



Central Bank of Egypt

**Press Release
December 13, 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 December 13, 2007, the Monetary Policy Committee (MPC) decided to maintain the overnight deposit and lending rates at 8.75 percent and 10.75 percent, respectively.

The annual headline CPI inflation declined to 7.5 percent (y/y) in October and to 6.8 percent in November. The drop in headline CPI was particularly intensified as base effects caused by last year's supply shocks continue to level off.

However, the inflationary demand pressures from higher economic growth still pose risks to the inflation outlook, in addition to the possible propagation of the higher food prices on non-food prices.

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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