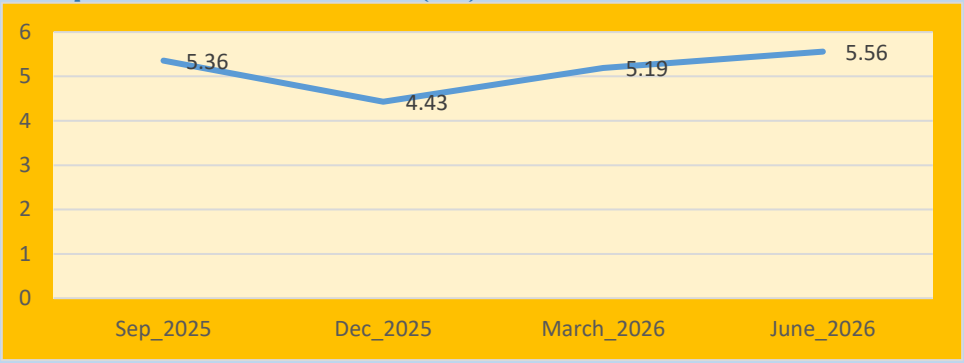
BANK OF SIERRA LEONE INFLATION EXPECTATION SURVEY REPORT FOR DECEMBER, 2025

Point and Range Expected Inflation for December 2025		
Point (Mean)	**99 % Confidence Level Lower Bound**	**99 % Confidence Level Upper Bound**
4.43	**4.17**	**4.70**

Expected Inflation Rate (%) for December 2025 to June 2026



Note: The September value of 5.36 % is actual inflation rate

RESEARCH AND STATISTICS DEPARTMENT BANK OF SIERRA LEONE*

DECEMBER 2025

*Members of the public who want to regularly take part in the quarterly survey should send their email addresses and or phone numbers to res@bsl.gov.sl and ikaikai@bsl.gov.sl so that they will be sent the link to the survey questionnaire on a regular basis. We would be profoundly delighted if you could regularly participate in the three-minute survey. For those that participated in our last survey, we thank you very much for your great contribution to the BSL monetary policy decision making.

I. ABOUT THE BSL INFLATION EXPECATION SURVEY

The BSL inflation expectation survey is done by staff of the Research and Statistics Department. The activity started in August 2025 with inflation expectation survey for September 2025. It is meant to gauge the expectation of the public for the headline end-of-quarter inflation rate for the end of the current quarter and the next two quarters. Such information is vital for monetary policy decisions that may be made in the current quarter. It is predicated on the framework that the expectation of the public about inflation is important in monetary policy decision-making that anchors inflation expectation with minimum error. Thus, the report is produced at the end of every quarter. The methodology of the survey is shown in Appendix 1.

It is worth noting that:

(i) the Monetary Policy Committee (MPC) of the Bank of Sierra Leone meets normally on a quarterly basis;

(ii) the actual inflation rate is published by Statistics Sierra Leone, which is done a number of weeks after the BSL inflation expectation survey is done for the quarter;

the BSL inflation expectation survey report is produced way ahead of the primary data publication of the actual inflation rate by Statistics Sierra Leone and consequent secondary data publication by the BSL on its website.

Appendix 2 shows the management staff of the Research and Statistics Department. The Deputy Governor, Monetary Stability has direct oversight of the department, which is one of the four departments under the Monetary Stability Cluster of the Bank.

II. KEY SURVEY RESULTS

a) Expected Inflation Including Extreme Participants

Table 1 shows the survey parameters, which shows that for the questions regarding the public expectation about what inflation rate will be in December 2025, March 2026 and June 2026, there were 154,154 and 153 respondents, respectively, that participated with valid responses.

Table 1: The Survey Parameters and Statistics

	Dec. 2025	March 2026	June 2026
Valid Observations	154	154	155
Mean Expected Inflation rate	5.45	5.90	6.28
Median Expected Inflation Rate	4.18	5.0	5.0
Estimated standard deviation of inflation rate	6.96	5.96	6.91
Z-score (99 % Confidence Level)	2.58	2.58	2.58
Estimated Margin of Error (with 99% C.L)	1.44	1.24	1.44
Minimum Expectation	3.99	4.64	4.83
Maximum Expectation	6.91	7.15	7.73

The mean expected inflation for December 2025, Mach 2026 and June 2026 are 5.45 percent, 5.90 percent and 6.28 percent, respectively, with a standard deviation of 6.96 5.96 and 6.91, respectively. Thus, with the 99 percent confidence level, this gives a margin of error of 1.44 percent for December expectation, implying that in December 2025, the public expects the headline inflation rate to be 5.45 percent, and if 100 samples are taken to estimate the public expectation of inflation, 99 of them will reveal that the true inflation expectation of the public will be between 3.99 percent and 6.91 percent. That is, there is a 99 percent probability that inflation rate as expected by the public will be between 3.99 and 6.91 percent in December 2025. In addition, the public expect inflation rate to be 5.45 percent, increasing to 5.90 percent and further to 6.28 percent in December 2025, March 2026 and June 2026, respectively.

