



BANK OF ENGLAND

News release

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Target 2 Point 5 - The Bank of England/Times Interest Rate Challenge Local Schools and Colleges Participating in The 'Challenge'

The Bank of England, in conjunction with The Times, today announced that 231 schools and colleges across the United Kingdom are competing in a major new annual competition for students aged 16 - 18. The teams, consisting of four students, are to decide what level of interest rates they would set to meet the Government's inflation target, and then put their case to a panel of Bank of England judges.

The first round of the competition, involving 38 regional heats, is to take place between 20 November and 1 December, in locations across the United Kingdom. It is hoped that local and regional media will take a keen interest in teams from their respective areas.

The "Bank of England/Times Interest Rate Challenge" will give students the chance to take on the role of the Monetary Policy Committee (MPC), to assess economic conditions and the outlook for inflation, and set an interest rate to achieve the inflation target of 2.5%. The 'Challenge' will give students a chance to learn more about how the economy works, how interest rates affect inflation, and the issues and uncertainties facing the MPC as it goes about its task of delivering price stability. It will also enable students to develop and demonstrate key skills such as team-working, communication, interpreting data and using IT - all now part of the curriculum.

Supported by resources and information provided by the Bank and regular features in The Times, teams will be asked to bring together their understanding and thinking in a live presentation to a panel of Bank of England judges. The presentations will be organised in three rounds - regional heats, area finals and a national final at the Bank of England in London in March 2001, hosted by the Governor, Sir Edward George.

The Governor said, "I am delighted that so many schools and college teams are participating in 'Target 2 Point 5'. I feel sure that the students involved will enjoy taking part as much as my colleagues and I on the Monetary Policy Committee enjoy the real thing, and that they will learn a great deal from the experience. We on the Monetary Policy Committee are looking forward to hearing what interest rate the teams would set - and why. I wish all the teams well for the regional heats in November and December."

Notes for Editors

A full list of local schools and colleges participating in the 'Challenge' is available on the Bank of England's Website.

Further information is available on the Bank of England's website.