

# Inflation report

First Quarter of 2022

Research and International Deputyship  
Economic Research and Report Department

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## Executive Summary

- The consumer price index (CPI) registered a YoY increase of 1.6 percent and a QoQ increase of 0.5 percent in Q1 2022.
- Education registered the highest YoY increase of 6.3 percent. Transport came second with 4.6 percent, followed by both food and beverages and restaurants and hotels with 2.5 percent each. In contrast, clothing and footwear recorded the highest YoY decrease of 1.5 percent in Q1 2022. Housing, water, electricity, gas and other fuels came next with 0.4 percent.
- The wholesale price index (WPI) recorded a YoY rise of 12.0 percent in Q1 2022.
- The inflation rate for Q2 2022 is projected to record a YoY rise as a result of the noticeable increases in global inflation rates. It is also projected to record a slight QoQ rise.

## Consumer Price Index (CPI)

The CPI registered a YoY increase of 1.6 percent and a QoQ increase of 0.5 percent in Q1 2022 (Table 1 and Chart 1).

## Developments in Q1 2022

Education registered the highest YoY inflation rate of 6.3 percent. Transport came second with a YoY increase of 4.6 percent, followed by both food and beverages and restau-

rants and hotels with 2.5 percent each. Miscellaneous goods and services came next with 2.1 percent, followed by recreation and culture with 1.8 percent; furnishings, household equipment and maintenance with 1.4 percent; and communication with 0.2 percent.

In contrast, clothing and footwear recorded the highest YoY decrease of 1.5 percent in Q1 2022. Housing, water, electricity, gas and other fuels came next with 0.4 percent, followed by tobacco with 0.2 percent and health with 0.1 percent (Table 1 and Charts 2 and 3).

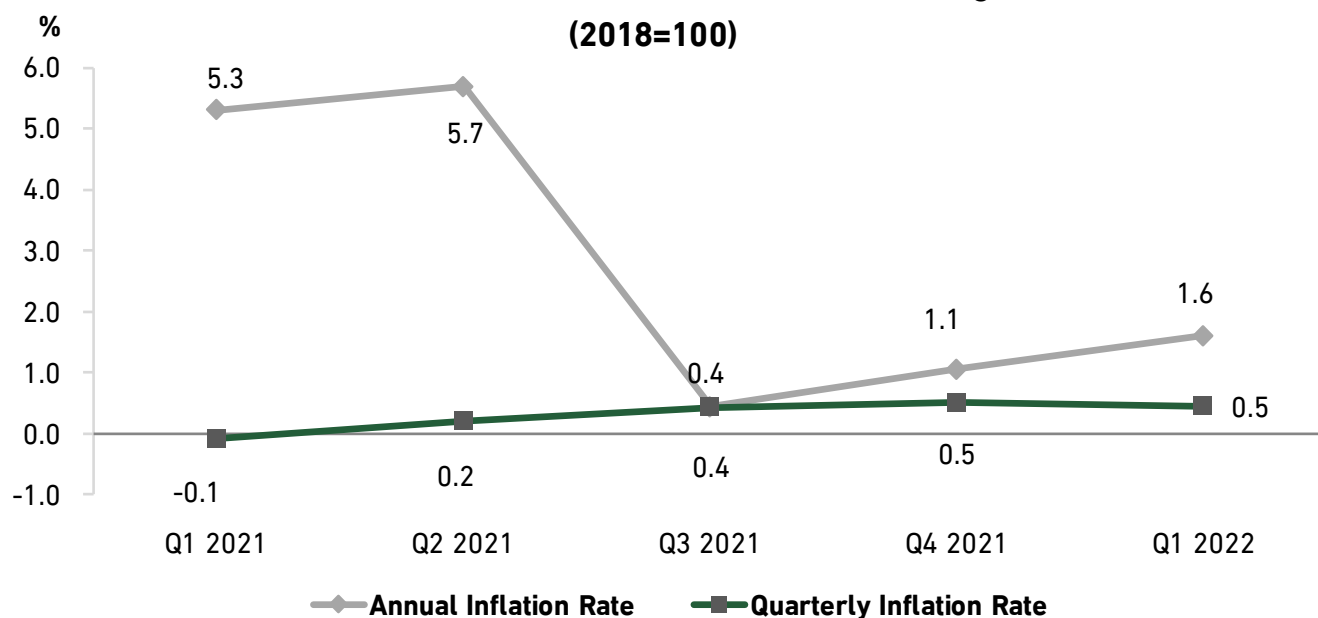
**Table 1: Consumer Price Index**

(2018=100)

