

# Section 3

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## DOMESTIC PRICES

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

Summary Profile  
2008 - 2011

	2008				2009				2010				2011			
	CPI		CPI		CPI		CPI		CPI		CPI		CPI		CPI	
	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	14.7
February	12.1	--	12.3	21.2	13.5	14.2	13.6	-7.6	12.6	12.5	6.9	13.1	10.7	10.8	9.5	16.8
March	14.4	15.8	15.6	23.7	12.1	11.6	11.2	-10.4	11.9	11.7	7.0	13.7	11.5	11.8	8.5	20.4
April	16.4	--	17.9	25.7	11.7	12.2	10.3	-11.8	10.8	10.8	6.6	15.9	12.1	12.4	8.8	20.6
May	19.7	21.1	20.0	32.9	10.2	9.8	8.5	-12.4	10.0	9.8	6.7	9.9	11.8	12.2	8.8	20.1
June	20.2	--	20.7	33.8	9.9	9.8	7.9	-12.0	10.1	10.0	6.7	8.6	11.8	12.1	8.9	19.4
July	22.0	23.1	22.2	32.3	9.9	9.7	7.2	-13.4	10.4	10.4	7.1	10.3	10.4	10.7	8.7	17.3
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	8.5	8.8	7.0	14.0
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	8.2	8.5	8.0	11.8
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	7.1	7.5	7.6	
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	12.8				

Source: CAPMAS.

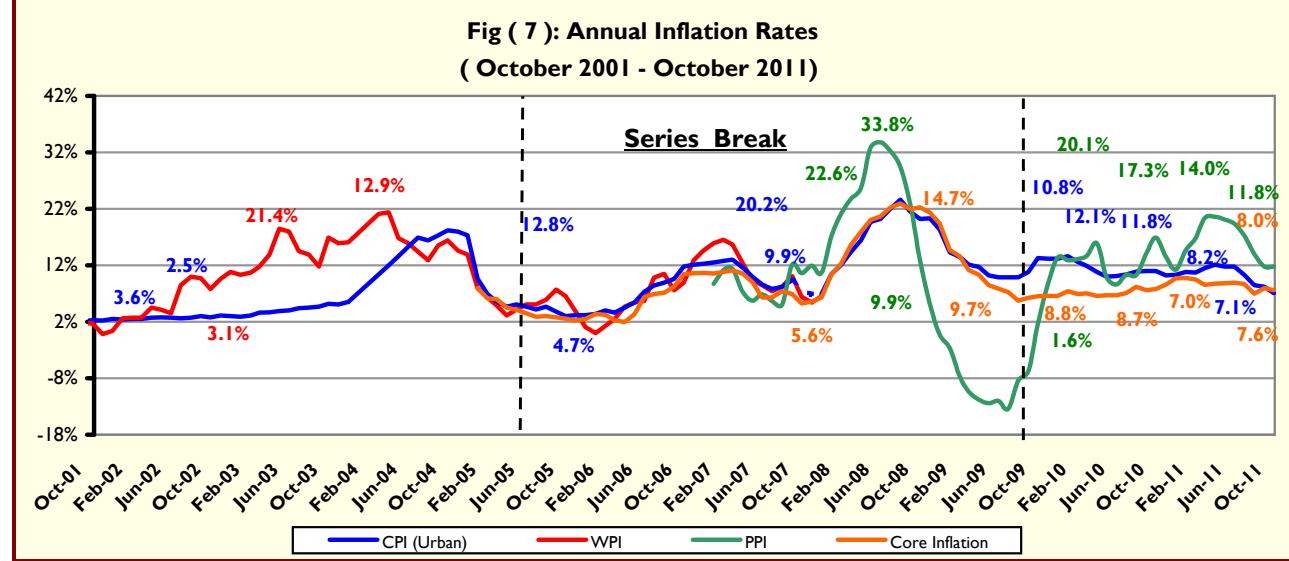
--Data not available.

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).

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



Source: CAPMAS.

