Survey of Businesses' Inflation Expectations

September 2026

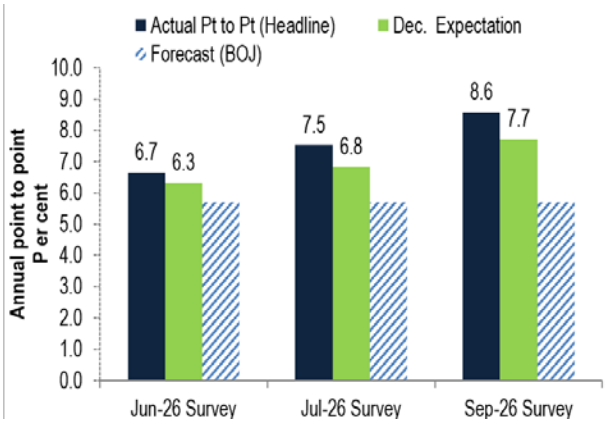
SECTOR ANALYSIS DEPARTMENT
RESEARCH AND ECONOMIC PROGRAMMING DIVISION

Inflation Expectations Survey

The Statistical Institute of Jamaica (STATIN) undertakes surveys of businesses on behalf of the Bank of Jamaica to ascertain the expectations of these economic agents about variables which are likely to have an impact on inflation in the near-term. In this regard, the survey captures the perception of Chief Executive Officers, Managing Directors and Financial Controllers about the future movement of prices, current and future business conditions and the expected rate of increase in wages/salaries. These responses assist the Central Bank in charting future policy decisions. The most recent survey was conducted between 31 August 2026 and 25 September 2026 and had 333 respondents. Below are highlights from that survey.

`Figure 1: Inflation Expectations

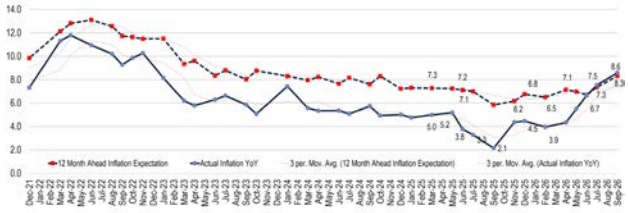
"If you expect inflation, what do you expect inflation to be in December 2026?"



*Forecast (BOJ) represents the Bank's forecast at the time of the survey.

Figure 2: Expected Annual Inflation

What do you expect the rate of inflation to be over the next 12 months?



*Dates refer to survey periods

Inflation Expectations

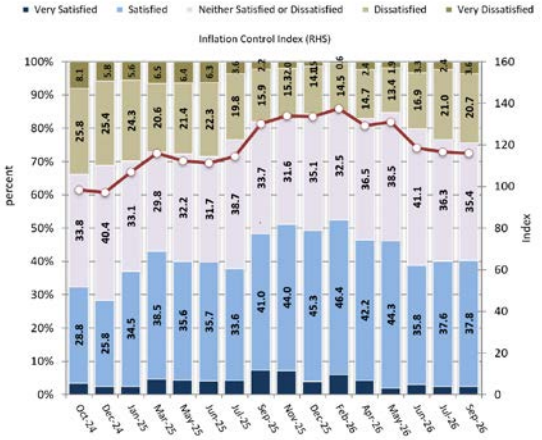
Respondents in the September 2026 survey projected annual point-to-point inflation of **7.7 per cent** for calendar year 2026 (December 2026), which was lower than the outturn of **8.6 per cent** recorded for September 2026 (see **Figure 1**). Respondents' expectations of inflation 12 months ahead increased to **8.3 per cent** relative to the previous survey's estimate of 7.3 **per cent** (see **Figure 2**).

Overview

- Respondents in the September 2026 survey projected annual point-to-point inflation of 7.7 per cent for calendar year 2026 (December 2026), which was lower than the outturn of 8.6 per cent recorded for September 2026. Expected inflation 12 months ahead increased to 8.3 per cent, relative to 7.3 per cent in the previous survey.
- The perception of inflation control decreased in the September 2026 survey relative to the July 2026 survey.
- Respondents forecasted the exchange rate to depreciate over all three-time horizons similar to the previous survey.
- Most respondents believe that the Bank's policy rate will remain the same over the next three months. Notably, the proportion of respondents of this view increased relative to the previous survey.
- The Present Business Index decreased (worsened) relative to the previous survey. The Future Business Conditions Index increased (improved) relative to the previous survey.

Figure 3: Perception of Inflation Control

How satisfied are you with the way inflation is being controlled by the Government?[1]



*December 2005 = 100
*Dates refer to survey periods

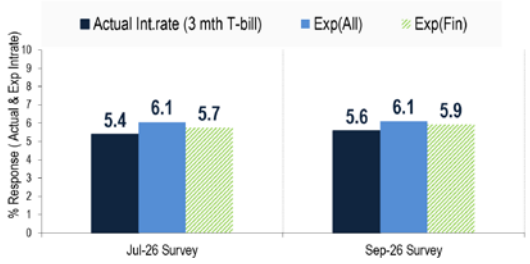
Table 1: Exchange Rate Expectations

In July 2026, the exchange rate was J$159.27. What do you think the rate will be for the following time periods ahead, 3 months, 6 months and 12 months?

