

Global inflation fell to 5.8% in 2024 (from 6.7% in 2023), due to tighter monetary policies, lower food and energy prices, and improved supply chains. Saudi Arabia's CPI increased by 1.7% in 2024, with a 1.9% YoY rise in Q4 2024, primarily driven by a 9.2% increase in housing, water, electricity, gas, and fuel costs. Other significant Q4 2024 CPI changes included a 2.4% rise in miscellaneous goods and services, and a 2.9% decrease in furnishings. The WPI showed a 1.6% YoY increase in Q4 2024. Inflation in Saudi Arabia's major trading partners varied, ranging from a 0.2% YoY increase in China to a 5.6% increase in India. Stable domestic inflation is projected for Q1 2025, balancing slowing global inflation and rising housing rents and domestic demand. The World Bank forecasts deflationary pressure on most commodities in 2025, except metals and raw materials.