



Central Bank of Egypt

**Press Release
March 22, 2007**

The Central Bank of Egypt decided to keep its overnight deposit rate unchanged at 8.75 percent per annum.

In its meeting held on March 22, 2007, the Monetary Policy Committee (MPC) decided to maintain the overnight deposit and overnight lending rates at 8.75 percent and 10.75 percent, respectively.

While the risks to inflation outlook which the MPC drew attention to in previous statements continue to exist, the MPC judges that inflation maybe reaching its peak. However, the annual inflation rates are expected to remain high until the base effect from the previous price increases related to the supply shocks and administered price adjustments level off. Against this background and in light of previous monetary policy actions, the MPC decided to keep the key policy rates unchanged.

The MPC will continue to closely monitor all economic developments, especially the factors underlying inflation, and will not hesitate to adjust the key CBE rates to ensure price stability over the medium-term.

The Central Bank of Egypt
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