



# **Survey of Businesses' Inflation Expectations**

## **September 2025**

**SECTOR ANALYSIS DEPARTMENT  
RESEARCH AND ECONOMIC PROGRAMMING DIVISION**

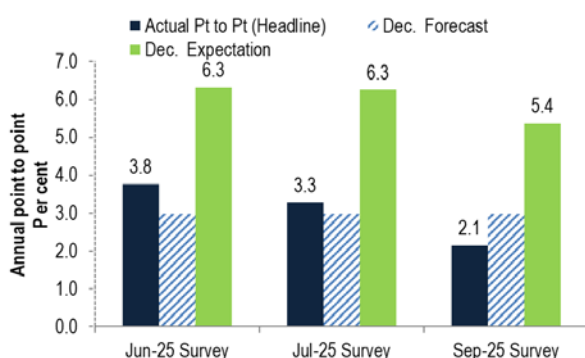
# Inflation Expectations Survey



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 18 August 2025 and 30 September 2025 and had 315 respondents. Below are highlights from that survey.

**Figure 1: Inflation Expectations**

If you expect inflation, what do you expect the rate of inflation to be at December 2025 and over the next 12 months?"



**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

In the September 2025 survey, respondents' expectation for point-to-point inflation as at December 2025 was **5.4 per cent**. This expectation was higher than the annual point-to-point inflation of **2.1 per cent** for September 2025 (see **Figure 1**). Respondents' expectation of inflation 12-month ahead decreased to **5.8 per cent** relative to the previous survey's estimate of **7.0 per cent**. (see **Figure 2**).

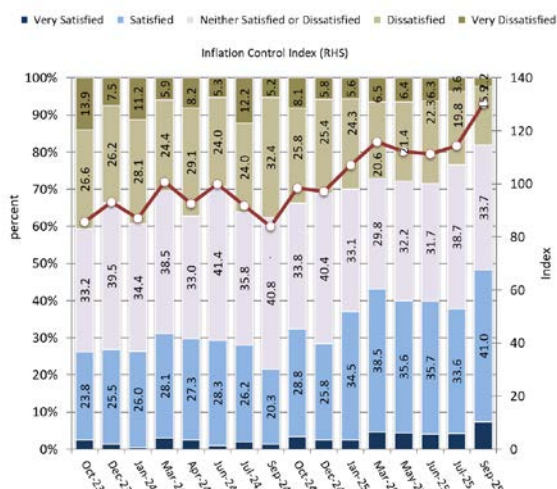
## Overview

- The September 2025 survey indicated an expected point-to-point inflation of 5.4 per cent for calendar year 2025 (December 2025), which was higher than the September 2025 outturn of 2.1 per cent. The expected inflation 12 months ahead was 5.8 per cent, which marks the lowest level since the December 2019 survey when expectations was 5.1 per cent.
- The perception of inflation control increased in the September 2025 survey relative to the July 2025 survey.
- Respondents forecasted the exchange rate to depreciate over all three-time horizons at a slower pace compared to the previous survey.
- The majority of respondents believe that the Bank's policy rate will remain the same over the next three months. Notably, the proportion of respondents with this view decreased relative to the previous survey.
- Both the Present Business and the Future Business Conditions Indices increased (improved) relative to the previous survey.

# Inflation Expectations Survey

**Figure 3: Perception of Inflation Control**

How satisfied are you with the way inflation is being controlled by the Government?<sup>1</sup>



\*December 2005 = 100

\*Dates refer to survey periods

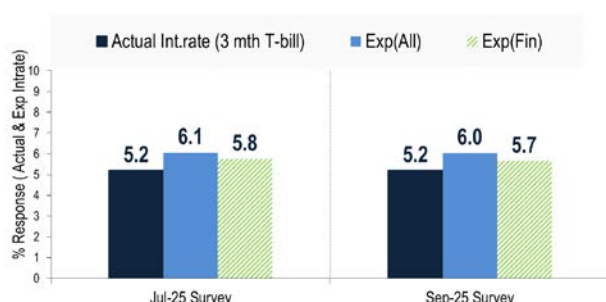
**Table 1: Exchange Rate Expectations**

In July 2025, the exchange rate was J\$161.04=US\$1.00. 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-25	Jun-25	Jul-25	Sep-25
3-Months	1.0	1.2	1.2	0.7
6-Months	1.4	1.9	1.7	1.1
12-Months	2.0	2.5	2.5	1.6

**Figure 4: 90-day T-bill**

In July 2025, the 90-day T-bill rate was 5.19 per cent. What do you think the rate will be for the next 3 months?