	Weights	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	(%) change	
							Q1 2022 / Q4 2021	Q1 2022 / Q1 2021
<b>General index</b>	<b>100.0</b>	<b>103.9</b>	<b>104.1</b>	<b>104.5</b>	<b>105.1</b>	<b>105.5</b>	<b>0.5</b>	<b>1.6</b>
Food & beverages	18.8	115.9	116.5	118.3	118.4	118.8	0.4	2.5
Tobacco	0.6	115.0	115.3	114.6	114.8	114.8	0.0	-0.2
Clothing & footwear	4.2	104.0	104.1	103.7	103.0	102.5	-0.5	-1.5
Housing, water, electricity, gas & other fuels	25.5	89.3	88.4	88.0	88.8	88.9	0.1	-0.4
Furnishings, household equipment & maintenance	6.7	107.7	108.2	108.4	108.4	109.2	0.7	1.4
Health	1.4	102.8	103.1	103.1	102.7	102.6	0.0	-0.1
Transport	13.0	110.1	113.0	114.3	114.2	115.2	0.9	4.6
Communication	5.6	111.4	111.3	111.0	111.0	111.6	0.5	0.2
Recreation & culture	3.1	102.8	102.4	103.3	104.2	104.6	0.3	1.8
Education	2.9	93.6	93.9	95.3	99.0	99.5	0.5	6.3
Restaurants & hotels	5.6	111.9	112.0	112.4	113.6	114.7	0.9	2.5
Miscellaneous goods & services	12.6	106.0	106.0	106.4	107.3	108.2	0.8	2.1

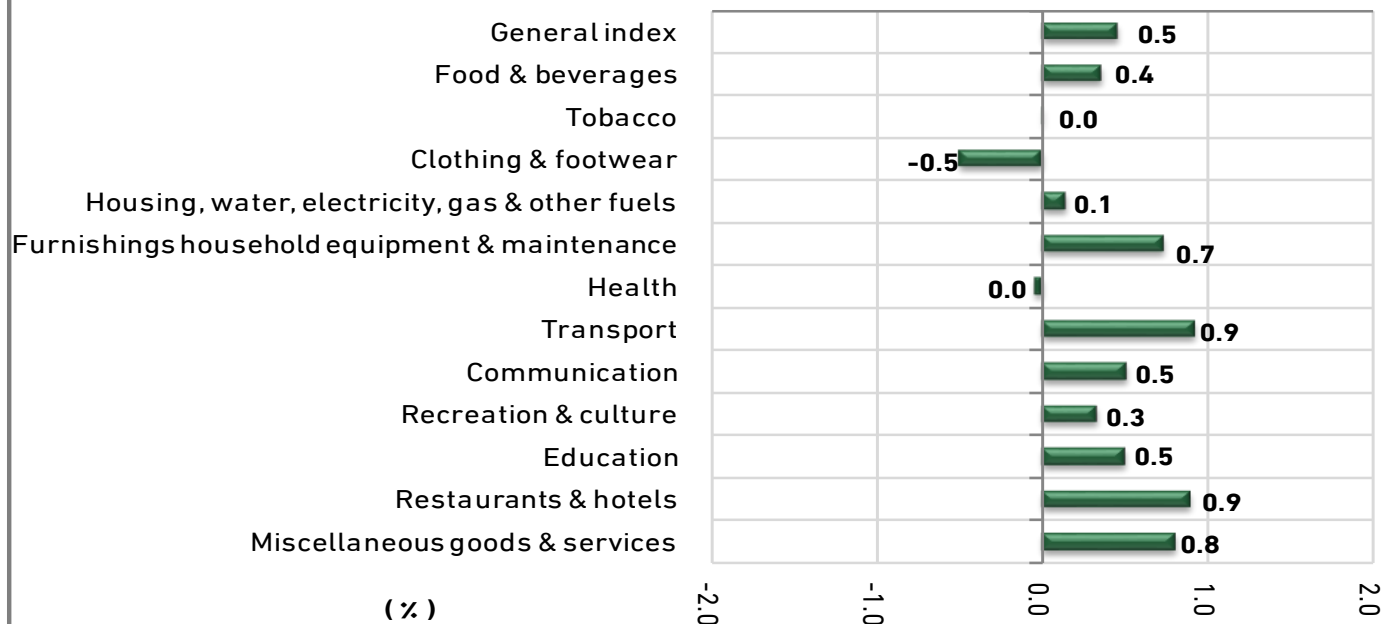
**Source: General Authority for Statistics.**