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

(Percent Change)

	Year on Year Quarterly 2/				Year on Year Monthly 3/				
	Jul-Sep 2010	Jan-Mar 2011	Apr-Jun 2011	July-Sep 2011	Oct-10	Jul-11	Aug-11	Sep-11	Oct-11
<b>CPI Inflation</b>	<b>10.7</b>	<b>11.0</b>	<b>11.9</b>	<b>9.0</b>	<b>11.0</b>	<b>10.4</b>	<b>8.5</b>	<b>8.2</b>	<b>7.1</b>
Food & Beverages	19.5	19.2	20.1	12.5	19.3	16.7	12.3	8.9	8.7
Tobacco	43.2	46.9	57.0	29.5	43.2	29.6	29.6	29.6	29.6
Clothing & Footwear	1.8	1.1	1.4	1.6	1.5	2.3	0.7	1.8	3.0
Housing, Water, Electricity and Fuel	0.6	0.1	0.9	3.3	0.6	1.2	1.2	7.4	7.4
Furniture and Equipment and Maintenance	3.0	2.8	2.0	4.6	3.3	3.9	3.9	5.9	5.8
Medical Care	0.0	1.5	1.9	2.0	1.0	2.0	2.0	2.0	1.0
Transportation Expenditures	0.8	1.3	1.4	1.4	1.0	1.4	1.4	1.5	1.4
Communication	-0.1	1.0	0.1	-1.6	-0.1	0.1	0.1	-5.0	-5.0
Entertainment	2.9	6.0	6.8	8.2	5.2	6.4	7.9	10.4	10.4
Education	7.1	24.3	24.3	24.3	24.3	24.3	24.3	24.3	9.9
Hotels and Restaurants	2.6	12.3	12.2	11.0	11.8	12.4	9.9	10.7	2.2
Miscellaneous	11.5	1.9	2.3	3.4	1.9	2.7	3.3	3.9	2.8

