



BANK OF MAURITIUS

website: <http://bom.intnet.mu>

MONETARY POLICY CHALLENGE

In the context of the celebration of its 40th anniversary, the Bank of Mauritius is inviting Mauritian Residents aged 18 years and above to participate in a Monetary Policy Challenge. The Challenge provides an excellent opportunity for participants to become familiar with the monetary policy decision-making process.

The primary objectives of the Bank, as set out in the Bank of Mauritius Act 2004, are to maintain price stability and to promote orderly and balanced economic development. In this connection, a Monetary Policy Committee (MPC) comprising eight members is responsible for the formulation and determination of monetary policy to be conducted by the Bank. The MPC meets on a quarterly basis and assesses the economic outlook through a range of macroeconomic and financial indicators. MPC members decide by majority-vote whether or not to change the level of the key Repo Rate, which reflects the stance of monetary policy. A press statement explaining the decision of the MPC is issued after each meeting.

The Monetary Policy Challenge is a mock exercise of the MPC, whereby participants team up in groups of 4. Teams are expected to present an in-depth analysis of the current economic and inflation outlooks and make their recommendation on the level of the key Repo Rate, which is currently set at 9.25 per cent.

Submissions will be reviewed by an Expert Panel. Shortlisted teams will be invited to make a PowerPoint presentation at the Bank's Headquarters.

Conditions for participation

1. Each team of 4 participants will be allowed only one entry and an individual participant can be part of only one team.
2. Each team must submit a paper of 1,800 - 2,000 words. The paper must include an analysis of the economic and inflation outlooks over the next 12 months.
3. The paper must culminate in a recommendation on whether or not the key Repo Rate should change from its current level of 9.25 per cent, clearly highlighting the direction and magnitude of change where relevant.
4. Participants are required to analyse the recent behaviour as well as the likely evolution of key monetary, financial and macroeconomic variables such as inflation, money supply, credit to the private sector, current account, the exchange rate and the real GDP growth rate. Submissions must also consider developments in the international economy and the international financial markets.

5. Participants may use the Bank of Mauritius Monthly Statistical Bulletin as one of the sources of information. Participants would also find the Monetary Policy Statements posted on the website of the Bank useful.
6. The paper must be typed in A4 format using Times New Roman size 12 font and double line spacing. The page number should appear at the bottom of the page. Charts and Tables, if any, must be included as appendices.
7. The paper must be submitted in duplicate together with an entry form duly completed. Entry forms are available at the Banking Hall of the Bank and on the Bank's website.
8. The paper accompanied by the entry form must be submitted in sealed envelopes marked "Monetary Policy Challenge", **by 4.00 p.m. at latest on Wednesday 14 November 2007**, and addressed to:

Monetary Policy Challenge Working Group
Bank of Mauritius
Sir William Newton Street
Port Louis
9. Five teams will be selected to make a PowerPoint presentation of their paper at the Bank. Presentations must not exceed 15 minutes.
10. The five shortlisted teams will be assessed on the quality of their presentation and their ability to defend their recommendation on the key Repo Rate.
11. The decision of the Expert Panel shall be final.
12. Immediate relatives of members of the Board of Directors and of staff of the Bank are not eligible to participate in this competition.
13. Participants who fail to comply with the conditions set out above will be disqualified.

Prizes

A prize-giving ceremony will be held at the Bank's New Headquarters. Three prizes will be awarded:

- First Prize - Rs60,000
- Second Prize - Rs40,000
- Third Prize - Rs25,000

Any further query about the Monetary Policy Challenge should be addressed to mpchallenge@bom.intnet.mu.

15 October 2007





Bank of Mauritius
Monetary Policy Challenge



Entry Form

This entry form must accompany the submission of a Team. Please make sure that full details are included and that all conditions for participation are met.

Thank you for participating and good luck.

	<i>Full Name of Participants in the Team</i>	<i>Age (years)</i>	<i>National Identity Card No.</i>	<i>Residential Address</i>
1				
2				
3				
4				

Phone Numbers on which the Team can be contacted:

1. _____ 2. _____ 3. _____

Contact E-mail Address for the Team:

Total number of pages in the Paper:

Word Count:

We, the undersigned, declare that the paper submitted is our original work and we understand that our submission or part thereof may be published by the Bank of Mauritius.

Signatures: 1. _____ 3. _____

2. _____ 4. _____

Date: _____