



**BANK OF ENGLAND**

# News release

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## **Target Two Point Zero - Interest Rate Challenge Winner Announced Today**

Six months of preparation paid off for Highgate School in London, as their team won the fourth national final of the Bank of England/Times Interest Rate Challenge, held today at the Bank's headquarters in Threadneedle Street, London. Their efforts were rewarded as the Governor of the Bank of England, Mervyn King, presented them with the Challenge Trophy and a cheque for £10,000 for the school.

Speaking after the presentation the Governor said, "I would like to congratulate all the finalists who impressed the judges with their assessment of a wide range of economic data and the presentation of their arguments. I am encouraged to see the students' enthusiasm for a deep understanding of economics and its application to policy."

The Challenge started with 236 teams from across the United Kingdom competing in regional heats and area finals, which produced today's six finalists. At each stage the teams had to imitate the Monetary Policy Committee (MPC) process, assessing the UK and global economies to determine the most appropriate interest rate to achieve the Government's 2.0% inflation target. The teams, each of four students, then presented their decision to a panel of judges. For today's national final the panel comprised Rachel Lomax, the Bank's Deputy Governor for Monetary Policy and a member of the MPC, two other MPC members - Charles Bean, the Bank's Chief Economist, and Kate Barker - and Lea Paterson, Economics Editor at the "The Times".

Rachel Lomax, who chaired the judging panel, commented, "The national final was closely contested. All the teams were very impressive. Teachers tell us that the Challenge helps to develop good presentational skills as well as deepening students' understanding of the economy. Both were certainly in evidence today."

The winners opted to hold interest rates at 4.0%. The team from The Grange School in Northwich was the runner-up, winning £5,000 for their school. They recommended 4.25%. The third-placed team, Torquay Boys' Grammar School & Torquay Grammar School for Girls, which received a cheque for £2,000 for their school, also recommended 4.0%. The other finalists were Brighton College, John Leggott Sixth Form College in Scunthorpe and The Perse School in Cambridge, which each received £1,000.

## **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. Photographs of the six teams will be available on <http://www.newscast.co.uk> today from 6.30pm onwards and further information on the Challenge is available from the Target Two Point Zero pages.