



Survey of Businesses' Inflation Expectations

February 2026

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

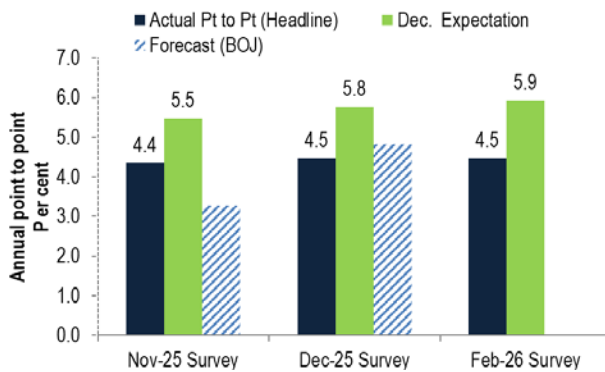
Inflation Expectations Survey



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 22 January 2026 and 20 February 2026 and had 351 respondents. Below are highlights from that survey.

Figure 1: Inflation Expectations

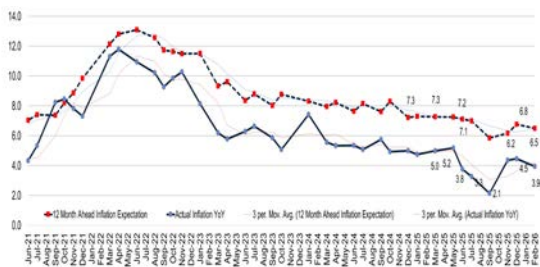
If you expect inflation, what did you think the rate of inflation was at December 2025?"



*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 February 2026 survey indicated an annual point-to-point inflation of **5.9 per cent** for calendar year 2025 (December 2025), which was higher than the outturn of **4.5 per cent** (see **Figure 1**). Respondents' expectations of inflation 12-month ahead decreased to **6.5 per cent** relative to the previous survey's estimate of **6.8 per cent** (see **Figure 2**).

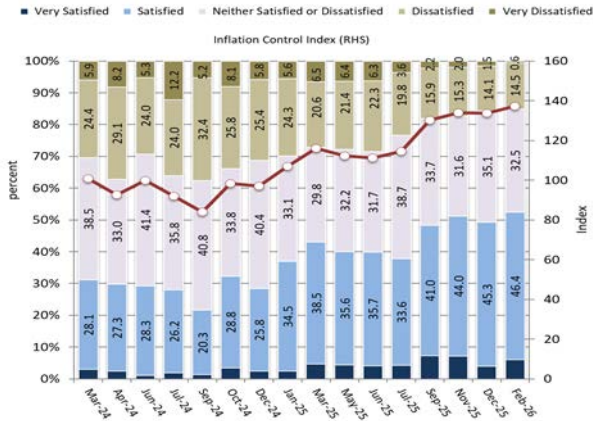
Overview

- Respondents in the February 2026 survey indicated an annual point-to-point inflation of 5.9 per cent for calendar year 2025 (December 2025), which was higher than the outturn of 4.5 per cent. The expected inflation 12 months ahead was 6.5 per cent, which is lower relative to the similar measure in the previous survey of 6.8 per cent.
- The perception of inflation control was higher in the February 2026 survey relative to the December 2025 survey.
- Respondents forecasted the exchange rate to appreciate over the three- and six-month time horizons relative to a depreciation in 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 with this view increased relative to the previous survey.
- The Present Business Index increased (improved) relative to the previous survey. The Future Business Conditions Index also increased (improved) relative to the previous survey.

