



Central Bank of Egypt

**Press Release
February 7, 2008**

The Central Bank of Egypt decided to raise its overnight deposit rate by 25 bps to 9 percent per annum.

In its meeting held on February 7, 2008, the Monetary Policy Committee (MPC) decided to raise the overnight deposit and lending rates by 25 bps to 9 percent and 11 percent, respectively.

This decision has been induced by the persistent increase in food inflation and expected upward pressure over the coming period. Elevated international food prices have led to the acceleration in domestic food inflation, which in turn have been propagated on non-food inflation.

Furthermore, the MPC has noticed that in addition to manufacturing and construction, other sectors have started to record higher growth rates that may precipitate more inflationary pressures.

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 to ensure price stability over the medium-term.

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