



*Central Bank of Egypt*

**Press Release  
December 25, 2008**

***The Central Bank of Egypt decided to keep its overnight deposit rate and the discount rate unchanged at 11.5 percent per annum.***

In its meeting held on December 25, 2008, the Monetary Policy Committee (MPC) decided to maintain the overnight deposit and overnight lending rates at 11.5 percent and 13.5 percent, respectively.

While domestic food prices declined, annual headline CPI inflation continued to be high at 20.3 percent in November 2008 compared to 20.2 percent in October driven by the rebound in non-food inflation.

While most of the upside risks to inflation have eased on the back of the improving outlook for international commodity prices in light of the projected slowdown in global economic activity and the consequent moderation in domestic economic growth, the current inflation rates remain elevated.

Against this background, the MPC judges that keeping the policy rate unchanged this time is needed to support disinflation. Nonetheless, as inflation is projected to decline significantly over the coming months, the scope to move towards a less restrictive monetary policy stance in the period ahead is increasing in order to prevent economic growth from falling below its potential.

Dr. Rania Al-Mashat  
Division Chief, Monetary Policy Unit  
Telephone number: 27701315  
E-mail address: [monetary.policy@cbe.org.eg](mailto:monetary.policy@cbe.org.eg)