



BANK OF ENGLAND

News release

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

This week marks the launch of the seventh year of the Interest Rate Challenge, a competition designed to give 16 to 18-year old 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 four students 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.

Bank of England Governor Mervyn King launched the competition for 2007 saying 'The Interest Rate Challenge has proved to be a great opportunity for sixth formers to show their understanding of the key issues affecting our economy, the policy process and the responses necessary to keep inflation on target. The competition also helps foster teamwork and introduces students to skills such as making a presentation, speaking before an audience and answering questions. Our Target Two Point Zero team look forward to receiving the entries from schools and colleges across the United Kingdom.'

The competition attracted 269 teams last year and the winner of the national final was Tonbridge School, Kent. This year, the regional heats will be held in November at venues across the UK, followed by area finals in February 2007. 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 2007 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, which will be presented by the Governor.

Note to 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.