However, this result does not take into consideration the dragging effect of extremely high or low figures given as expected inflation of some survey participants. Hence, in the next sub-section we proceeded with the analysis by checking for outliers and adjusting the sample to account for the impact of potential outliers.

b) Expected Inflation Excluding Extreme Participants

(i) Identification of outliers

The boxplot of the results of the inflation expectation for December 2025, March 2026 and June 2026 is shown in Figure 1. It shows that there are outliers, with a lower outlier for December being three which are -1.5, 1 and 1. The upper outliers being 8,8,8,9,10,10,10,12,25,40 and 78). March 2026 and June 2026 do not have lower outliers, but have upper outliers as shown in the box-plot (Figure 1) and Scatter Plot (Figure 2). The upper outliers are those observations above the upper quartile plus 1.5 times the inter-quartile range (that is, Q3+1.5IQR), while the lower outliers are those observations below the lower quartile minus 1.5 time the inter-quartile range (that is, Q1-1.5IQR). Figure 2 shows the scatter plots of expected inflation rates by survey respondents

Figure 1: Box Plot of Expected Inflation Rate

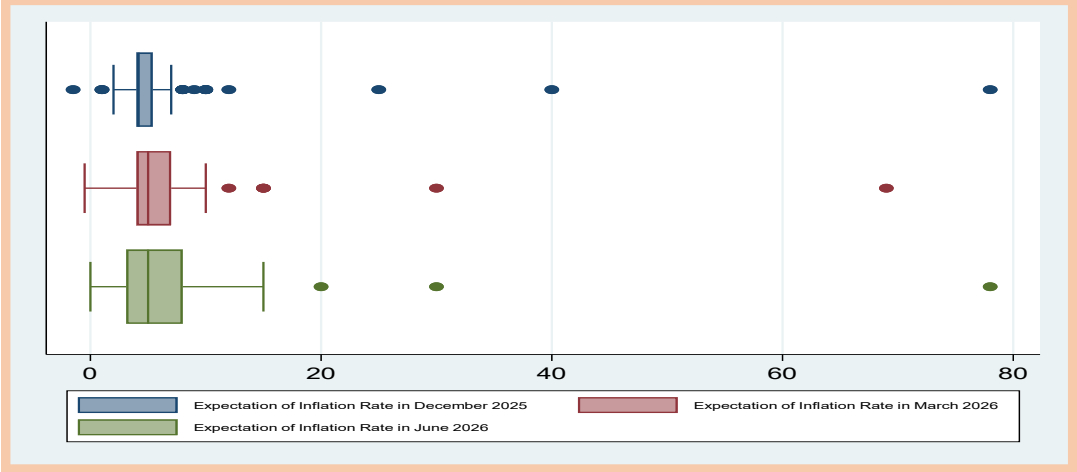
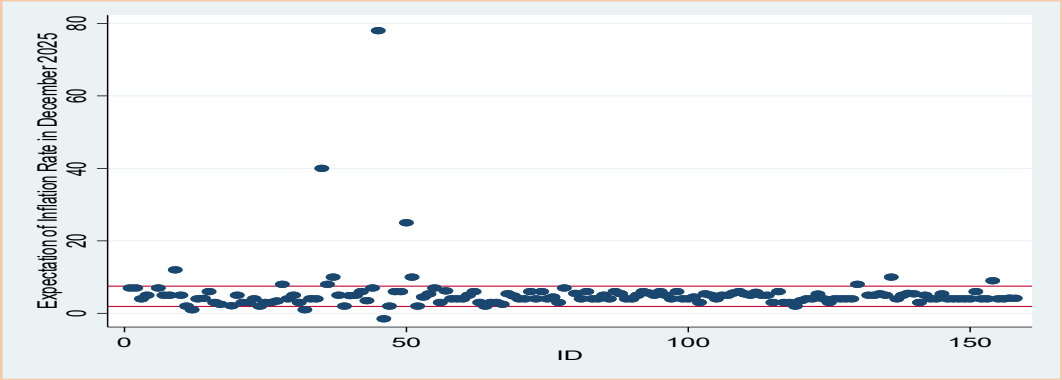
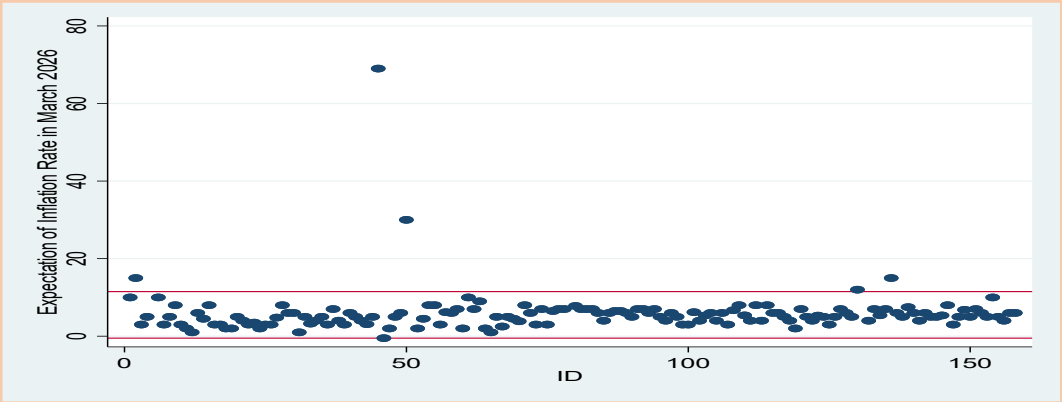


