



BANK OF ENGLAND

News release

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Target Two Point Zero News Release Bank of England and The Times Interest Rate Challenge - 2009/2010

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 and The Times Interest Rate Challenge. These follow on from the closely-contested regional heats held in late November, which saw 285 teams - over 1,100 students from across the United Kingdom - looking to win a place in the upcoming second round.

The six area finals - in London and Luton (11 February), Manchester (24 February) and Bristol, Farnham and Sheffield (25 February) - will see 43 teams demonstrating their knowledge of the UK economy including, of course, an awareness of the Chancellor's 2.0% inflation target for the Bank.

Taking on the role of the Bank's Monetary Policy Committee, each team of four students has 15 minutes to argue the case for the interest rate, and whether any other monetary policy measures might be needed, to achieve the 2.0% inflation target. They then answer questions from a panel of 3 judges comprising of MPC members and Bank staff. So the students not only need to show their understanding of the real economy and monetary policy, 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: "This is the tenth year of the Interest Rate Challenge and each year the skills displayed by the teams are hugely impressive and the effort in current circumstances made by students and their teachers to prepare for the competition is very encouraging. I am sure the area finals will see some really high-quality and stimulating presentations."

The enormous background effort by the students and their teachers does not 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 19 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.

For further Challenge information see:

www.bankofengland.co.uk/education/targettwopointzero/index.htm