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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

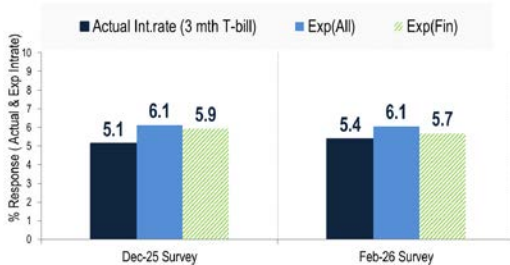
Table 1: Exchange Rate Expectations

In December 2025, the exchange rate was J\$160.57=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			
	Sep-25	Nov-25	Dec-25	Feb-26
3-Months	0.7	1.0	0.6	-0.8
6-Months	1.1	1.1	1.0	-0.5
12-Months	1.6	1.7	1.2	0.2

Figure 4: 90-day T-bill

In December 2025, the 90-day T-bill rate was 5.13 per cent. What do you think the rate will be for the next 3 months?



¹Index 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 (improved) in the February 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 satisfied" with the way inflation is being controlled.

Exchange Rate Expectations

Respondents anticipated appreciation over the three and six-month time horizons in the latest survey. In the February 2026 survey, the exchange rate was anticipated to appreciate by **0.8 per cent** and **0.5 per cent** for the 3-month and 6-month time horizons, respectively but depreciate by **0.2 per cent** for the 12-month time horizon. This represents a shift in exchange rate expectations when compared to the previous survey. Respondents in the December 2025 survey had expected the exchange rate to depreciate by **0.6 per cent**, **1.0 per cent**, and **1.2 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 **6.1 per cent**. This expected rate was above the February 2026 outturn of **5.4 per cent** (see **Figure 4**). Financial sector respondents expect the 90-day Treasury bill rate, three months ahead, to be **5.7 per cent**.

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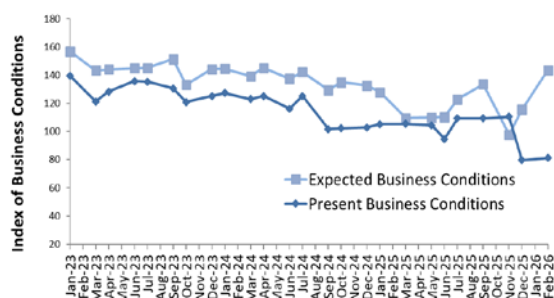
Table 2: Interest Rate Expectations: Policy Rate

In December 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		
	Nov-25	Dec-25	Feb-26	Nov-25	Dec-25	Feb-26
Survey responses (percentage of total)						
Significantly Lower	0.7	1.5	1.1	0.0	0.0	3.3
Marginally Lower	13.4	19.2	16.8	18.5	18.5	20.0
Remain the Same	55.4	45.0	59.3	48.1	51.9	60.0
Marginally Higher	20.5	21.3	15.7	25.9	22.2	10.0
Significantly Higher	0.3	1.2	0.3	0.0	0.0	0.0
Don't Know	9.8	11.7	6.8	7.4	7.4	6.7

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

Regarding the financial sector, the majority (**60.0 per cent**) of respondents also expected that the Bank's policy rate would remain the same (see **Table 2**). However, **20.0 per cent** of respondents from the financial sector expected the rate to be marginally lower. This proportion reflected an increase compared to the previous survey.

Perception of Present and Future Business Conditions

In the February 2026 survey, the Present Business Conditions Index increased (improved) to **81.2** relative to **79.6** in the previous survey. Similarly, the Future Business Conditions Index increased (improved) to **143.6** from **115.6** in the previous survey (see **Figure 5**).

The Present Business Conditions Index mainly reflected an increase in the percentage of respondents who said that conditions are "better". 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".

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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			
	Nov-25	Dec-25	Feb-26
Stock Replacement	38.1	40.5	42.7
Utilities	30.6	29.1	24.2
Raw Materials	13.4	15.3	14.0
Fuel & Transport	10.7	7.5	9.7
Wages & Salaries	6.5	6.3	7.7
Other	0.0	0.0	1.7
Not Stated	0.7	1.2	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. Of the stated inputs, wages & salaries are expected to increase by the lowest rate over the next 12 months (see **Table 3**).