

## Belgians cut back on spending to cope with inflation

Faced with inflation, Belgian consumers are adapting their behaviour by reducing their spending, saving less and reducing the heating of their homes. These are the findings of an ING survey conducted on a representative sample of the Belgian population. They confirm our forecast of a sharp deterioration in the GDP growth outlook



Belgian consumers are adapting their behaviour in the face of rising inflation

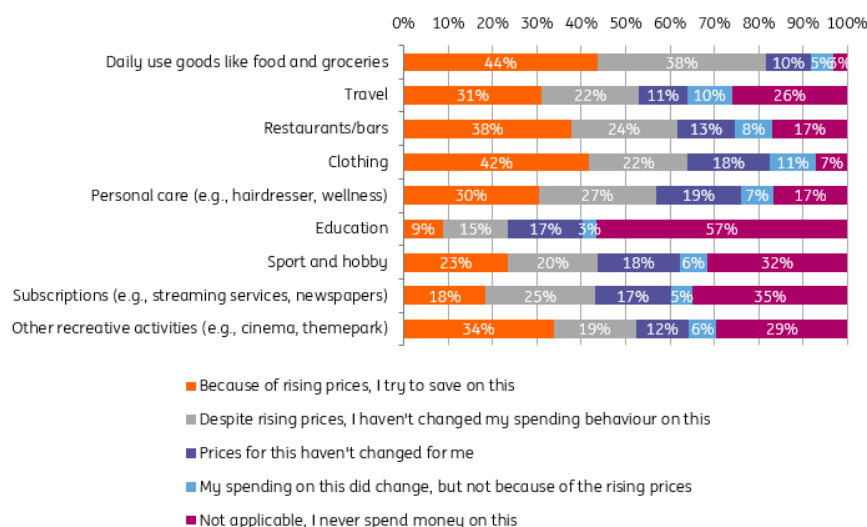
### Inflation forces Belgians to tighten their belts

All currently available economic indicators suggest that the economic climate has deteriorated sharply with the war in Ukraine and high inflation. The question is to what extent this context is already influencing the behaviour of households and thus the prospects for consumption and growth. To better understand this, we conducted a survey on a representative sample of the Belgian population (ING survey conducted by Ipsos between 15 and 23 March 2022 on a representative sample of 1,005 Belgians). The survey found that Belgians have already adapted their behaviour, which will have a negative impact on the economic outlook.

Looking at the survey results in more detail, 44% of Belgians indicated that they are trying to save money on their daily living expenses (food and groceries) to cope with the general price increase. Forty-two per cent of Belgians are cutting back on clothing, 38% on bars/restaurants, 34% on

leisure activities (e.g. cinema, amusement parks, etc) and 31% are saving on travel. Faced with inflation, Belgians are therefore cutting back on spending in all categories of goods and services, even though they are among the Europeans who are best protected against the loss of purchasing power induced by inflation because of the generalised mechanism of automatic indexation of wages and benefits. This is likely to lead to a marked slowdown in the Belgian economy, putting a (temporary) end to the post-pandemic recovery and tends to confirm our forecast of (at least) one quarter of negative growth in Belgium this year.

## Belgians are cutting back on spending in all categories of goods and services



Source: ING Consumer Survey, March 2022

## Savings down

The coronavirus pandemic and the restrictive measures put in place for two years had led to households not being able to carry out their usual spending and to an accumulation of savings. These savings were long seen as a potential boost to consumption when the health restrictions were relaxed. But the savings ratio has already come back to pre-pandemic levels. Indeed, 14% of Belgians say they have reduced their savings stock and 36% of Belgians say they are already putting less money aside. In addition, 56% of Belgians say they feel less comfortable with their savings level due to the current inflation environment and 47% of Belgians think their household financial situation will deteriorate over the next 12 months. So there is not that much leeway to see savings as a source of consumption in the coming months.

## Belgians are already heating less

Energy is currently by far the biggest contributor to high inflation in Europe. This is particularly the case in Belgium, where the energy prices faced by consumers have increased faster than in other European countries. According to our survey, 73% of Belgians feel the rise in energy costs in their homes. To cope with this, Belgians have started to limit their energy consumption in order to reduce the impact of the price increase on their budget. More than half of Belgians (51%) indicate that they have reduced the heating in their home and 32% of Belgians surveyed indicate that they have reduced their use of electronic appliances (dishwasher, tumble dryer, television etc). Nine per cent of Belgians indicate that they use other less expensive energy sources. The energy crisis is

therefore already having an impact on the way consumers use their energy. But the bottom line is that even in Belgium where purchasing power is better protected than in other EU countries, the consumer is already on the defensive, putting the recovery in danger.

The full version of this study can be found in [French](#) or [Dutch](#).

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