels, education, and health showed no significant change in May 2025.

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



Figure2. Annual change in CPI by category (May 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](#).