



Central Bank of Egypt

**Press Release
September 20, 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 September 20, 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.

The annual headline CPI inflation inched-up to 8.45 percent (y/y) in August compared to 8 percent in July. This was driven by the rise in domestic food prices on the back of accelerating international prices, particularly wheat, maize, and edible oil. However, annual headline CPI inflation declined by around four percentage points since it peaked at 12.8 percent in March 2007.

The MPC decision was a result of differing inflationary signals. While headline CPI has been on a declining trend since March, inflationary demand pressures continue to be a concern.

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

Dr. Rania Al-Mashat
Division Chief, Monetary Policy Unit
Telephone number: 23911839
E-mail address: monetary.policy@cbe.org.eg