



Central Bank of Egypt

**Press Release
November 2, 2006**

The Central Bank of Egypt decided to raise its overnight deposit rate to 8.5 percent per annum.

In its meeting held on November 2, 2006, the Monetary Policy Committee decided to raise its overnight deposit and overnight lending rates to 8.5 percent and 10.5 percent from 8 percent and 10 percent, respectively.

This decision was based on the observed trends exerting pressures on the various price indices which have been instigated by the continued acceleration in economic growth, particularly in construction and manufacturing sectors and second round effects from the July fuel price hike.

However, in the near-term, the annual inflation rates are expected to remain high as they continue to carry the effects of the previous price increases related to the supply shocks and administered price adjustments.

Future decisions will depend on the evolution of the outlook for both inflation and economic growth, as implied by incoming data releases.

The Central Bank of Egypt

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