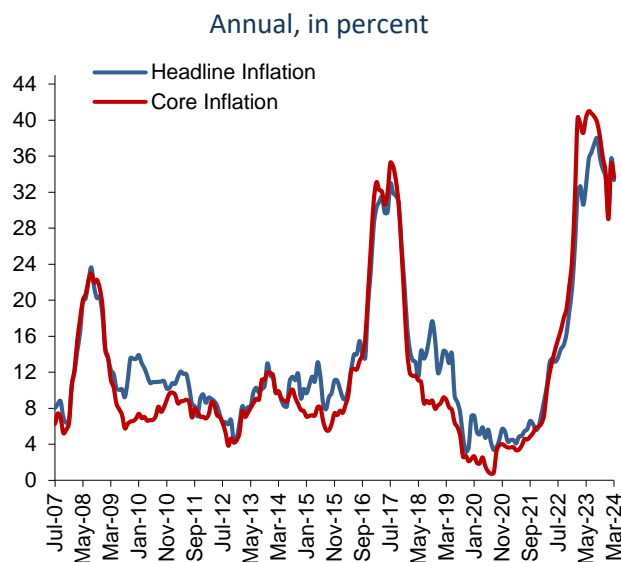


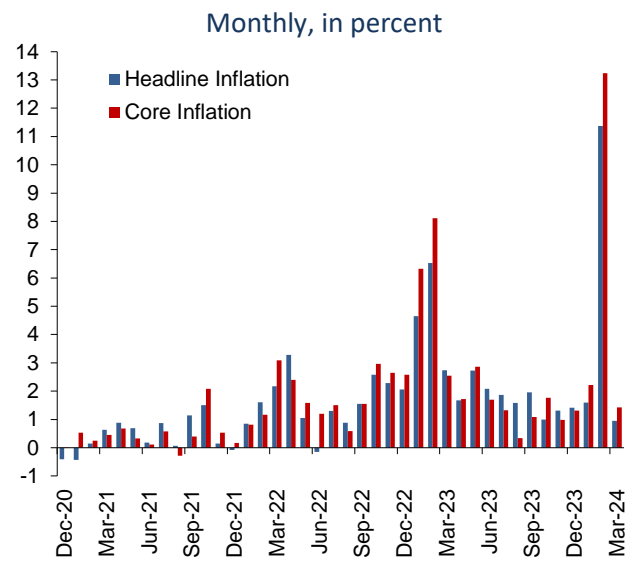
Headline and Core Inflation – March 2024

- **Annual headline urban inflation^{1/}** declined during March 2024 to record 33.3 percent compared to 35.7 percent in February 2024. The slowdown is primarily attributed to the muted monthly dynamics observed in March 2024, characterized by subdued price increases across the board, along with a favorable base effect. These developments are driven by the decline of annual food inflation which recorded 45.0 percent in March 2024, marking its lowest rate since December 2022. This may also signal a gradual easing of the food inflation shock, which peaked at 73.6 percent in September 2023. Furthermore, annual non-food inflation remained steady at 25.7 percent in March 2024, marking a slight decrease from the 26.1 percent recorded in February 2024.
- **Annual core inflation^{2/}** decelerated as well to record 33.7 percent in March 2024 compared to 35.1 percent in February 2024. The deceleration reflected weaker core food contribution, and comes in line with **monthly core inflation** recording 1.4 percent in March 2024, compared to 2.5 percent during the same month last year.
- **Monthly headline urban inflation^{1/}** recorded its lowest monthly rate in almost a year and a half at 1.0 percent in March 2024, compared to 2.7 percent during the same month last year. It also marks a significant decline in monthly headline inflation when compared to February 2024, during which it recorded 11.4 percent. Worth noting that the seasonal impact of Ramadan affected some items' prices such as; core food items (mainly poultry prices) and services (Omra trips), both of which witnessed mild price increases. Additionally, other services such as restaurants and cafes, and healthcare (both private and public) witnessed a slight increase in their prices.
- **Rural annual headline inflation^{1/}** declined to 32.8 percent in March 2024 from 36.3 percent in February 2024. Additionally, **nationwide annual headline inflation^{1/}** declined to 33.1 percent in March 2024 from 36.0 percent in February 2024.

Headline and Core CPI Inflation^{3/}



Source: Central Agency for Public Mobilization and Statistics and Central Bank of Egypt.



Source: Central Agency for Public Mobilization and Statistics and Central Bank of Egypt.

1/ Published by the Central Agency for Public Mobilization and Statistics.

