



Central Bank of Egypt

**Press Release
August 16, 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 August 16, 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 fell for the fourth month in a row, registering 8 percent (y/y) in July compared to 10 percent and 8.46 percent in May and June, respectively. This was largely driven by the continued phasing out of last year's supply shocks.

Looking forward, inflation is expected to moderate further over the coming months. Nonetheless, inflationary demand pressures from the current economic growth remain 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.

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