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 2010	Jan-Mar 2011	Apr-Jun 2011	July-Sep 2011	Sep-10	Jun-11	Jul-11	Aug-11	Sep-11
	11.6	17.3	20.0	14.3	14.1	19.4	17.3	14.0	11.8
<b>Overall PPI Inflation</b>	<b>11.6</b>	<b>17.3</b>	<b>20.0</b>	<b>14.3</b>	<b>14.1</b>	<b>19.4</b>	<b>17.3</b>	<b>14.0</b>	<b>11.8</b>
<b>Agriculture, Forestry and Fishing</b>	<b>16.3</b>	<b>19.9</b>	<b>27.3</b>	<b>10.8</b>	<b>21.7</b>	<b>23.9</b>	<b>16.9</b>	<b>11.2</b>	<b>5.1</b>
activities	17.8	21.5	29.4	11.3	23.6	25.7	17.8	11.7	5.2
Fishing and Aquaculture	-0.5	1.0	1.5	4.4	0.2	2.0	4.6	4.3	4.3
<b>Mining and Quarrying</b>	<b>11.5</b>	<b>28.3</b>	<b>35.9</b>	<b>35.6</b>	<b>15.0</b>	<b>36.3</b>	<b>38.9</b>	<b>32.5</b>	<b>35.3</b>
Extraction of crude petroleum and natural gas	11.5	28.5	36.2	35.8	15.0	36.6	39.2	32.8	35.6
Other mining and quarrying	12.0	10.5	11.3	13.6	12.1	11.3	13.7	13.5	13.5
<b>Manufacturing</b>	<b>9.0</b>	<b>11.9</b>	<b>8.9</b>	<b>8.8</b>	<b>9.0</b>	<b>10.3</b>	<b>9.6</b>	<b>9.1</b>	<b>7.7</b>
Food products	14.7	17.3	12.6	10.0	13.6	12.8	11.0	10.3	8.7
Beverages	0.2	0.0	1.4	3.9	0.2	3.9	3.9	3.8	3.8
Tobacco products	50.4	53.4	54.0	6.7	50.4	54.0	6.7	6.7	6.7
Textiles	1.6	1.7	5.4	5.5	1.6	5.4	5.5	5.5	5.5
Wearing apparel	10.5	11.2	14.3	4.1	10.5	14.3	4.0	4.1	4.1
Leather and related products	0.0	3.4	3.5	4.1	0.0	3.5	4.1	4.1	4.1
Wood and wood products	3.2	15.2	12.2	16.6	3.0	13.5	15.3	16.1	18.5
Paper and paper products	3.0	4.0	2.9	2.7	3.0	2.9	2.7	2.7	2.7
Printing and reproduction of recorded media	-0.7	-0.7	7.4	0.0	-0.7	7.4	0.0	0.0	0.0
Coke and refined petroleum	1.0	4.3	4.1	7.7	1.0	4.1	7.5	7.8	7.8
Chemicals and chemical products	8.2	12.4	5.4	7.8	8.1	5.3	7.5	8.0	8.0
Pharmaceuticals, medicinal, chemical and botanical products	2.6	2.6	0.0	0.0	2.6	0.0	0.0	0.0	0.0
Rubber and plastic products	-2.8	7.0	5.3	4.6	-2.8	6.2	4.6	4.6	4.6
Other non-metallic mineral products	2.1	2.5	1.0	1.1	2.0	1.1	1.0	1.1	1.1
Basic Metals	23.6	29.4	14.1	19.8	25.0	23.8	24.6	21.4	13.7
Fabricated Metal products, except machinery and equipment	13.0	1.7	4.4	4.8	13.7	4.8	5.5	5.2	3.8
Computer, electronic and optical products	-2.2	-9.1	-5.9	-5.9	-2.2	-5.9	-5.9	-5.8	-5.8
Electrical equipment	2.0	7.6	17.7	15.6	2.0	17.7	15.6	15.6	15.6
Machinery and Equipment, n.o.i	0.1	0.9	1.6	1.6	0.1	1.6	1.6	1.6	1.6
Motor vehicles, trailers and semi-trailers	0.6	1.0	2.1	2.1	0.6	2.1	2.1	2.1	2.1
Other transport Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Furniture	0.2	0.0	0.0	0.2	0.2	0.0	0.3	0.2	0.2
Other manufacturing	26.5	30.3	26.9	34.5	31.6	25.4	31.1	39.5	33.1
<b>Electricity, steam, gas and air conditioning supply</b>	<b>22.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>22.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Water supply, sewerage, waste management, and remediation activities</b>	<b>5.6</b>	<b>0.0</b>	<b>0.0</b>	<b>4.9</b>	<b>5.6</b>	<b>0.0</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>
Water collection, treatment and supply	13.0	0.0	0.0	0.0	13.0	0.0	0.0	0.0	0.0
Waste collection, treatment and disposal activities	0.0	0.0	0.0	9.1	0.0	0.0	9.1	9.1	9.1
<b>Transportation and storage</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>	<b>5.0</b>	<b>0.0</b>	<b>2.0</b>	<b>5.1</b>	<b>5.0</b>	<b>5.1</b>
Land transport and trasport via Pipelines	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water transport	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Air Transport	0.0	2.4	2.4	5.9	0.0	2.4	5.9	5.9	5.9
Postal and courier activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Accommodation and Food Service Activities</b>	<b>4.6</b>	<b>22.2</b>	<b>13.1</b>	<b>11.3</b>	<b>4.6</b>	<b>13.1</b>	<b>9.6</b>	<b>12.1</b>	<b>12.1</b>
Accommodation	2.1	23.6	11.7	11.1	2.1	11.7	8.5	12.5	12.5
Food and beverage service activities	9.0	19.7	15.7	11.6	9.0	15.7	11.6	11.6	11.6
<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 .

**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 2010	Jan-Mar 2011	Apr-Jun 2011	July-Sep 2011	Sep-10	Jun-11	Jul-11	Aug-11	Sep-11
<b>Overall PPI Index</b>	<b>11.6</b>	<b>17.3</b>	<b>20.0</b>	<b>14.3</b>	<b>14.1</b>	<b>19.4</b>	<b>17.3</b>	<b>14.0</b>	<b>11.8</b>
Fuel	1.0	4.3	4.1	7.7	1.0	4.1	7.5	7.8	7.8
Raw Materials	16.2	38.3	47.9	44.8	20.7	49.6	50.8	42.2	41.7
Intermediate Goods	8.0	11.9	7.0	9.0	8.6	9.9	10.4	9.5	7.1
Non-Durable Consumer Goods	14.8	14.0	18.9	4.8	18.7	15.7	8.6	4.9	1.2
Durable Consumer Goods	3.6	-1.9	3.8	3.6	3.6	3.8	3.6	3.6	3.6
Capital Goods	10.8	16.3	7.6	9.1	10.8	9.2	9.2	9.1	9.1