<sup>1</sup>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 increased in the September 2025 survey (see **Figure 3**) relative to the previous survey. This was largely due to an increase in the proportion of respondents that were "satisfied". This was coupled with a decline in the number of respondents who were "dissatisfied" with the way inflation is being controlled.

## Exchange Rate Expectations

Respondents anticipated depreciation over all three time horizons in the latest survey. In the September 2025 survey, the exchange rate was anticipated to depreciate by **0.7 per cent**, **1.1 per cent** and **1.6 per cent** for the 3-month, 6-month, and 12-month time horizons, respectively. This represents a slower pace of depreciation when compared to the previous survey. Respondents in the July 2025 survey had expected the exchange rate to depreciate by **1.2 per cent**, **1.7 per cent**, and **2.5 per cent** over all three time horizons, respectively (see **Table 1**).

## Interest Rate Expectations: 90-day T-bill

Survey respondents expected the 90-day Treasury bill rate, three months ahead to be **6.0 per cent**. This expected rate was above the September 2025 outturn of **5.2 per cent** (see **Figure 4**). Financial sector respondents expect the 90-day Treasury bill rate, three months ahead, to be **5.7 per cent**.

# Inflation Expectations Survey

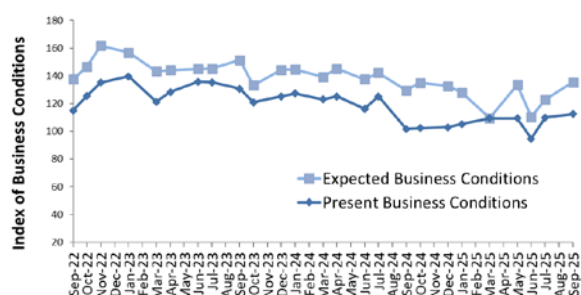
**Table 2: Interest Rate Expectations: Policy Rate**

In July 2025, the Bank of Jamaica's overnight rate (policy rate) was 5.75 per cent. What do you think this rate will be for the next 3 months?

SURVEY DATES	OVERALL			FINANCIAL SECTOR		
	Jun-25	Jul-25	Sep-25	Jun-25	Jul-25	Sep-25
Survey responses (percentage of total)						
Significantly Lower	0.9	2.1	0.6	0.0	6.7	0.0
Marginally Lower	19.7	10.5	15.2	21.7	13.3	32.1
Remain the Same	46.1	63.1	56.5	60.9	63.3	50.0
Marginally Higher	16.6	15.9	19.4	8.7	3.3	17.9
Significantly Higher	0.3	1.5	0.6	0.0	0.0	0.0
Don't Know	16.3	6.9	7.3	8.7	13.3	0.0

**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

## Interest Rate Expectations: Policy Rate

In the September 2025 survey, the majority of respondents expected that the Bank's policy rate would remain the same over the next three months. However, this proportion decreased relative to the previous survey.

With regard to the financial sector, the majority (**50.0 per cent**) of respondents expected that the Bank's policy rate would remain the same (see **Table 2**). However, **17.9 per cent** of respondents from the financial sector expected the rate to be marginally higher. This proportion reflected an increase compared to the previous survey.

## Perception of Present and Future Business Conditions

In the September 2025 survey, the Present Business Conditions Index increased (improved) to **112.4** relative to **109.9** in the previous survey. Similarly, the Future Business Conditions Index increased (improved) to **135.8** from **122.8** in the previous survey (see **Figure 5**).

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

# Inflation Expectations Survey

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**Table 3: Operating Expenses**

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

SURVEY DATES			
	Jun-25	Jul-25	Sep-25
Stock Replacement	42.0	34.8	40.3
Utilities	23.8	24.6	21.6
Raw Materials	12.5	12.3	15.6
Fuel & Transport	10.7	12.3	13.0
Wages & Salaries	9.7	10.5	8.3
Not Stated	1.3	0.9	1.3
Other	0.0	0.0	0.0

## **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 raw materials in that order. Wages and salaries are anticipated to have the lowest increase over the next 12 months. (see **Table 3**).