



News release

6 December 2001

Target 2 Point 5 - Keen Students Enjoy First Round of 'Challenge'

Enthusiasm and advice about the economy were in abundance from the teams participating in the regional heats of this year's Bank of England/Times Interest Rate Challenge. A fortnight of closely contested heats ended on Friday 30 November.

The 'Challenge' is for students to take on the role of the Bank of England's Monetary Policy Committee and set an interest rate to meet the Government's inflation target.

In taking part in the 'Challenge', each of the 218 teams of 16-18 year-olds from schools across the country gained a practical understanding of the UK economy and the data and considerations that drive interest rate decisions. The teams also had the chance to develop many other valuable skills, not least presenting in public and having to justify their policy decision to a panel of Bank of England judges.

The interest rate decisions made by the teams were as follows:

All Teams

3.5%	10 teams
3.75%	84 teams
4.0%	121 teams
4.25%	3 teams

Winning Teams

3.75%	12 teams
4.0%	27 teams
4.25%	1 teams

Mervyn King - the Bank's Deputy Governor responsible for monetary policy - said, "I hope that all the teams have learnt a great deal about monetary policy in Britain, and enjoyed themselves at the same time. I wonder how long it will be before some of them join the MPC proper."

The winning teams will now go through to six area finals to be held in February 2002, followed by the National Final to be held at the Bank of England in March. The national winners take home the Challenge Trophy and a £10,000 cheque for their school.