

# Section 3

---

## DOMESTIC PRICES

Table (4) Annual Inflation In Domestic Price Indices-----	17
Table (5) Inflation in Consumer Prices (Percent Change)-----	18
Table (6) Inflation in Producer Prices According to Economic Activity Classification-----	19
Table (7) Inflation in Producer Prices According to End use Classification-----	20
Table (8) Inflation in Producer Prices According to Stage of Processing Classification-----	20
Table (9) Exchange Rates-----	21

Table ( 4 ): Annual Inflation In Domestic Price Indices <sup>1/ 2/ 3/</sup>

Summary Profile  
2008 - 2011

	2008				2009				2010				2011			
	CPI		CPI		CPI		PPI		CPI		PPI		CPI		PPI	
	Urban	Overall Egypt	Core	PPI	Urban	Overall Egypt	Core	PPI	Urban	Overall Egypt	Core	PPI	Urban	Overall Egypt	Core	PPI
January	10.5	11.5	10.4	17.2	14.3	14.0	14.7	-2.7	13.6	13.6	7.4	12.9	10.8	11.0	9.7	
February	12.1	--	12.3	21.2	13.5	14.2	13.6	-7.6	12.6	12.5	6.9	13.1				
March	14.4	15.8	15.6	23.7	12.1	11.6	11.2	-10.4	12.0	11.8	7.0	13.7				
April	16.4	--	17.9	25.7	11.7	12.2	10.3	-11.8	10.9	11.0	6.6	15.9				
May	19.7	21.1	20.0	32.9	10.2	9.8	8.5	-12.4	10.0	9.9	6.7	9.9				
June	20.2	--	20.7	33.8	9.9	9.8	7.9	-12.0	10.1	10.2	6.7	8.6				
July	22.0	23.1	22.2	32.3	9.9	9.7	7.2	-13.4	10.4	10.3	7.1	10.3				
August	23.6	25.7	23.0	29.4	9.9	8.4	5.8	-8.4	10.9	11.5	8.2	10.3				
September	21.5	22.2	22.0	22.6	11.4	10.2	6.3	-6.7	11.0	11.7	7.6	14.1				
October	20.2	21.2	22.3	13.0	13.0	12.8	6.5	1.6	11.0	11.4	8.1	16.9				
November	20.3	20.9	21.4	5.1	12.9	12.9	6.6	8.7	10.2	10.2	8.9	13.5				
December	18.3	18.7	19.4	-0.3	13.5	13.1	6.9	13.4	10.3	10.3	9.7	11.2				

Source: CAPMAS.

--Data not available.

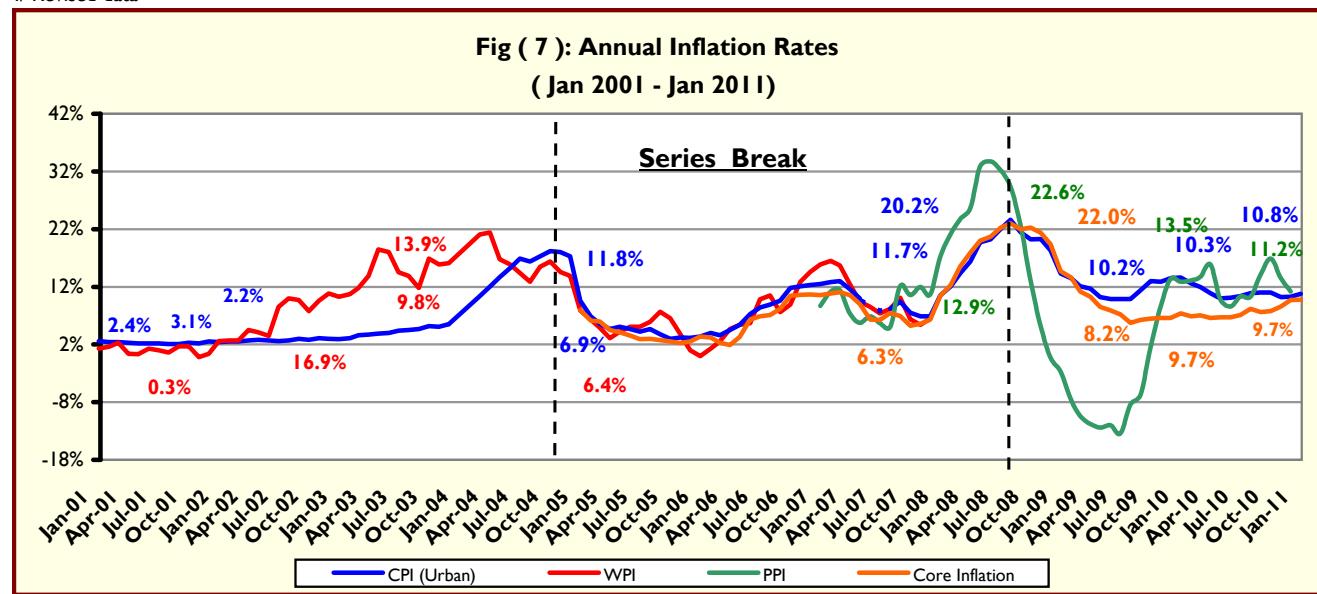
1/ Starting August 2009, CPI Urban data is based on the weights derived from 2008/2009 income and expenditure survey, and using January 2010 as a base month. Prior to this date, the basket and weights were derived from 2004/2005 income and expenditure survey taking January 2007 as a base month.

