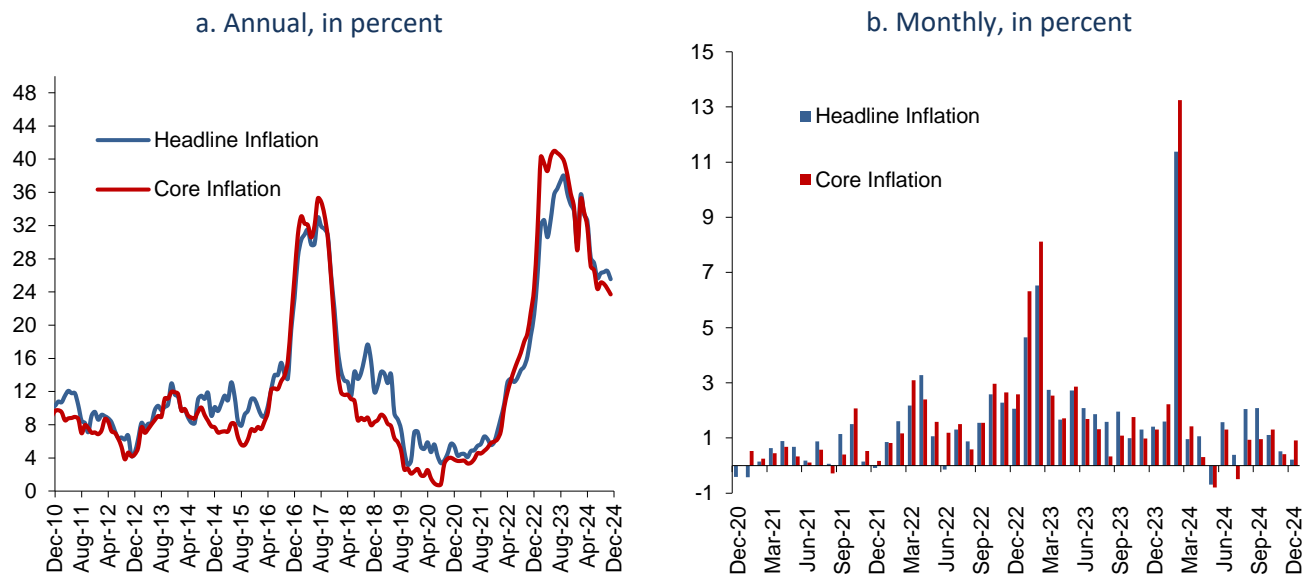


## Headline and Core Inflation:<sup>1</sup> December 2024

- **Annual urban headline inflation** declined to 24.1 percent in December 2024, down from 25.5 percent in November 2024, marking its lowest rate in two years. This decline is primarily attributed to food inflation, which steadily decreased throughout 2024. In December 2024, the decline in prices of fresh vegetables outweighed the increase in non-food inflation.
- **Annual core inflation** remained broadly stable at 23.2 percent in December 2024 compared to 23.7 percent in November 2024. **Monthly core inflation** registered 0.9 percent in December 2024, compared with 1.3 percent in December 2023 and 0.4 percent in November 2024. Monthly inflation reflects mild increases in retail and services inflation, including expenditures on restaurants and cafes, as well as rents.
- **Monthly urban headline inflation** recorded 0.2 percent in December 2024, compared with 1.4 percent in December 2023, and 0.5 percent in November 2024. This slowdown is driven by a stronger decline in fresh vegetable prices compared to their usual seasonal pattern, offsetting the increase in non-food inflation caused by internet and mobile services, pharmaceutical products, and other non-food items.
- **Annual rural headline inflation** decelerated to 22.8 percent in December 2024, down from 24.4 percent in November 2024. Similarly, **annual nationwide headline inflation** slowed down to 23.4 percent in December 2024, down from 25.0 percent in November 2024.

Figure 1. Headline and Core CPI Inflation



Source: Calculated by the Central Agency for Public Mobilization and Statistics (CAPMAS) and Central Bank of Egypt (CBE).

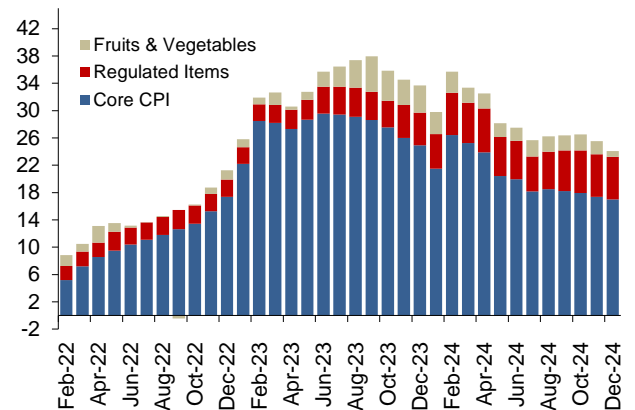
Source: CAPMAS and CBE calculations.