**Chart 1: Inflation Rate of the General Cost of Living Index  
(2018=100)**



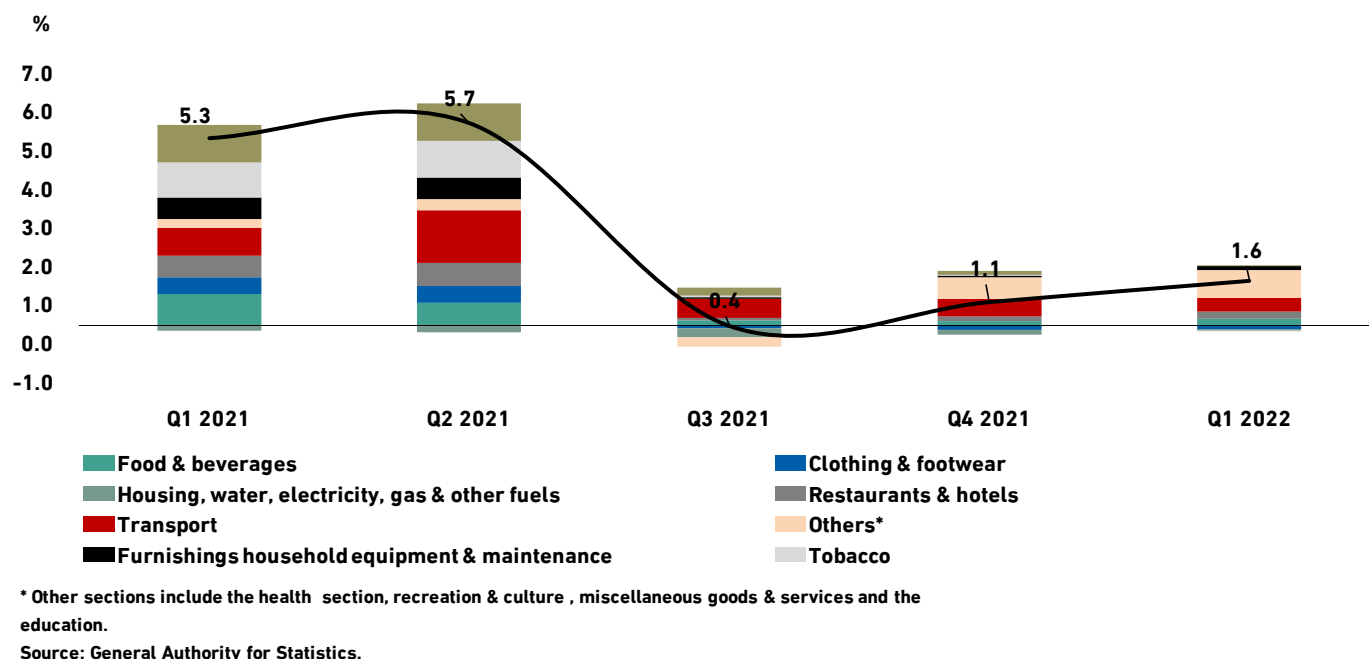
Source: General Authority for Statistics.

**Chart 2: Inflation Rate of the Consumer Price Index by Main Sections  
Q1 2022 / Q4 2021**



Source: General Authority for Statistics.

**Chart 3: The Annual Rate of Change in the Consumer Price Index and Its Main Sections**



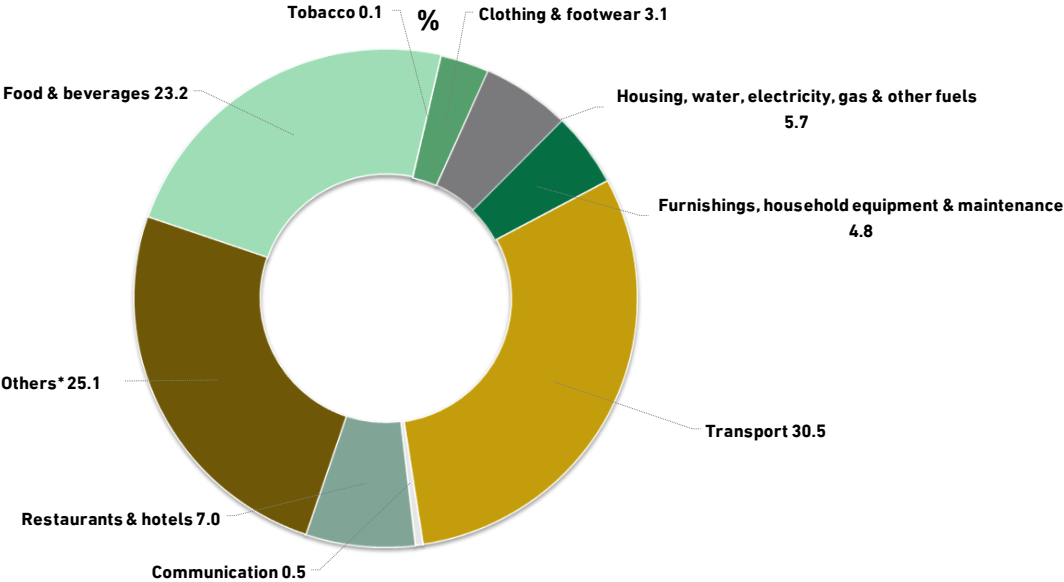
## Effect of Main Expenditure Categories on CPI

