



BANK OF ENGLAND

News release

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Target Two Point Zero - Interest Rate Challenge Winner Announced

Interest Rate Challenge Winner Announced Today

Six months of preparation and study paid off for **Peter Symonds College**, Winchester as their team won the ninth national final of the Bank of England and The 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 "This year 296 schools took part in the competition - a record number of teams - and almost double the amount of teams that took part in our first competition. It is a great achievement to be in the last six - all the teams should be very proud of their performance."

The Challenge started with 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 judging panel comprised Charles Bean, the Bank's Deputy Governor for monetary policy and member of the MPC; Spencer Dale, Executive Director, Chief Economist and member of the MPC; Tim Besley, an external member of the MPC and Anatole Kaletsky, Associate Editor of 'The Times'.

Announcing the winners, Charles Bean, who chaired the judging panel said, "Right through the regional heats and area finals and especially today in the national final, the quality of the performances have been extraordinarily high. The students today have shown an impressive grasp of the key economic issues that face the MPC at the current conjuncture and you have all presented the material in fresh and innovative ways and with great enthusiasm."

The winner's, **Peter Symonds College**, opted to maintain interest rates at 0.5%. The team from **Nottingham High School** were the runners-up, winning £5,000 for their school and also recommended an interest rate of 0.5%. The third-placed team, **George Watson's College**, Edinburgh, who received a cheque for £2,000 for their school, also recommended 0.5%. The other finalists were **Haberdashers' Aske's Boys'**

School, Elstree, **Iford County High School** and **King Edward VI Grammar School**, Stratford-upon-Avon who each received £1,000. In their presentations, the teams not only gave their interest rate decisions but also put forward their recommendations for the scale and type of quantitative easing they would undertake.

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

<http://www.bankofengland.co.uk/education/Pages/targettwopointzero/default.aspx>

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