



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

18 March 2005

Target Two Point Zero - Interest Rate Challenge Winner Announced Today

Six months of preparation paid off for Cranbrook School as their team won the fifth 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 at the presentation the Governor said, "I have been impressed by the commitment and enthusiasm of all the students and their teachers. The students can look on their performance with considerable satisfaction and a sense of achievement and I hope some of them will want to take their economics education further."

The Challenge started with 244 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 economic conditions 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 of Charles Bean, the Bank's Chief Economist, Kate Barker and Professor Steve Nickell, two of the MPC's external members, and Anatole Kaletsky, Associate Editor at "The Times".

Charles Bean, who chaired the judging panel, commented, "The national final was closely contested. The judges were very impressed with what they heard today and have enjoyed seeing a wide range of economic issues presented in a varied and very enthusiastic manner."

The winners opted to hold interest rates at 4.75%. The team from The Cheltenham Ladies' College, Gloucestershire was the runner-up, winning £5,000 for their school. They recommended 4.75%. The third-placed team, Highgate School, London which received a cheque for £2,000 for their school, also recommended 4.75%. The other finalists were Royal Grammar School, Newcastle upon Tyne; Wirral Grammar School for Boys, Merseyside and Verulam School, St Albans, 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. Further information on the Challenge can be found on Target Two Point Zero pages.

A webcast of the final will be available at a later date.