2/ The new series of Producer Price Index was issued by CAPMAS starting September 2007, using 2004/2005 prices of goods and services as a base period, and deriving sub-group weights from average values of agricultural, industrial and services production for the years 2002/2003 and 2003/2004. It is worth mentioning that Producer Price Index series before September 2007 are not available so far.

3/The Central Bank of Egypt launched "Core Inflation Index" derived from the CAPMAS headline CPI, however it excludes items characterized by inherent price volatility and those with managed prices, specifically 'fruits and vegetables' (6.9 percent of headline CPI basket) as well as 'regulated items' (18.7 percent of headline CPI basket).

4/ Revised data

Fig ( 7 ): Annual Inflation Rates  
( Jan 2001 - Jan 2011 )



Source: CAPMAS.

**Table ( 5 ): Inflation in Consumer Prices <sup>1/</sup>**  
**(Percent Change)**

	Year on Year Quarterly 2/				Year on Year Monthly 3/				
	Oct-Dec 2009	Jan-Mar 2010	Apr-Jun 2010	Oct-Dec 2010	Jan-10	Oct-10	Nov-10	Dec-10	Jan-11
	13.3	12.9	10.8	10.5	13.6	11.0	10.2	10.3	10.8
<b>CPI Inflation</b>									
Food & Beverages	22.2	22.7	19.1	17.9	24.1	19.3	17.1	17.2	18.9
Tobacco	0.0	0.0	0.0	44.4	0.0	43.2	43.2	46.9	46.9
Clothing & Footwear	3.5	1.9	0.6	2.6	1.8	1.5	3.1	3.1	3.1
Housing, Water, Electricity and Fuel	1.8	2.2	1.2	0.5	3.8	0.6	0.3	0.5	-0.5
Furniture and Equipment and Maintenance	4.1	3.6	1.2	3.5	3.5	3.3	3.6	3.7	3.7
Medical Care	4.9	0.3	0.3	1.2	0.3	1.0	1.3	1.3	1.3
Transportation Expenditures	1.9	0.6	0.8	1.1	0.6	1.0	1.0	1.2	1.2
Communication	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Entertainment	5.7	5.2	5.6	5.3	5.2	5.2	5.2	5.7	5.6
Education	9.4	9.4	9.4	24.3	9.4	24.3	24.3	24.3	24.3
Hotels and Restaurants	10.7	10.6	4.9	11.9	10.6	11.8	12.0	11.8	11.8
Miscellaneous	24.7	18.3	16.5	1.8	18.9	1.9	2.0	1.7	1.7

Source: CAPMAS.

1/ In urban areas.

2/ Change in index over the same quarter in the previous year . Starting the period October-December 2010, data are based on new CPI series recently published by CAPMAS which use January 2010 as a base month and assume new weights for sub-groups in accordance with 2008/2009 income expenditure survey.

3/ Change in index over the same month in the previous year . Starting August 2009, data are based on new CPI series recently published by CAPMAS.

