



BANK OF MAURITIUS

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

MONETARY POLICY CHALLENGE 2011

The Bank of Mauritius is pleased to launch its fifth edition of the Monetary Policy Challenge, and invites participation from Mauritian residents aged 16 years and above.

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. To attain this objective, a Monetary Policy Committee (MPC) responsible for the formulation and determination of monetary policy has been set up.

The Monetary Policy Challenge is a mock exercise of the Monetary Policy decision making, whereby participating teams are expected to present an in-depth analysis of the current economic and inflation outlooks and make recommendation on the level of the key Repo Rate which reflects the stance of monetary policy.

Submissions will be assessed by an Expert Panel. Short-listed teams will be invited to make a PowerPoint presentation to the Panel at the Bank's Headquarters. **Three prizes of Rs60,000, Rs40,000 and Rs25,000** respectively will be awarded.

The conditions for participation and the entry forms which are available at the Bank's reception can also be downloaded from the Bank's website at <http://bom.intnet.mu>

The fourth edition of the Monetary Policy Challenge, organised by the Bank last year attracted 23 entries and the winners were teams of students from the Royal College, Port Louis, University of Mauritius and Mahatma Gandhi Institute Secondary School, Moka.

14 June 2011



Conditions for participation

1. Each team should comprise 4 members and any individual participant cannot be member of more than one team.
2. Only one entry per team will be accepted and not more than three entries from one institution.
3. Each team must submit a written briefing paper of 1,800-2,000 words. The paper must contain an analysis of current and future economic conditions as well as the inflation outlook. It must indicate what the key Repo Rate should be, carefully explaining the reasons for the decision.
4. The briefing paper must be typed in A4 format using Times New Roman size 12 font and double line spacing. The page number should be centred at the bottom of the page. Charts and tables, if any, must be included as appendices.
5. The briefing paper must be submitted in **hard copy and soft copy on a CD-Rom**, together with the entry form duly completed. Entry forms are available at the reception of the Bank and on the Bank's website at <http://bom.intnet.mu>.
6. All entries must be submitted to the Bank in sealed envelopes marked "Monetary Policy Challenge 2011", at latest, on Friday 26 August 2011, by 17.00 hrs and they must be addressed to:

Chairperson,
Financial Literacy Committee
Bank of Mauritius
Sir William Newton Street
Port-Louis

7. The shortlisted teams will be called to make a PowerPoint presentation of their paper to the expert panel at the Bank. Presentations must not exceed 15 minutes.
8. The short-listed teams will be assessed on: (i) the quality of their presentations (ii) their ability to defend their stance and (iii) their decision on the key Repo Rate.
9. The decision of the Expert Panel shall be final.
10. Participants are required to assess the current macroeconomic conditions by analysing the evolution of key monetary, financial and macroeconomic variables, such as inflation (both headline and core inflation), money supply, credit to the private sector, current account, exchange rate and real GDP growth rate. Participants are expected to project future trends in key variables and carry out an assessment of the real, monetary, and financial sectors as well as international economic developments in their submission. On the basis of these assessments and certain assumptions about exogenous factors, such as movements in oil and commodity prices, the outlook for the rate of inflation in around 18-24 months' time shall be determined. The recommendation on the key Repo Rate, should rest on the assessment of the inflation

outlook, taking into consideration the mandate of the central bank in conducting monetary policy as laid down in the Bank of Mauritius Act 2004. Participants are encouraged to use the Bank of Mauritius Monthly Statistical Bulletin and Annual Reports as source of information.

11. Immediate relatives of members of the Board of Directors and of staff of the Bank are not eligible to participate in this competition.
12. Participants who fail to comply with the conditions set out above will be disqualified.

Prizes

Three prizes will be awarded:

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

All participants will receive a certificate of participation.

Request for any additional information about the MPC Challenge 2011 may be addressed to kramnaut@bom.intnet.mu

14 June 2011



Bank of Mauritius
Monetary Policy Challenge 2011

Entry Form

The entry form duly completed must accompany all submissions. Please make sure that full details are included and that all conditions for participation are met.

	Full Name of Participants <i>(Capital Letters)</i> in the Team	Age <i>(years)</i>	National Identity <i>Card No. (where applicable)</i>	Residential Address <i>(Capital Letters)</i>	Telephone Number
1	<u>Team leader</u> :				
2					
3					
4					

Name of Institution:

Contact E-mail Address for the Team leader:

Total number of pages in the Paper:

Word Count:

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

Signatures: 1. _____

3. _____

2. _____

4. _____

Date: _____