



BANK OF ENGLAND

News release

Press Office

Threadneedle Street

London EC2R 8AH

T 020 7601 4411

F 020 7601 5460

press@bankofengland.co.uk

www.bankofengland.co.uk

27 May 2002

Target 2 Point 5 - The Bank of England/Times Interest Rate 'Challenge' Young Challengers to Bank's Interest Rate Decisions

This week marks the launch of the third year of the highly successful Target 2 Point 5 Bank of England/Times Interest Rate Challenge, aimed at students aged 16 to 18 years throughout the UK. The Challenge involves a team from each school taking on the role of the Bank's Monetary Policy Committee and setting the most appropriate level of interest rate for the UK in order to meet the Government's inflation target of 2.5%.

Sir Edward George, the Governor of the Bank of England, said, "I'm delighted with the level of commitment and enthusiasm that the Challenge has generated. After the huge success of the Challenge in its first two years we hope that many schools and colleges will want to take part in 2002/2003."

In the three-round Challenge, the first two rounds are held at venues around the country, with teams making a presentation to a panel of Bank of England judges, supported with information provided by the Bank and regular features in The Times. After the regional heats in November this year and the area finals in February 2003, the national final is held in March at the Bank of England in London, hosted by Sir Edward, who is the Chairman of the Bank's Monetary Policy Committee.

All participants benefit from the Challenge. It develops students' economic awareness, especially their understanding of the impact of interest rate decisions on economic growth, employment and inflation - why interest rates and low inflation matter to everyone. And the schools which field the winning teams benefit even further - the winning team receives £10,000 for their school, the runners-up £5,000 and the third-placed team £2,000. The winners in the first year of the Challenge were from Harry Carlton Comprehensive School, Loughborough and in the second year, The Blackpool Sixth Form College.

We hope that local and regional media will take a keen interest in the teams participating from their areas.