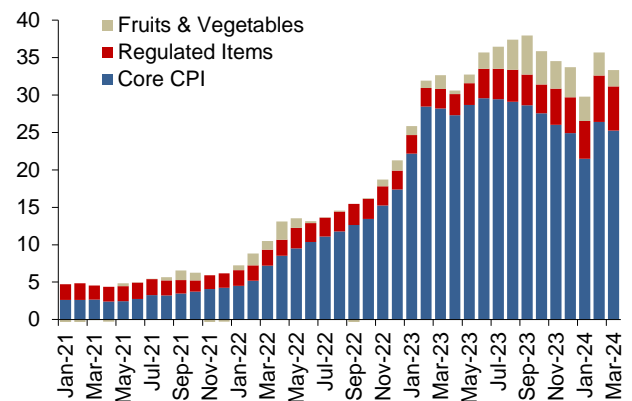
2/ Computed by the Central Bank of Egypt.

3/ CAPMAS publishes three CPI series: (1) the CPI for urban areas which include Cairo, Alexandria, urban Lower Egypt, urban Upper Egypt, Canal cities and Frontier governorates, (2) the CPI for rural areas, and (3) the CPI for All areas. Numbers quoted in this note refer to CPI-Urban.

Key Highlights:

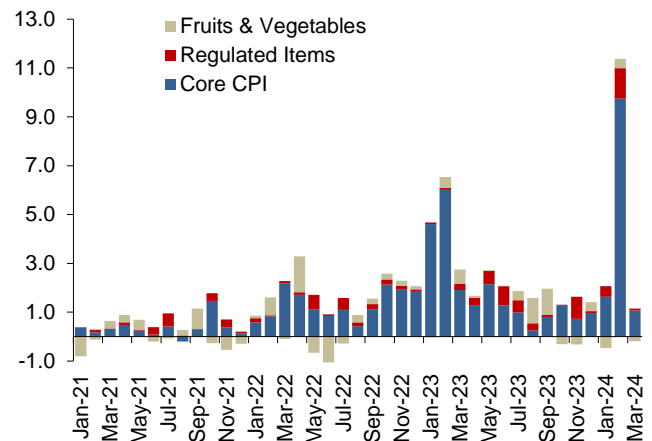
- Prices of **Fresh Vegetables** declined by 4.8 percent, while prices of **fresh fruits** remained largely stable. Against their seasonal pattern, together, they contributed by negative 0.19 percentage points to monthly headline inflation.
- Prices of **Poultry and Red Meat** increased by 3.3 percent and 1.0 percent, respectively, to contribute together by 0.28 percentage points to monthly headline inflation.
- Prices of **Dairy products** increased by 2.2 percent, to contribute by 0.10 percentage points to monthly headline inflation.
- Prices of **Market Sugar** increased by 5.1 percent to contribute by 0.03 percentage points to monthly headline inflation.
- Prices of **Fish & Seafood** increased by 1.2 percent to contribute by 0.03 percentage points to monthly headline inflation.
- Prices of **Pulses and Edible oils** declined by 3.8 and 1.8 percent, respectively to contribute together by negative 0.04 percentage points to monthly headline inflation.
- Prices of **Other core food items** including eggs, market tea, coffee, dried fruits and bread, among others, increased to contribute by 0.10 percentage points to monthly headline inflation.
- Prices of **Services** increased by 1.4 percent to contribute by 0.38 percentage points to monthly headline inflation. This was mainly driven by higher expenditures on restaurants and cafes, outpatient services, private healthcare, rental values, in addition to the seasonal impact of Omra trips.
- Prices of **Retail items** increased by 1.5 percent, contributing by 0.20 percentage points to monthly

Contribution to Annual Headline CPI Inflation
(in percentage points)



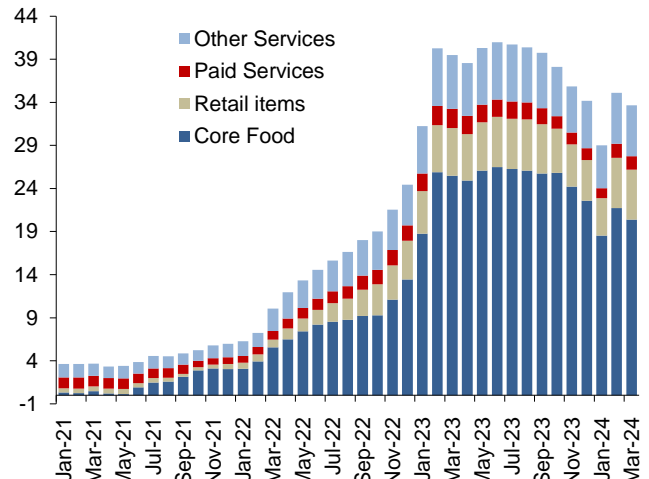
Source: Central Bank of Egypt.

Contribution to Monthly Headline CPI Inflation
(in percentage points)



Source: Central Bank of Egypt.