Inflation rates are affected by the changes in CPI's various categories. Ranked by their effect on the CPI, transport came first with 30.5 percent in Q1 2022 against 18.4 percent in Q1 2021. Food and beverages came second with 23.2 percent as compared to 29.8 percent in Q1 2021, followed by restaurants and hotels with 7.0 percent against 6.0 percent; housing, water, electricity, gas and other fuels with 5.7 percent as compared to 7.4 percent; furnishings, household equipment and maintenance with 4.8 percent against 7.3 percent; clothing and footwear with 3.1 percent

as compared to 3.5 percent; communication with 0.5 percent as compared to 10.6 percent; and tobacco with 0.1 percent against 1.1 percent.

The total effect of the three main expenditure categories (housing, water, electricity, gas and other fuels; food and beverages; and transport) on the general inflation rate stood at 59.4 percent in Q1 2022 against 55.6 percent in Q1 2021 (Chart 4).

**Chart 4: Percentage Impact of Major Section on the General Inflation Rate (Q1 2022)**



\* Other sections include the health, recreation and culture, the miscellaneous goods and services, and education section.  
Source: General Authority for Statistics.

## Wholesale Price Index (WPI)

The wholesale price index (WPI) recorded a 12.0 percent YoY rise and a 1.7 percent QoQ rise in Q1 2022 (Chart 5). A breakdown of WPI by product category shows that other transportable goods — except metal products, machinery and equipment — recorded the highest YoY increase of 18.1 percent during Q1 2022. Agriculture and fishery products came second with a YoY increase of 13.8 per-

cent. Metal products, machinery and equipment came third with 8.8 percent, followed by ores and minerals with 5.6 percent. Food products, beverages, tobacco and textiles ranked fifth with a YoY increase of 4.6 percent (Table 2 and Chart 5).

Table 2: Wholesale Price Index (WPI)

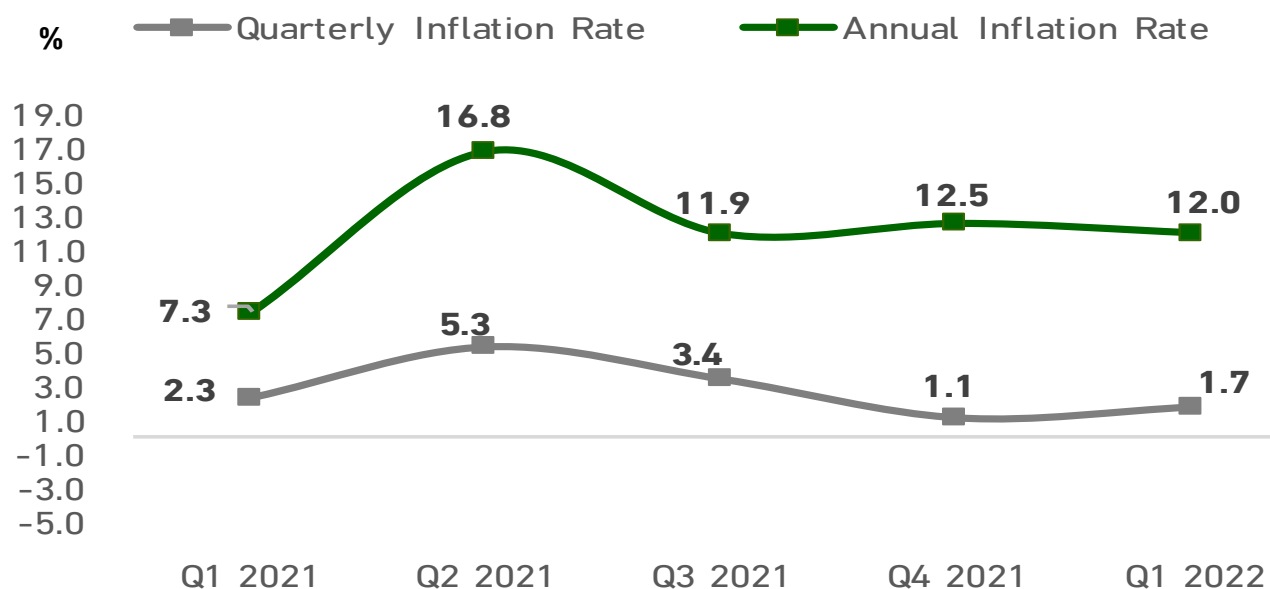
(2014=100)

