



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

21 March 2003

Target 2 Point 5 - Bank's Interest Rate Challenge Winner Announced Today

Months of solid preparation paid off for St Paul's School, Barnes (London), when their team fought through to win the national final of the Bank of England/Times Interest Rate Challenge today. To add to the team's delight in their success, the Governor of the Bank of England, Sir Edward George, presented them with the Challenge Trophy and a cheque for £10,000 for the School.

Speaking after the presentation Sir Edward said, "This is the third year of the Challenge, the last before I retire in a few months time. The degree of economic awareness and the standard of presentation of their arguments, in past years and in this latest Challenge, are extremely impressive. I will be stepping down happy in the knowledge that the Challenge is, and will continue to be, useful to students and teachers alike and, I suspect, to the Bank's Monetary Policy Committee. I am certainly reassured that the Committee will never be short of worthy candidates."

As with the other 219 teams from across the United Kingdom that entered the regional heats, the six teams reaching the final had to imitate the MPC process, assessing the UK and global economies to determine the most appropriate interest rate to achieve the Government's 2.5% inflation target. The teams, each of four students, then presented their decision to a panel of judges. For today's national final, held at the Bank's headquarters in Threadneedle Street, the panel comprised Charles Bean (the Bank's Chief Economist, and a member of the Monetary Policy Committee) as chairman, his deputy Nigel Jenkinson, Committee member Kate Barker, and Anatole Kaletsky, associate editor at "The Times".

Echoing the Governor's enthusiasm for the Challenge, Mr Bean remarked, "Throughout each stage of the competition all the students have shown an impressive knowledge of the vast range of economic data that the Committee itself must consider." He added, "Students and teachers of economics and business studies have continued to emphasise just how useful the Challenge is in developing students' understanding of the practical application of economics."

The winners opted to lower the interest rate to 3.5%. The team from Eton College in Windsor was the runner-up, winning £5,000 for their college. They recommended 3.75%. The third-placed team, which received a cheque for £2,000 for their school, The Perse School from Cambridge, also recommended 3.75%. The other

finalists were Churston Ferrers Grammar School from Brixham, The Beauchamp College from Leicester and The Blackpool Sixth Form College in Blackpool, in what was a very closely-contested national final.

Notes to Editors

If you would like to interview team members or take a photograph of the team from your area, please telephone the Bank of England Press Office on 0207 601 4411 for contact details. The Press Office will also be able to advise on access to a webcast to be made of the final.

Photographs of the six teams will be available on www.newscast.co.uk today from 6.30pm onwards.