**Table ( 6 ): Inflation in Producer Prices According to Economic Activity Classification <sup>1/</sup>**  
**(Percent Change)**

	Year on Year Quarterly 2/				Year on Year Monthly 3/				
	Jul-Sep 2009	Jan-Mar 2010	Apr-Jun 2010	Jul-Sep 2010	Nov-09	Aug-10	Sep-10	Oct-10	Nov-10
	-9.6	13.2	11.4	11.6	8.7	10.3	14.1	16.9	13.5
<b>Overall PPI Inflation</b>	<b>4.6</b>	<b>11.8</b>	<b>9.5</b>	<b>16.3</b>	<b>9.6</b>	<b>16.4</b>	<b>21.7</b>	<b>28.1</b>	<b>19.7</b>
<b>Agriculture, Forestry and Fishing</b>	activities	4.5	12.1	10.7	17.8	9.4	17.8	23.6	30.5
	Fishing and Aquaculture	5.5	8.4	-2.6	-0.5	11.8	1.0	0.2	1.4
									-1.3
<b>Mining and Quarrying</b>	<b>-33.2</b>	<b>54.4</b>	<b>27.9</b>	<b>11.5</b>	<b>36.5</b>	<b>4.8</b>	<b>15.0</b>	<b>13.4</b>	<b>11.8</b>
	Extraction of crude petroleum and natural gas	-33.6	55.2	28.3	11.5	36.4	4.8	15.0	13.4
	Other mining and quarrying	43.7	4.5	1.8	12.0	44.8	12.1	12.1	10.5
<b>Manufacturing</b>	<b>-6.2</b>	<b>2.9</b>	<b>7.6</b>	<b>9.0</b>	<b>-0.9</b>	<b>9.0</b>	<b>9.0</b>	<b>10.3</b>	<b>10.9</b>
	Food products	4.3	8.3	11.8	14.7	7.0	15.3	13.6	19.1
	Beverages	8.9	0.2	0.2	0.2	0.0	0.2	0.2	0.1
	Tobacco products	5.7	0.0	0.0	50.4	0.0	50.4	50.4	50.4
	Textiles	9.7	5.5	5.7	1.6	5.5	1.6	1.6	1.1
	Wearing apparel	0.3	0.5	0.5	10.5	0.5	10.5	10.5	9.9
	Leather and related products	2.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5
	Wood and wood products	-6.7	-2.9	2.0	3.2	-2.9	3.3	3.0	2.8
	Paper and paper products	0.8	0.8	0.4	3.0	0.8	3.0	3.0	2.8
	Printing and reproduction of recorded media	7.3	-0.9	-0.8	-0.7	-0.9	-0.7	-0.7	-0.7
	Coke and refined petroleum	2.2	-0.6	-0.2	1.0	0.3	1.0	1.0	3.9
	Chemicals and chemical products	13.4	4.3	13.4	8.2	12.2	8.1	8.1	8.3
	Pharmaceuticals, medicinal, chemical and botanical products	1.1	1.1	3.4	2.6	1.1	2.6	2.6	2.6
	Rubber and plastic products	6.6	6.7	-2.3	-2.8	6.6	-2.8	-2.8	7.0
	Other non-metallic mineral products	8.5	7.6	4.4	2.1	8.1	2.2	2.0	2.5
	Basic Metals	-46.4	-3.7	24.1	23.6	-28.5	23.0	25.0	20.6
	Fabricated Metal products, except machinery and equipment	2.6	13.8	14.1	13.0	16.0	12.7	13.7	1.2
	Computer, electronic and optical products	2.2	0.0	-2.2	-2.2	1.7	-2.2	-2.2	-9.0
	Electrical equipment	0.1	0.3	0.4	2.0	0.0	2.0	2.0	1.2
	Machinery and Equipment, n.o.i	2.6	1.6	0.1	0.1	2.6	0.1	0.1	0.1
	Motor vehicles, trailers and semi-trailers	3.9	0.0	0.6	0.6	0.0	0.6	0.6	1.0
	Other transport Equipment	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Furniture	5.1	-4.1	0.2	0.2	-4.3	0.2	0.2	0.0
	Other manufacturing	11.4	18.3	24.5	26.5	24.4	19.6	31.6	41.5
<b>Electricity, steam, gas and air conditioning supply</b>	<b>0.9</b>	<b>22.0</b>	<b>22.0</b>	<b>22.0</b>	<b>23.1</b>	<b>22.0</b>	<b>22.0</b>	<b>22.0</b>	<b>0.0</b>
<b>Water supply, sewerage, waste management, and remediation activities</b>	<b>0.0</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>0.0</b>
	Water collection, treatment and supply	0.0	13.0	13.0	13.0	13.0	13.0	13.0	0.0
	Waste collection, treatment and disposal activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Transportation and storage</b>	<b>12.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.0</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>
	Land transport and trasport via Pipelines	3.4	3.4	3.4	0.0	3.4	0.0	0.0	0.0
	Water transport	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Air Transport	14.3	0.0	0.0	0.0	0.0	0.0	0.0	2.4
	Postal and courier activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Accommodation and Food Service Activities</b>	<b>-7.6</b>	<b>-12.9</b>	<b>-3.5</b>	<b>4.6</b>	<b>-12.7</b>	<b>4.6</b>	<b>4.6</b>	<b>19.2</b>	<b>19.2</b>
	Accommodation	-15.2	-19.4	-7.9	2.1	-19.4	2.1	2.1	17.9
	Food and beverage service activities	10.0	1.7	5.1	9.0	2.3	9.0	9.0	21.5
<b>Information and communications</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: CAPMAS.

