



**BANK OF ENGLAND**

# News release

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## **Target 2 Point 5 - Economics Challenge Tests Local Students**

From Dundee to Doncaster, Belfast to Birmingham and Cardiff to Colchester, schools and colleges will soon be competing in the regional heats of the UK-wide Bank of England/Times Interest Rate Challenge - Target 2 Point 5. This week marks the launch of the fourth year of what has become a successful nationwide competition, already proving to participants and audiences alike that economics really can be exciting!

Mervyn King, the Bank's Governor-designate, who was instrumental in setting up the Challenge has naturally been an enthusiastic supporter from the outset. "I am certainly delighted to see the growth in entries since the Challenge began in 2000," he said, adding, "This is due in no small part to students themselves saying how much their involvement has brought economics to life."

The Challenge involves a team of four 16 to 18-year-olds from each school or college adopting the role of the Bank's Monetary Policy Committee. The Committee meets each month to determine the official interest rate for the UK, in order to meet the government's inflation target of 2.5%. Like the Committee, the students consider a raft of economic indicators - consumer spending, wages, employment, house prices, productivity and growth, the exchange rate and the international economy, to name just a few. Then they must determine how these factors will combine to affect the outlook for UK inflation, before deciding on the appropriate interest rate.

The regional heat round, and Area finals of the Challenge are held at venues across the country, with a panel of Bank of England judges assessing the teams' presentations which have been developed from material provided by the Bank and supplemented with regular economics features in The Times. The regional heats will be held in November this year with Area finals following in February 2004.

The national final in March 2004, which will be hosted by the Governor at the Bank in London, will see the six finalists competing for the honour of the Challenge Cup. To add the thrill of the event the winning team also receives £10,000 for their school, the runners-up £5,000 and the third-placed team £2,000. The winners to date, all outstanding, include Harry Carlton Comprehensive School, Loughbrough; The Blackpool Sixth Form College and, most recently, St Paul's School, Barnes (London).

**Note to Editors**

We will be pleased to provide details of local entries over the next few months.