



Survey of Businesses' Inflation Expectations

July 2026

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

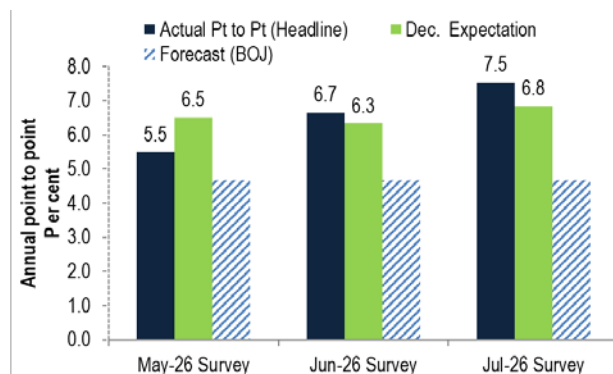
Inflation Expectations Survey



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 13 July 2026 and 14 August 2026 and had 295 respondents. Below are highlights from that survey.

Figure 1: Inflation Expectations

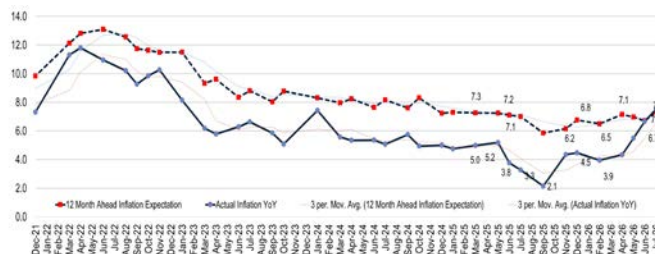
“If you expect inflation, what do you expect inflation to be in December 2026?”



*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 July 2026 survey projected annual point-to-point inflation of **6.8 per cent** for calendar year 2026 (December 2026), which was lower than the outturn of **7.5 per cent** recorded for July 2026 (see **Figure 1**). Respondents' expectations of inflation 12 months ahead increased to **7.3 per cent** relative to the previous survey's estimate of **6.7 per cent** (see **Figure 2**).

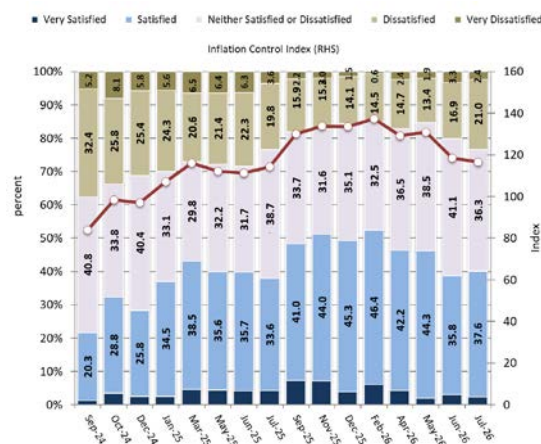
Overview

- Respondents in the July 2026 survey projected annual point-to-point inflation of 6.8 per cent for calendar year 2026 (December 2026), which was lower than the outturn of 7.5 per cent recorded for July 2026. Expected inflation 12 months ahead increased to 7.3 per cent, relative to 6.7 per cent in the previous survey.
- The perception of inflation control decreased in the July 2026 survey relative to the June 2026 survey.
- Respondents forecast 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 decreased relative to the previous survey.
- The Present Business Index increased (improved) relative to the previous survey. The Future Business Conditions Index decreased (worsened) 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?¹



*December 2005 = 100

*Dates refer to survey periods

Table 1: Exchange Rate Expectations

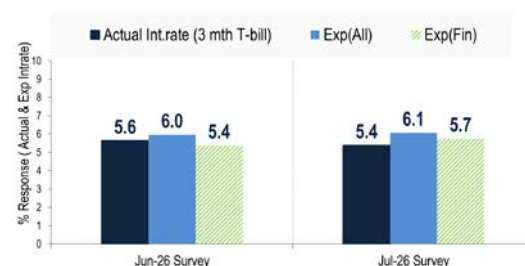
In June 2026, the exchange rate was J\$158.55=US\$1.00. What do you think the rate will be for the following time periods ahead, 3 months, 6 months and 12 months?

OVERALL SURVEY				
Periods	Expected Depreciation (+)/Appreciation (-)			
	SURVEY DATES			
	Mar-26	May-26	Jun-26	Jul-26
3-Months	1.0	0.8	0.9	0.8
6-Months	1.5	1.1	1.3	1.0
12-Months	2.7	1.4	1.7	1.4

Figure 4: 90-day T-bill

In June 2026, the 90-day T-bill rate was 5.63 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 decreased (worsened) in the July 2026 survey (see **Figure 3**) relative to the previous survey. This was largely due to an increase in the proportion of respondents that were "dissatisfied" with the way inflation is being controlled.

Exchange Rate Expectations

In the July 2026 survey respondents anticipated depreciation over all three time horizons. The exchange rate was projected to depreciate by **0.8 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 June 2026 survey expected the exchange rate to depreciate by **0.9 per cent**, **1.3 per cent** and **1.7 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 July 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**.

Inflation Expectations Survey

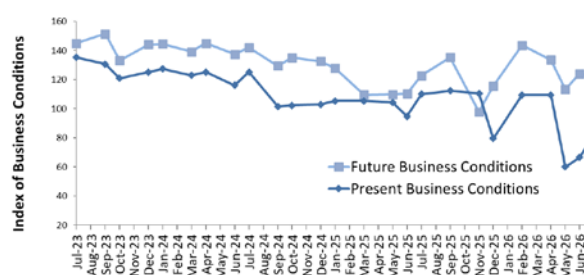
Table 2: Interest Rate Expectations: Policy Rate

In June 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?

SURVEY DATES	OVERALL			FINANCIAL SECTOR		
	May-26	Jun-26	Jul-26	May-26	Jun-26	Jul-26
Survey responses (percentage of total)						
Significantly Lower	0.3	0.9	0.7	0.0	0.0	0.0
Marginally Lower	16.2	13.9	14.9	13.0	11.1	15.4
Remain the Same	48.4	49.1	40.7	52.2	70.4	53.8
Marginally Higher	25.5	22.5	31.9	26.1	18.5	26.9
Significantly Higher	1.0	2.4	0.7	0.0	0.0	0.0
Don't Know	8.6	11.2	10.8	8.7	0.0	3.8

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 July 2026 survey, the largest share of respondents expected that the Bank's policy rate would remain the same over the next three months. This proportion decreased relative to the previous survey.

Regarding the financial sector, the largest share of respondents (**53.8 per cent**) expected that the Bank's policy rate would remain the same (see **Table 2**). However, **26.9 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 July 2026 survey, the Present Business Conditions Index increased (improved) to **82.4** relative to **66.5** in the previous survey. Conversely, the Future Business Conditions Index decreased (worsened) to **122.0** from **124.2** in the previous survey (see **Figure 5**).

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

Table 3: Operating Expenses

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

SURVEY DATES			
	May-26	Jun-26	Jul-26
Stock Replacement	32.8	33.4	36.6
Utilities	24.5	22.2	22.7
Fuel & Transport	24.2	19.5	19.0
Raw Materials	10.2	16.6	14.9
Wages & Salaries	8.0	7.7	6.1
Other	0.3	0.6	0.7
Not Stated	0.0	0.0	0.0

Expected Increase in Operating Expenses

Respondents indicated that they expect 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. Notably, the proportion of respondents that indicated that wages & salaries will have the highest increase over the next 12 months, declined when compared to the proportion from the June 2026 survey (see **Table 3**).