Figure 2: Scatter Plot of Expected Inflation Rate by Participants

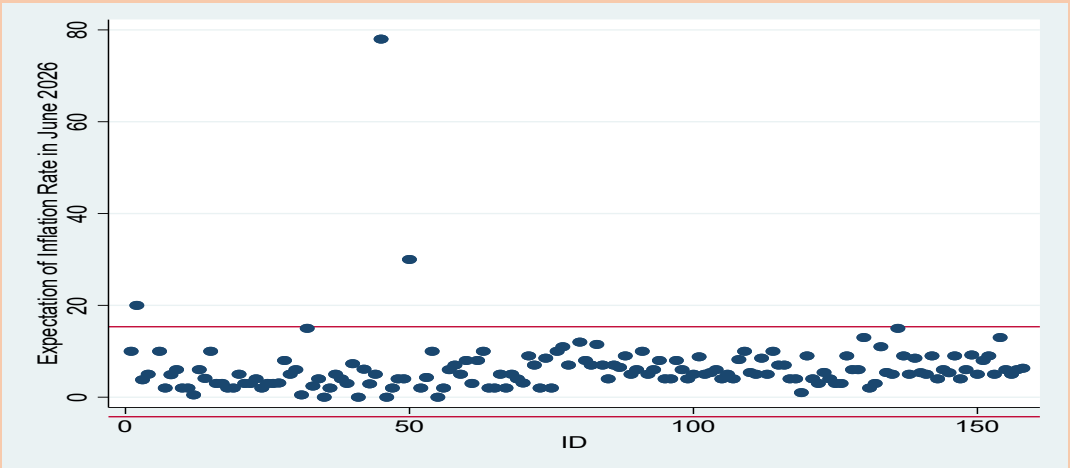
(i) December 2025



(ii) March 2026



(iii) December2026



(ii) The Estimated Expected Inflation Excluding Outliers

a) December 2025

With the exclusion of the extreme values, the mean expected inflation for December 2025 is 4.43 percent with a 99 percent probability of being between 4.17 percent and 4.70 percent. The standard deviation of the expected inflation rate for December 2025 is 1.21 percent while the valid sample size is 140, revealing a margin of error between the expected inflation rate and the true expected inflation rate to be 0.26 percent. Table 2 shows the expected inflation rate, with the estimated 99 percent confidence level bound.

Table 2: The expected inflation rate for December 2025

	Mean (%)	99 percent confidence level lower bound (%)	99 % confidence level upper bound (%)	Margin of error (%)	Valid Sample Size
December 2025	4.43	4.17	4.70	0.26	140

b) March 2026

With the exclusion of the extreme values, the mean expected inflation for March 2026 is 5.19 percent with a 99 percent probability of being between 4.77 percent and 5.60 percent. The standard deviation of the expected inflation rate for March 2026 is 1.94 percent while the valid sample size is 148, revealing a margin of error between the expected inflation rate and the true expected inflation rate to be 0.41percent. Table 3 shows the expected inflation rates, with the estimated 99 percent confidence level bound.