OVERALL SURVEY				
Periods	Expected Depreciation (+)/Appreciation (-)			
	SURVEY DATES			
	May-26	Jun-26	Jul-26	Sep-26
3-Months	0.8	0.9	0.8	0.7
6-Months	1.1	1.3	1.0	1.0
12-Months	1.4	1.7	1.4	1.4

Figure 4: 90-day T-bill

In July 2026, the 90-day T-bill rate was 5.37 per cent. What do you think the rate will be for the next 3 months?



[1] Index of inflation control calculated as the number of satisfied respondents minus the number of dissatisfied respondents plus 100.

Perception of Inflation Control

Businesses' perception of the authorities' control of inflation decreased (worsened) in the September 2026 survey (see **Figure 3**) relative to the previous survey. This was largely due to an increase in the proportion of respondents that were "very dissatisfied" with the way inflation is being controlled.

Exchange Rate Expectations

In the September 2026 survey, respondents anticipated depreciation over all three time horizons. The exchange rate was projected to depreciate by **0.7 per cent** over the next three months, **1.0 per cent** over the next six months, and **1.4 per cent** over the next twelve months. Respondents in the July 2026 survey expected the exchange rate to depreciate by **0.8 per cent, 1.0 per cent** and **1.4 per cent** over the respective time horizons (see **Table 1**).

Interest Rate Expectations: 90-day T-bill

Survey respondents expect the 90-day Treasury bill rate, three months ahead, to be **6.1 per cent**. This expected rate was above the September 2026 outturn of **5.6 per cent** (see **Figure 4**). Financial sector respondents expect the 90-day Treasury bill rate, three months ahead, to be **5.9 per cent**.

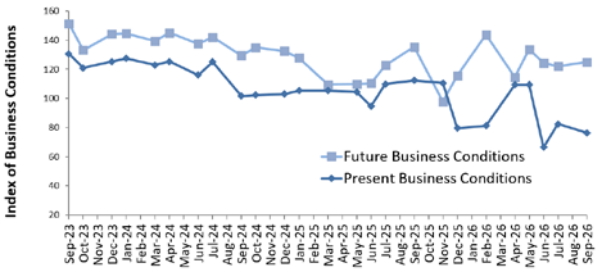
Table 2: Interest Rate Expectations: Policy Rate

In July 2026, the Bank of Jamaica's overnight rate (policy rate) was 5.50 per cent. What do you think this rate will be for the next 3 months?

	OVERALL			FINANCIAL SECTOR		
SURVEY DATES	Jun-26	Jul-26	Sep-26	Jun-26	Jul-26	Sep-26
Survey responses (percentage of total)						
Significantly Lower	0.9	0.7	0.3	0.0	0.0	0.0
Marginally Lower	13.9	14.9	15.0	11.1	15.4	14.3
Remain the Same	49.1	40.7	48.6	70.4	53.8	60.7
Marginally Higher	22.5	31.9	24.0	18.5	26.9	21.4
Significantly Higher	2.4	0.7	1.8	0.0	0.0	0.0
Don't Know	11.2	10.8	10.2	0.0	3.8	3.6

Figure 5: Present and Future Business Conditions

1. In general, do you think business conditions are better or worse than they were a year ago in Jamaica?
2. Do you think that in a year from now business conditions will get better or get worse than they are at present?



*Balanced score method: (better-worse) +100
*Dates refer to survey periods

Table 3: Operating Expenses

Which input do you think will have the highest price increase in the next 12 months?

	SURVEY DATES		
	Jun-26	Jul-26	Sep-26
Stock Replacement	33.4	36.6	35.1
Utilities	22.2	22.7	27.3
Fuel & Transport	19.5	19.0	20.4
Raw Materials	16.6	14.9	10.8
Wages & Salaries	7.7	6.1	5.4
Other	0.6	0.7	0.9
Not Stated	0.0	0.0	0.0

Interest Rate Expectations: Policy Rate

In the September 2026 survey, most respondents expected that the Bank's policy rate would remain the same over the next three months. This proportion increased relative to the previous survey.

Regarding the financial sector, the largest share of respondents (**60.7 per cent**) expected that the Bank's policy rate would remain the same (see **Table 2**). However, **21.4 per cent** of respondents from the financial sector expected the rate to be marginally higher. This proportion reflected a decrease compared to the previous survey.

Perception of Present and Future Business Conditions

In the September 2026 survey, the Present Business Conditions Index decreased (worsened) to **76.3** relative to **82.4** in the previous survey. Conversely, the Future Business Conditions Index increased (improved) to **124.9** from **122.0** in the previous survey (see **Figure 5**).

The decrease in the Present Business Conditions Index largely reflected a decline in the percentage of respondents who said that conditions are "better." The increase in the Future Business Conditions Index largely reflected a decline in the number of respondents of the view that conditions will be "worse".

Expected Increase in Operating Expenses

Respondents indicated that they expected the largest increase in production costs over the next twelve months to emanate from stock replacement, then utilities followed by fuel and transport in that order. Of note, the expectation for increases in wages & salaries as a proportion of the total cost, decelerated to 5.4 per cent from 6.1 per cent in the July 2026 survey (see **Table 3**).