<sup>1</sup> Headline inflation is published by the Central Agency for Public Mobilization and Statistics (CAPMAS), while core inflation is computed by the Central Bank of Egypt. CAPMAS publishes three CPI series: (1) CPI-urban areas, which includes Cairo, Alexandria, urban Lower Egypt, urban Upper Egypt, Canal cities and Frontier governorates, (2) CPI-rural areas, and (3) CPI-all areas. Numbers quoted in this note refer to CPI-urban.

## Key Highlights:

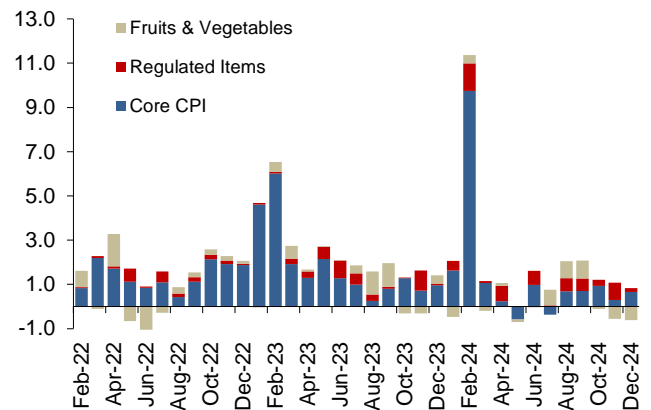
- Prices of **fresh fruits** increased by 7.1 percent, while **fresh vegetable** prices declined by 16.3 percent, which is stronger than their seasonal pattern. Combined, they contributed negative 0.61 percentage point to monthly headline inflation.
- Prices of **poultry** and **eggs** decreased by 0.1 percent and 3.4 percent, respectively. Combined, they contributed negative 0.07 percentage point to monthly headline inflation.
- Prices of **dairy products** increased by 0.6 percent, contributing 0.03 percentage point to monthly headline inflation.
- Prices of **oils and fats** increased by 0.8 percent, contributing 0.02 percentage point to monthly headline inflation.
- Prices of **other core food items**—including red meat, market sugar, pulses, confectionary, and market tea—contributed 0.03 percentage point to monthly headline inflation.
- Prices of **services** increased by 1.5 percent, contributing 0.42 percentage point to monthly headline inflation. This was mainly driven by recent price increases in mobile phones and internet services, higher expenditure on restaurants and cafes, as well as higher rents, among other services.
- Prices of **retail items** increased by 1.7 percent, contributing 0.23 percentage point to monthly headline inflation. This was mainly driven by clothing and footwear, vehicle purchases, personal care products, and household cleaning products, among other retail items.
- Prices of **regulated items** increased by 0.8 percent, contributing 0.16 percentage point to monthly headline inflation. This is mainly attributed to recent price hikes in pharmaceutical products and public transportation.

**Figure 2. Contribution to Annual Headline CPI Inflation**  
(in percentage points)



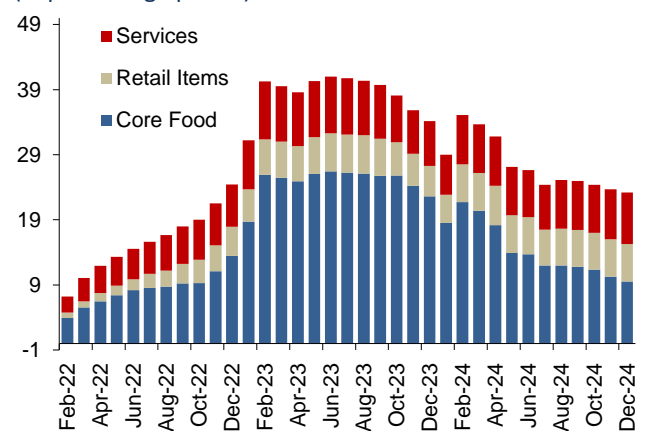
Source: CBE calculations.

**Figure 3. Contribution to Monthly Headline CPI Inflation**  
(in percentage points)



Source: CBE calculations.