1/ The new series of Producer Price Index was issued by CAPMAS starting September 2007, using 2004/2005 prices of goods and services as a base period, and deriving sub-group weights from average values of agricultural, industrial and services production for the years 2002/2003 and 2003/2004.

2/ Change in index over the same quarter in the previous year.

3/ Change in index over the same month in the previous year . Detailed data for December 2010 are not available yet

**Table ( 7 ): Inflation in Producer Prices According to End Use Classification <sup>1/</sup>**

	Year on Year Quarterly 2/				Year on Year Monthly 3/				
	Jul-Sep 2009	Jan-Mar 2010	Apr-Jun 2010	Jul-Sep 2010	Nov-09	Aug-10	Sep-10	Oct-10	Nov-10
<b>Overall PPI Index</b>	<b>-9.6</b>	<b>13.2</b>	<b>11.4</b>	<b>11.6</b>	<b>8.7</b>	<b>10.3</b>	<b>14.1</b>	<b>16.9</b>	<b>13.5</b>
Fuel	2.2	-0.6	-0.2	1.0	0.3	1.0	1.0	3.9	3.9
Raw Materials	-37.0	50.8	26.5	16.2	29.1	10.3	20.7	22.2	20.7
Intermediate Goods	-17.0	0.8	9.2	8.0	-7.0	7.7	8.6	8.2	10.9
Non-Durable Consumer Goods	11.7	12.8	10.4	14.8	12.4	14.6	18.7	23.5	15.6
Durable Consumer Goods	2.5	4.2	3.6	3.6	4.2	3.6	3.6	-1.9	-1.9
Capital Goods	1.0	0.1	10.8	10.8	0.7	10.8	10.8	11.1	11.1

**Table ( 8 ): Inflation in Producer Prices According to Stage of Processing Classification <sup>1/</sup>**

	Year on Year Quarterly 2/				Year on Year Monthly 3/				
	Jul-Sep 2009	Jan-Mar 2010	Apr-Jun 2010	Jul-Sep 2010	Nov-09	Aug-10	Sep-10	Oct-10	Nov-10
<b>Overall PPI Index</b>	<b>-9.6</b>	<b>13.2</b>	<b>11.4</b>	<b>11.6</b>	<b>8.7</b>	<b>10.3</b>	<b>14.1</b>	<b>16.9</b>	<b>13.5</b>
Fuel	-30.6	46.6	24.7	10.6	31.7	4.6	13.7	13.3	11.9
Cotton	29.5	-11.4	-11.4	-11.4	-11.4	-11.4	-11.4	89.5	89.5
Raw Materials	4.3	12.3	10.0	17.0	10.0	17.1	22.6	27.4	18.8
Semi-Finished Goods	2.6	4.3	6.5	8.6	4.0	8.3	9.2	10.6	8.8
Finished Goods	-10.8	2.8	8.9	9.7	-3.0	9.8	9.4	9.7	11.5

Source: CAPMAS.

1/ The new series of Producer Price Index was issued by CAPMAS starting September 2007, using 2004/2005 prices of goods and services as a base period, and deriving sub-group weights from average values of agricultural, industrial and services production for the years 2002/2003 and 2003/2004.

2/ Change in index over the same quarter in the previous year.

3/ Change in index over the same month in the previous year . Detailed data for December 2010 are not available yet.

