



Central Bank of Egypt

**Press Release
January 19, 2006**

The Central Bank of Egypt decided to reduce its overnight deposit rate by 50 basis points to 8.25 percent per annum and cut the discount rate by one percent.

In its monthly meeting held on January 19, 2006, the Monetary Policy Committee (MPC) decided to reduce the overnight deposit rate to 8.25 percent from 8.75 percent and the overnight lending rate to 10.25 percent from 10.75 percent. This was coupled with another decision to cut the discount rate to 9 percent from 10 percent.

This decision was based on an assessment of recent economic developments, in particular the consistently declining inflation rates and easing inflationary pressures. In addition, the recent economic developments reveal that the pick up in economic growth has accelerated in late 2004/05 and early 2005/06. However, this acceleration has not been inflationary.

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 in either direction, if necessary, to ensure price stability over the medium-term.

The Central Bank of Egypt

Contact person

Name: Mr. Tarek Amer - Deputy Governor

Telephone number: 3918270-3921012

e-mail address: tarekamer@cbe.org.eg