



Central Bank of Egypt

**Press Release
April 6, 2006**

The Central Bank of Egypt decided to reduce its overnight deposit rate by 25 basis points to 8 percent per annum.

In its meeting held on April 6, 2006, the Monetary Policy Committee (MPC) decided to reduce the overnight deposit rate to 8 percent from 8.25 percent and the overnight lending rate to 10 percent from 10.25 percent.

This decision was based on an assessment of recent economic developments since the last MPC meeting, in particular inflation rates which are holding up at moderate levels. In addition, the recent economic developments reveal that the pick up in economic growth has accelerated through the first half of 2005/06. However, this acceleration has not been inflationary given the existence of unutilized capacity in several economic sectors.

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.

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