



BANK OF ENGLAND

News release

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23 May 2005

Target Two Point Zero - Interest Rates, Inflation and the Economy: The Challenge for Schools and Colleges

This week marks the launch of the sixth year of the Interest Rate Challenge, a competition designed to give economics and business studies students across the UK the opportunity to take on the role of the Bank's Monetary Policy Committee (MPC) and set the official interest rate for the UK to meet the inflation target of 2.0%. The Challenge involves teams of 16 to 18-year-olds assessing a wide range of economic data and issues to consider the outlook for the economy and inflation before deciding on the appropriate interest rate.

Mervyn King, the Bank's Governor, launched the 2006 competition saying: 'The Interest Rate Challenge is an excellent opportunity for students to demonstrate their understanding of the economy and key economic issues and the policy process involved in targeting inflation. Furthermore, the competition encourages team members to develop other important skills such as making a presentation and speaking in public, so I hope that schools and colleges will take up this invitation to participate in the Challenge.'

The competition attracted 244 teams last year and the winner of the national final was Cranbrook School, Kent. This year, the regional heats will be held in November at venues across the UK, followed by area finals in February 2006. At each stage the teams will face a panel of Bank of England judges assessing the teams' presentations, developed from material provided by the Bank and from other sources, supplemented with regular articles published in The Times.

The national final in March 2006 will be hosted by the Governor at the Bank in London and the six finalists will be competing for both the Challenge Trophy and a top prize of £10,000 for their school.

Note for Editors

We will be pleased to provide details of local entries over the next few months. General information about the Challenge and national final prizes can be found on the Target Two Point Zero pages.