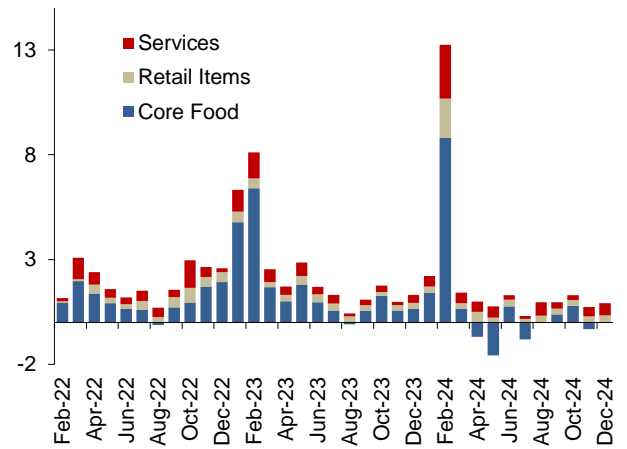
**Figure 4. Contribution to Annual Core CPI Inflation**  
(in percentage points)



Source: CBE calculations.

- **Monthly core inflation** was affected by the aforementioned developments in core CPI items. **Core food** items contributed 0.02 percentage point to monthly core inflation, while **retail items** and **services** contributed 0.32 and 0.58 percentage point to monthly core inflation, respectively.

**Figure 5. Contribution to Monthly Core CPI Inflation**  
(in percentage points)



Source: CBE calculations.

**Table 1. Classification of All Items included in Core CPI**

<b>Food &amp; Beverages</b>	<b>Retail Items</b>	<b>Services</b>
Bread and cereals	Clothing	Rentals (New Rental Law)
Meat	Fabrics	Rental value of owner-occupied housing
Fish and other seafood	Footwear	Hospital services
Eggs & dairy products	Products related to dwelling repair	Transportation services
Oils and fats	Furniture	Mobile & internet services
Dried fruits	Carpets and other floor coverings	Recreational & sporting services
Processed vegetables	Household (HH) textiles	Cultural services
Pulses	HH appliances	Hajj & Umrah trips
Sugar and confectionery	Glassware, tableware and HH utensils	Restaurants and cafes
Other food products	HH small tools & supplies	Accommodation services
Beverages	HH cleaning products	Private schools
	HH miscellaneous products	Summer & winter vacations
	Purchase of vehicles	<b>Direct wages</b>
	Spare parts	Tailors, laundry & shoe repair
	Motor oil	Dwelling maintenance services
	Telephone & telefax equipment	Portman & gardener services
	Home entertainment equipment	Cook & maid services
	Recreational equipment	Technicians to HH appliances
	Personal care supplies and products	Repairs of audio-visual equipment
	Personal effects	Physicians
	Books	Mechanics
	School supplies	Teachers
	Medical care goods	Hairdressers

**Table 2. Consumer Price Index: Major Components<sup>1/</sup>**

	Weight in basket <sup>2/</sup>	December 2023	December 2024	December 2024 to November 2024	December 2024 to December 2023
	(In percent)	(Index)		(In percent)	
	(Average 2018/2019 = 100)				
<b>Headline – all items</b>	<b>100.00</b>	<b>189.94</b>	<b>235.64</b>	<b>0.21</b>	<b>24.06</b>
Food and beverages	32.73	239.47	288.10	-1.46	20.31
Tobacco and related products	4.41	242.27	306.16	0.07	26.37
Clothing and footwear	4.38	152.43	191.73	1.36	25.78
Housing, water, electricity, gas, and other fuels	19.46	129.47	151.63	0.81	17.12
Furnishings, household equipment, and routine maintenance of the dwelling	3.93	188.44	229.76	0.64	21.93
Medical care	8.59	154.11	211.53	4.25	37.26
Transportation	6.66	171.47	236.48	0.46	37.91
Communications	2.75	107.87	136.23	11.22	26.28
Recreation and culture	2.24	207.84	304.58	0.26	46.54
Education	5.49	189.46	224.31	0.00	18.39
Hotels, cafes, and restaurants	4.98	226.20	298.86	1.47	32.12
Miscellaneous goods and services	4.37	174.89	210.58	0.69	20.41
<b>Select aggregates</b>					
Fruits & vegetables <sup>3/</sup>	5.46	235.78	263.67	-9.06	11.83
Regulated items	21.44	177.41	232.85	0.78	31.25
Food excl. fruits & vegetables	24.51	249.19	303.19	0.05	21.67
Retail items	14.34	172.47	228.44	1.68	32.45
Paid services	6.96	175.52	205.65	0.73	17.17
Other services	27.30	150.27	182.99	1.78	21.77
<b>Core CPI</b>	<b>73.09</b>	<b>186.77</b>	<b>230.15</b>	<b>0.91</b>	<b>23.22</b>

<sup>1/</sup> Source: CAPMAS and CBE calculations.

<sup>2/</sup> Based on the 2017/2018 Household Income, Expenditure and Consumption Survey.

<sup>3/</sup> Excluding pulses, processed vegetables, and dried fruits.