	Weights	(% change)						
		Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q1 2022 / Q4	Q1 2022 / Q1
							2021	2021
General Index	100.0	130.3	137.2	141.8	143.4	145.9	1.7	12.0
Agriculture and fishery products	8.7	116.9	120.5	124.2	127.8	133.0	4.1	13.8
Ores and minerals	0.6	108.0	108.4	110.2	112.3	114.0	1.5	5.6
Food products, beverages and tobacco and textiles	17.3	120.5	120.8	121.8	122.8	126.0	2.6	4.6
Other transportable goods, except metal products, machinery and equipment	33.7	145.0	159.5	167.4	169.5	171.2	1.0	18.1
Metal products, machinery and equipment	39.7	125.3	129.4	133.1	134.1	136.4	1.7	8.8

Source: General Authority for Statistics.



**Chart 5: Inflation of the Wholesale Price Index  
(2014=100)**



**Source: General Authority for Statistics.**

### **Inflation Rates in Saudi Arabia's Largest Exporters**

According to the general levels of CPI for Saudi Arabia's largest exporters and to Q1 2022 data, the inflation rate in China, Saudi Arabia's largest exporter, registered a YoY rise of 1.1 percent but QoQ drop of 0.7 percent. In addition, the United States inflation rate increased in Q1 2022 by 8.0 percent YoY and 2.3 percent QoQ. In India, inflation went up by 6.3

percent YoY and by 0.2 percent QoQ. Inflation in Germany also recorded a YoY rise of 5.8 percent and a QoQ rise of 2.1 percent. Moreover, the inflation in Japan recorded a YoY rise of 0.9 percent and a QoQ rise of 0.7 percent (Table 3).

**Table 3: The Consumer Price (CPI) for the Most Countries Exporting to the Kingdom of Saudi Arabia**

Countries	2021				2022	Q1 2022 /	Q1 2022 /
	Q1	Q2	Q3	Q4	Q1	Q4 2021	Q1 2021
<b>China</b>	100.0	101.1	100.8	101.8	101.1	-0.7	1.1
<b>USA</b>	263.2	269.3	273.6	277.8	284.1	2.3	8.0
<b>India</b>	156.6	159.8	162.9	166.1	166.5	0.2	6.3
<b>Germany</b>	106.9	108.7	110.1	110.8	113.1	2.1	5.8
<b>Japan</b>	99.8	99.3	99.8	100.0	100.7	0.7	0.9

Source: Exporting countries national statistics offices.

### Inflation Projections for Q2 2022

The inflation rate for Q2 2022 is projected to record a YoY rise as a result of the noticeable increases in global inflation rates. It is also projected to record a slight QoQ rise.

Furthermore, the World Bank's projections for primary commodity prices (April 2022) indicate inflationary pressures on most

sectors in 2022. The prices of energy are projected to increase by 50.5 percent, fertilizers by 69.2 percent, metals by 22.3 percent, food by 22.9 percent, agricultural commodities by 17.7 percent, beverages by 10.7 percent and raw materials by 3.2 percent (Table 4).

**Table 4: World Bank Commodity Price Index  
(100= 2010)**

	(%)Change					
	Actual			Projections		
	2019	2020	2021	2022	2023	2024
<b>Energy</b>	-10.8	-30.9	81.0	50.5	-12.4	-11.9
<b>Agriculture</b>	-1.8	4.5	24.2	17.7	-7.7	-0.2
<b>Food</b>	-1.7	6.5	30.8	22.9	-10.4	-0.5
<b>Raw materials</b>	-1.9	-1.1	8.9	3.2	0.7	0.7
<b>Base Metals</b>	-7.9	-2.2	46.8	22.3	-8.3	-6.1
<b>Fertilizers</b>	0.9	-10.5	80.6	69.2	-11.4	-15.0
<b>Beverages</b>	-1.5	5.1	16.3	10.7	-3.7	0.5

Source: World Bank (April - 2022).

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