



Inflation in Saudi Arabia holds at 2.3% in April

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Consumer prices in Saudi Arabia rose by 2.3% y/y in April, the same pace they recorded a month earlier and holding to the fastest pace since July 2023. On a monthly basis, prices were higher by 0.3% m/m.

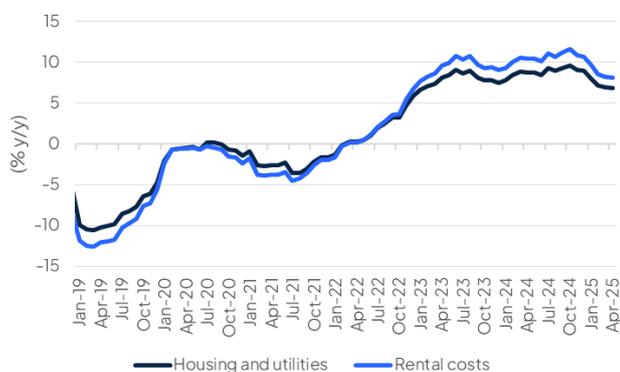
Saudi inflation has ticked up



Source: General Authority for Statistics, Emirates NBD Research.

Housing, representing more than 25% of the total CPI basket, remains the primary driver of inflation in the Saudi economy with the housing and utilities component of the CPI up by almost 7% y/y in April. Rental prices rose by 8.1% y/y in April and while a major contributor to the overall inflation dynamic in Saudi Arabia, the April housing print was the lowest level since January 2023. Housing costs are rising the most in Riyadh and Mecca (up by 13% y/y and 22% y/y respectively in April) while other cities are experiencing more moderate housing inflation.

Housing costs main driver of inflation



Source: General Authority for Statistics, Emirates NBD Research.

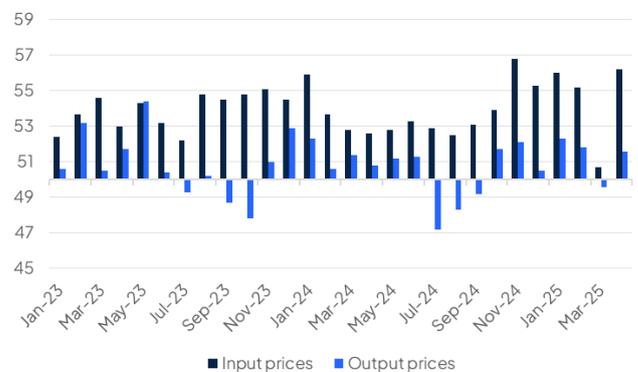
Price pressures across the rest of the Saudi CPI basket are much more modest. Food prices represent nearly 19% of the total index and rose by 2.2% y/y in April and 0.4% m/m.

Transport prices (13% of the CPI basket) fell 1% y/y in April. Car prices in the kingdom have been falling y/y every month since September 2023 though the pace of declines in purchase costs has begun to moderate from nearly 5% y/y declines mid-way through 2024.

Overall inflation in Saudi Arabia is concentrated in Riyadh with the capital routinely reporting among the highest rates in the country. Inflation in Riyadh moderated to 3.7% y/y in April, down from 4% a month earlier while for the month Mecca recorded the overall fastest pace of 3.9% y/y.

Data from the S&P Global Saudi Arabia PMI shows that input costs have been higher on average in 2025 year-to-date relative to the same period in 2024. For the first four months of the year input prices have recorded an average of 54.5 compared with 53.75 a year earlier. Meanwhile output prices have stayed relatively modest, recording an average of 51.3 in the first four months of 2025 as firms appear to have limited ability to pass higher costs on to consumers.

Firms enduring higher input prices



Source: S&P Global, Emirates NBD Research.

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