CENTRAL BANK OF EGYPT

Press Release – November 20, 2025

MPC decides to keep key policy rates unchanged

Cairo, Egypt — The Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) today decided to maintain the CBE's overnight deposit rate, overnight lending rate, and the rate of the main operation at 21.00 percent, 22.00 percent, and 21.50 percent, respectively. The Committee also decided to keep the discount rate unchanged at 21.50 percent. This decision reflects the Committee's updated assessment of inflation dynamics and outlook since the previous MPC meeting.

Globally, economic growth continues to show signs of recovery, yet its outlook remains constrained by recent trade-policy uncertainty and persistent geopolitical tensions. Given this backdrop, central banks in both advanced and emerging markets have maintained a cautious approach to monetary easing. Within commodity markets, oil prices have remained broadly stable, while agricultural prices have mostly declined. However, inflation remains subject to upside risk, particularly from possible supply-chain disruptions.

Domestically, CBE estimates indicate that real GDP growth has edged up to 5.2 percent in Q3 2025, from 5.0 percent in Q2 2025. The pickup was driven by robust growth in non-petroleum manufacturing, trade, and tourism. As a result, output continues to move closer to full capacity utilization, which is expected to be realized by the end of FY 2025/26. Regarding the labor market, the unemployment rate registered 6.4 percent in Q3 2025 compared to 6.1 percent in the previous quarter.

With respect to inflation outturns, annual headline inflation accelerated to 12.5 percent in October 2025 from 11.7 percent in September 2025. Similarly, core inflation rose to 12.1 percent in October 2025 from 11.3 percent in September 2025. Monthly dynamics were relatively more pronounced in both months compared to usual seasonal patterns, reflecting a pickup in nonfood inflation, especially services, which offset the deceleration in food inflation. Accordingly, further easing in underlying inflation dynamics is necessary to bring inflation closer to the CBE target.

Considering the above, annual headline inflation is projected to inch up as the impact of energy price increases materializes toward the end of Q4 2025. Thereafter, annual headline inflation is projected to gradually decline in H2 2026, converging toward the CBE target. However, the inflation outlook remains susceptible to both global and domestic upside risks, including escalating geopolitical tensions, persistent services inflation, and larger-than-expected passthrough from changes in administered prices. These risks warrant continued monitoring of inflation dynamics and their impact on the forecast trajectory, and necessitates a cautious approach toward monetary easing.

Given the aforementioned, the Committee has favored a wait-and-see approach, deciding to keep the CBE key policy rates unchanged with a view to containing inflationary pressures, anchoring expectations, and restoring the disinflation path. MPC decisions will remain a function of the forecast trajectory, incoming data, and the prevailing balance of risks. The Committee will continue to assess its stance on a meeting-by-meeting basis and stands ready to adjust its policy instruments as needed to fulfil its price-stability mandate, steering inflation toward its target of 7 percent (± 2 p.p.) in Q4 2026, on average.

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