



BANK OF ENGLAND

News release

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Target Two Point Zero - The UK Economy: A Challenge for Students

Some of the keenest economics and business studies students are in the final days of preparation for the area finals of the Bank of England/Times Interest Rate Challenge. These follow on from the closely-contested regional heats held in November and December last year, which saw 269 teams of four students from across the United Kingdom battling for a place in the upcoming second round.

These six area finals – in Dorking on 21 February; Cheltenham, Luton and Sheffield on 27 February, and in Manchester and London on 28 February – will see 42 teams demonstrating their knowledge of the UK economy including, of course, an awareness of the Chancellor's 2.0% inflation target for the Bank.

Each team, taking on the role of the Bank's Monetary Policy Committee, has 15 minutes to argue the case for the interest rate that they think will achieve the 2.0% inflation target, and then answers questions from a panel of 3 judges comprising MPC members and Bank staff. So they not only need to show their understanding of the real economy, but their presentation techniques and teamwork are also put to the test. Past participants have said how useful this wider aspect of the Challenge has been for developing such skills.

Bank of England Governor and Chairman of the Monetary Policy Committee, Mervyn King, said "The response to the Target Two Point Zero Challenge from students and their teachers is very encouraging and I am delighted that participating in the Challenge is so popular. The judges of the area finals are looking forward to hearing some high-quality presentations of the teams' interest rate decisions and learning how the students arrived at their monetary policy conclusions."

The enormous amount of effort by both students and their teachers does not, of course, go unrewarded. The six winning teams – which go on to the national final – each receive a trophy, whilst the runner-up teams are awarded a cheque for £650 for their school or college and the third-placed teams receive £350. The Bank of England in London is the venue for the exciting national final, to be held this year on 24 March, with the Challenge Trophy and a cheque for £10,000 at stake.

Note to Editors

If you would like to interview and/or photograph any teams please contact the Bank of England Press Office on 020 7601 4411.