Contribution to Annual Core CPI Inflation
(in percentage points)

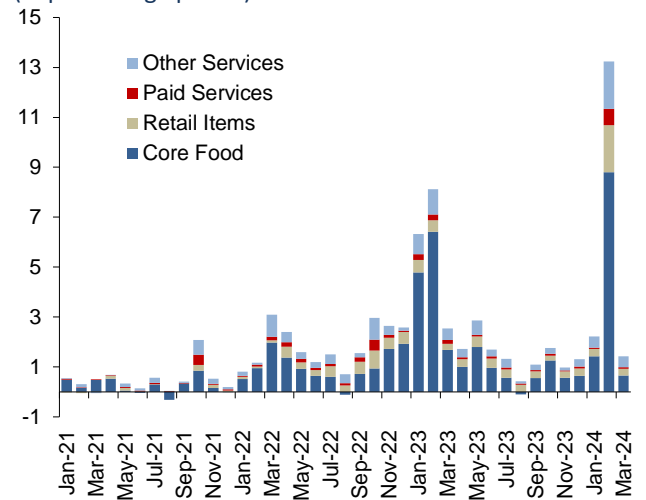


Source: Central Bank of Egypt.

headline inflation. It was mainly driven by medical products, clothing and footwear, household cleaning products, and personal care products.

- Prices of **Regulated items** increased by 0.4 percent to contribute by 0.07 percentage points to monthly headline inflation. This was primarily driven by medical products and public healthcare.
- Monthly **Core Inflation** was affected by price changes of the aforementioned core CPI items. **Core food items** contributed by 0.66 percentage points to monthly core inflation. **Services** contributed by 0.50 percentage points to monthly core inflation. **Retail items** contributed by 0.26 percentage points to monthly core inflation.

Contribution to Monthly Core CPI Inflation
(in percentage points)



Source: Central Bank of Egypt.

Table 1:
Classification of All Items Included in Core CPI

Food	Retail	Paid Services	Other Services
Bread and cereals	Clothing	Tailors, laundry & shoe repair	Rentals (new law)
Meat	Fabrics	Dwelling maintenance services	Rental value of owner occupied housing
Fish and other seafood	Footwear	Portman & gardener's services	Hospital services
Eggs & Dairy products	Products related to dwelling repairment	Cook & maid's services	Transportation Services
Oils and fats	Furniture	Technicians to HH appliances	Mobile & internet services
Dried fruits	Carpets and other floor covering	Repairs of Audio-visual equipment	Recreational & sporting services
Processed vegetables	Household (HH) textiles	Physicians	Cultural services
Pulses	HH appliances	Mechanics	Hajj & Omra trips
Sugar and confectionery	Glassware, tableware and HH utensils	Teachers	Restaurants and Cafes
Other food products	HH small tools & supplies	Hairdressers	Accommodation services
Beverages	HH cleaning products		Private schools
	HH miscellaneous products		Summer & Winter Vacations
	Purchase of vehicles		
	Spare parts		
	Motor oil		
	Telephone & telefax equipment		
	Home entertainment equipment		
	Recreational equipment		
	Personal care supplies and products		
	Personal effects		
	Books		
	School supplies		
	Medical care goods		

Table 2:
Consumer Price Index and Major Components^{1/}

	Weight in basket ^{2/}	March 2023	March 2024	March 2024 to February 2024	March 2024 to March 2023
	(in percent)	(index)		(in percent)	
(Average 2018/2019 = 100)					
Headline - All items	100.00	162.72	216.98	0.95	33.34
Food and beverages	32.73	196.85	285.38	0.71	44.97
Tobacco and related products	4.41	134.67	260.50	0.19	93.44
Clothing and footwear	4.38	133.96	161.41	1.24	20.49
Housing, water, electricity, gas, and other fuels	19.46	124.27	136.35	0.36	9.72
Furnishings, household equipment, and routine maintenance of the dwelling	3.93	155.48	204.15	1.54	31.31
Medical care	8.59	141.52	178.44	2.56	26.09
Transportation	6.66	153.81	178.75	0.61	16.21
Communications	2.75	106.56	121.33	0.17	13.86
Recreation and Culture	2.24	187.64	271.68	1.98	44.79
Education	5.49	189.46	224.31	0.00	18.39
Hotels, cafes, and restaurants	4.98	190.66	266.36	3.11	39.70
Miscellaneous goods and services	4.37	154.43	187.85	1.06	21.64
Select aggregates					
Fruits & vegetables ^{3/}	5.46	160.01	225.71	-3.20	41.06
Regulated items	21.44	148.58	193.19	0.39	30.03
Food excl. fruits & vegetables	24.51	210.90	312.60	1.41	48.23
Retail items	14.34	147.65	197.02	1.51	33.44
Paid services	6.96	164.66	191.78	0.88	16.47
Other services	27.30	138.55	164.97	1.57	19.07
Core CPI	73.09	164.07	219.29	1.43	33.66

^{1/} Source: CAPMAS and CBE calculations

^{2/} Based on the 2017/2018 Household Expenditure Survey

^{3/} Excluding pulses, processed vegetables, and dried fruits