Table 3: The Expected Inflation Rate for March 2026

	Mean (%)	99 percent confidence level lower bound (%)	99 % confidence level upper bound (%)	Margin of error (%)	Valid Sample Size
March 2026	5.19	4.77	5.60	0.41	148

c) June 2026

With the exclusion of the extreme values, the mean expected inflation for March 2026 is 5.56 percent with a 99 percent probability of being between 4.92 percent and 6.20 percent. The standard deviation of the expected inflation rate for June 2026 is 3.03 percent while the valid sample size is 152, revealing a margin of error between the expected inflation rate and the true expected inflation rate to be 0.65 percent. Table 4 shows the expected inflation rate, with the estimated 99 percent confidence level bound.

Table 3: The Expected Inflation Rate for June 2026

	Mean (%)	99 percent confidence level lower bound (%)	99 % confidence level upper bound (%)	Margin of error (%)	Valid Sample Size
March 2026	5.56	4.92	6.2	0.65	148

III. IMPLICATIONS FOR MONETARY POLICY AT THE BSL

The public expects single digit inflation rate in Sierra Leone at the end of all the quarters from quarter 4, 2025 to quarter 2, 2026, and all the rates are expected to be in single digit, with the highest being 5.56 percent, in June 2026. Thus, monetary policy implementation could slightly exploit the Phillips curve through the pursuit of an accommodative monetary policy rate, as the public actually expects lower inflation rate. It should however not be excessive, as excessively higher than expected inflation could trigger a dynamic inconsistency problem that could ultimately lead to persistent higher inflation. Hence, slightly increasing the monetary policy rate in the next sitting will be consistent with the evidence here.

APPENDIX

Appendix 1: The Survey Methodology

The questionnaire for the survey was distributed to partners of the Bank, the private sector banking public and non-bank public on a wide basis and the completed questionnaires were received and analysed as they were received. The process involved a survey among a sample of BSL staff, which was independently analysed for comparison purposes with the result of the survey from non-BSL staff, referred to here as the public. As the core purpose was to estimate a population mean (mean expected inflation) but not population proportion, the margin of error is selected endogenously, depending on the standard deviation (as there is less accuracy when the standard deviation is chosen based on similar study, and then using it to determine sample size while setting margin of error exogenously. Rather, based on the sample standard deviation of expected inflation and the number of observations for the expected inflation rate responses, and the Z-score for the 99 % confidence level, the margin of error is determined, as follows:

$$ME = \frac{Z(S)}{\sqrt{n}}$$

Where ME is the margin of error, Z is the critical value for the standard normal distribution with the appropriate confidence level, S is the survey standard deviation of inflation rate and n is the number of observations. With the 99 % confidence level, Z is 2.58 while it is 1.96 with the 95 % confidence level. The calculated margin of error (which is in the same unit of measurement of inflation (%), is added and subtracted from the survey mean expected inflation rate to give the maximum and minimum expected inflation rate, with 99 % probability of being within the band (minimum expected inflation rate, maximum expected inflation rate).

Appendix 2: Management Staff of the Research and Statistics Department

No.	Name	Designation
1.	Dr. Robert Dauda Korsu	Director, Research and Statistics Department
2.	Mrs. Purity Kamara	Assistant Director, Economic and Financial Statistics Division
3.	Dr. Saidu Swaray	Assistant Director, Policy Analysis Division
4.	Mr. Mahmoud Coker	Assistant Director, Economic Modelling and Forecasting Division
5.	Mr. Rashid Koroma	Senior Manager, Balance of Payments Statistics Section
6.	Mr. Leroy Johnson	Manager, Financial Stability Research Section
7.	Mr. Abubakar Komba Senessie	Manager, Economic Modelling Section
8.	Mrs. Zainab Lumeh	Manager, Macroeconomic Research Section
9.	Mr. Augustine Ngombu	Assistant Manager, Monetary Statistics Section
10.	Mr. Ibrahim Bah	Assistant Manager, Publication Secretariat Section
11.	Mrs. Agnes Kpaka	Supervisor, Real and Fiscal Sector Statistics
12.	Mr. Ibrahim Salim Kargbo	Staff Manager (Administrative) and Senior Banking Officer, Economic Modelling Section
13.	Mr. Ishaq Kaikai	Deputy Staff Manager (Administrative) and Banking Officer, Real and Fiscal Sector Statistics Section