**Table ( 9 ) : Exchange Rates**

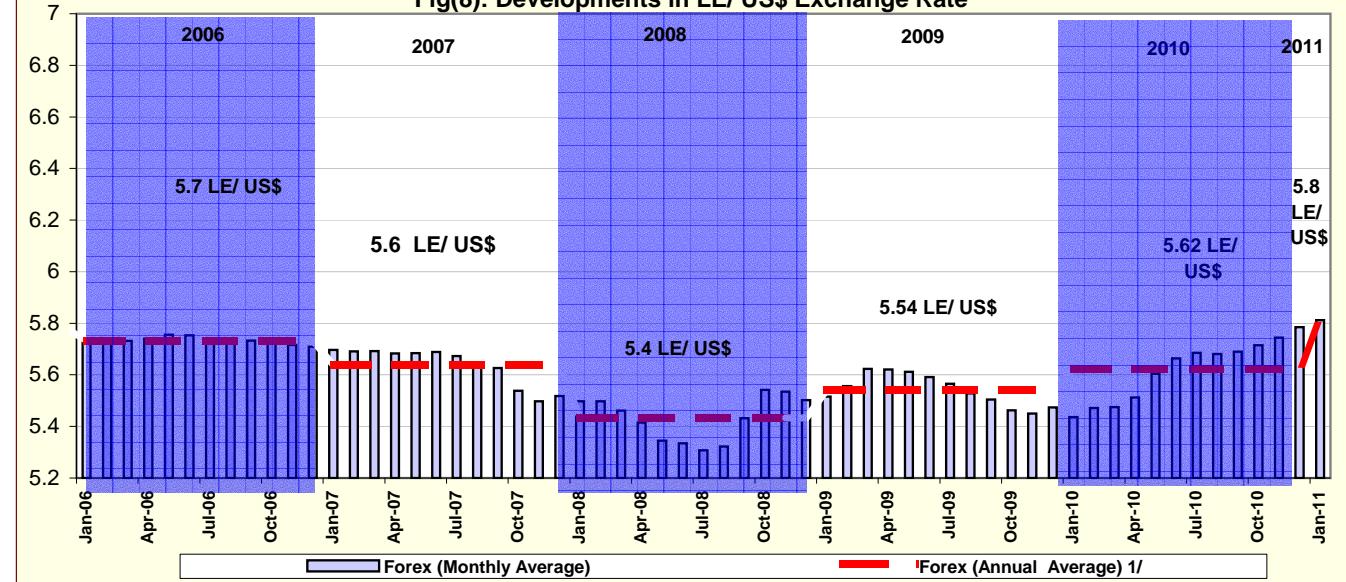
	Domestic Market			International Markets	
	(LE / currency units) <sup>1/</sup>			(US \$ / currency units)	
	US Dollar	Pound Sterling	Euro	Euro	Pound Sterling
<b>Yearly Averages <sup>2/</sup></b>					
2003	5.861	9.595	6.654	1.132	1.636
2004	6.194	11.348	7.701	1.244	1.833
2005	5.791	10.569	7.226	1.246	1.821
2006	5.740	10.648	7.255	1.256	1.843
2007	5.644	11.448	7.836	1.370	2.002
2008	5.438	10.186	8.078	1.471	1.855
2009	5.542	8.764	7.804	1.394	1.565
2010	5.622	8.783	7.541	1.329	1.546
<b>Monthly Averages</b>					
Jan-10	5.437	8.886	7.862	1.430	1.616
Feb-10	5.472	8.638	7.563	1.368	1.563
Mar-10	5.475	8.335	7.517	1.370	1.506
Apr-10	5.512	8.543	7.494	1.345	1.533
May-10	5.604	8.336	7.158	1.264	1.472
Jun-10	5.664	8.427	6.989	1.222	1.473
Jul-10	5.685	8.771	7.331	1.275	1.526
Aug-10	5.681	8.997	7.418	1.292	1.567
Sep-10	5.690	8.950	7.498	1.303	1.556
Oct-10	5.715	9.140	8.007	1.390	1.586
Nov-10	5.744	9.256	7.931	1.370	1.599
Dec-10	5.785	9.116	7.718	1.322	1.561
Jan-11	5.813	9.081	7.696	1.336	1.577

Sources: Central Bank of Egypt, Reuters and Oanda (www.oanda.com).

1/ Average of the Bid / Ask rates.

2/ Calendar year.

**Fig(8): Developments in LE/ US\$ Exchange Rate**



Source: Central Bank of Egypt and Reuters.

1/ Calendar year average.