**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 2010	Jan-Mar 2011	Apr-Jun 2011	July-Sep 2011	Sep-10	Jun-11	Jul-11	Aug-11	Sep-11
<b>Overall PPI Index</b>	<b>11.6</b>	<b>17.3</b>	<b>20.0</b>	<b>14.3</b>	<b>14.1</b>	<b>19.4</b>	<b>17.3</b>	<b>14.0</b>	<b>11.8</b>
Fuel	10.6	26.9	33.9	34.5	13.7	34.2	37.5	31.8	34.3
Cotton	-11.4	89.5	89.5	89.5	-11.4	89.5	89.5	89.5	89.5
Raw Materials	17.0	18.3	25.8	9.3	22.6	22.5	15.5	9.8	3.6
Semi-Finished Goods	8.6	8.7	6.1	5.0	9.2	6.0	5.7	5.3	4.0
Finished Goods	9.7	12.9	9.6	8.9	9.4	11.9	9.8	9.2	7.6

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 .

**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	5.779	10.569	7.226	1.246	1.821
2006	5.733	10.648	7.255	1.256	1.843
2007	5.636	11.448	7.836	1.370	2.002
2008	5.431	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>					
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	5.797	9.081	7.696	1.336	1.577
Feb-11	5.884	9.409	7.967	1.365	1.612
Mar-11	5.918	9.540	8.265	1.400	1.616
Apr-11	5.947	9.698	8.564	1.444	1.635
May-11	5.935	9.707	8.511	1.434	1.636
Jun-11	5.937	9.605	8.512	1.438	1.623
Jul-11	5.945	9.581	8.491	1.431	1.614
Aug-11	5.949	9.749	8.542	1.435	1.637
Sep-11	5.951	9.443	8.238	1.381	1.583
Oct-11	5.958	9.411	8.185	1.370	1.576

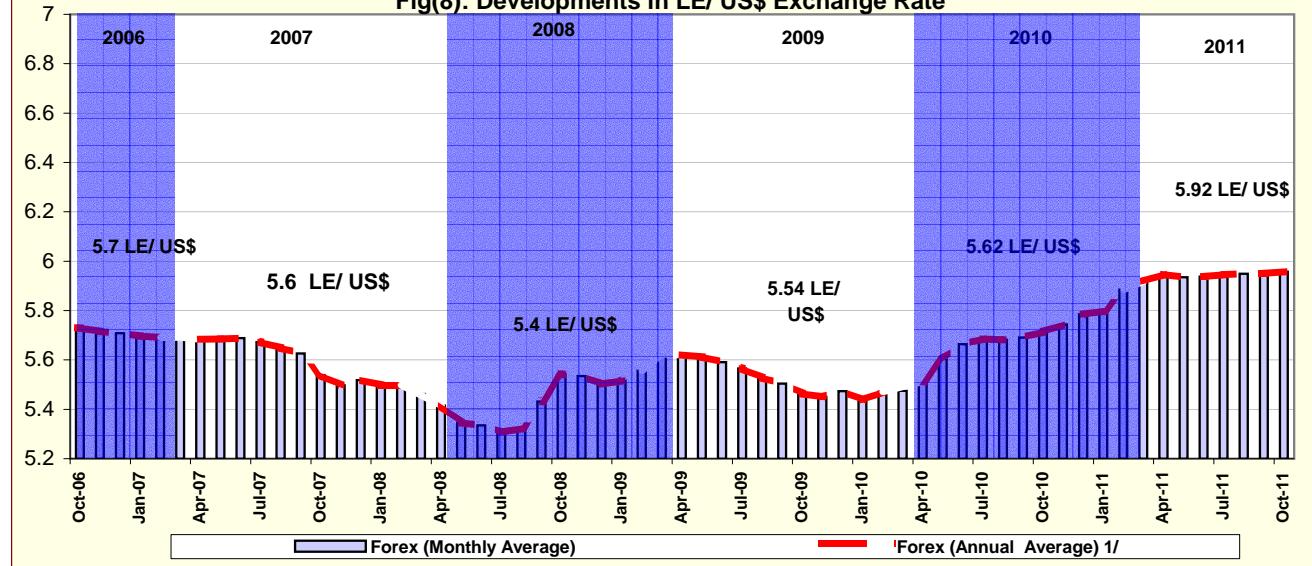
Sources: Central Bank of Egypt, Reuters and Oanda (www.oanda.com).

1/ Average of the Bid / Ask rates.

2/ Calendar year.

DOMESTIC PRICES

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



Source: Central Bank of Egypt and Reuters.

1/ Calendar year average.