Article | 2 April 2026 BELGIUM

Belgium's inflation rises only slightly in March; wait a minute...

Belgian inflation increased only modestly, from 1.4% to 1.6% in March. Given the renewed surge in energy prices, that looks surprising at first glance. But this apparent stability is misleading: a sharper rise in inflation is likely in the coming months

Belgium's exposure to energy-price fluctuations remains high

High exposure to energy prices

Between 2021 and 2023, Belgium was among the European countries most affected by the inflation surge. Inflation peaked at 12.3% in October 2022 and stayed above 5% for 19 consecutive months. Several factors explain this outcome, but the jump in energy prices was a key driver. Energy accounts for a relatively high share of Belgium's consumer price index (around 10%), compared with most other European countries. In addition, the way gas and electricity prices are incorporated into the index makes inflation particularly sensitive to energy-price swings.

Gas and electricity bills enter the index using the acquisition-price principle: each month, the index reflects prices on newly signed energy contracts (fixed- or variable-priced), rather than the prices paid under existing contracts. Households that previously locked in fixed-price contracts are therefore insulated from short-term market moves, yet the index responds immediately, which can amplify the measured inflation response. A methodological change aligned with Eurostat recommendations is under review, but it is not expected to be implemented before 2027.

A question of timing

Against this backdrop, it may seem surprising that inflation has not (yet) been more affected by the escalation in the Middle East and its impact on oil and gas markets. While inflation in fuel prices rose from -1.8% in February to 3.8% in March, other energy components (gas, electricity and heating oil) were broadly stable. As a result, the overall energy component still made a negative contribution to headline inflation in March (-0.2 percentage points).

Once again, methodology largely explains the disconnect:

- Heating oil prices are smoothed over 12 months, reflecting the fact that households do not refill their tanks every month. A sharp increase in heating oil prices is therefore incorporated into the index only gradually.
- For gas and electricity, the limited impact mainly reflects timing. Reference prices for new contracts were updated at the beginning of March, before the Middle East escalation translated clearly into retail contract pricing. Later in the month, some suppliers attempted to raise reference prices for new contracts or temporarily stopped offering new fixed-price deals, but these changes were not captured in March's inflation calculation. A more visible increase in gas and electricity bills is therefore more likely to show up from April onwards.

Other disinflationary forces

It is also worth noting that several major categories put downward pressure on inflation in March, further masking the initial spillovers from higher energy costs to other goods and services. Most notably, food prices fell by 1.2% year-on-year in March, after rising by 0.3% in February.

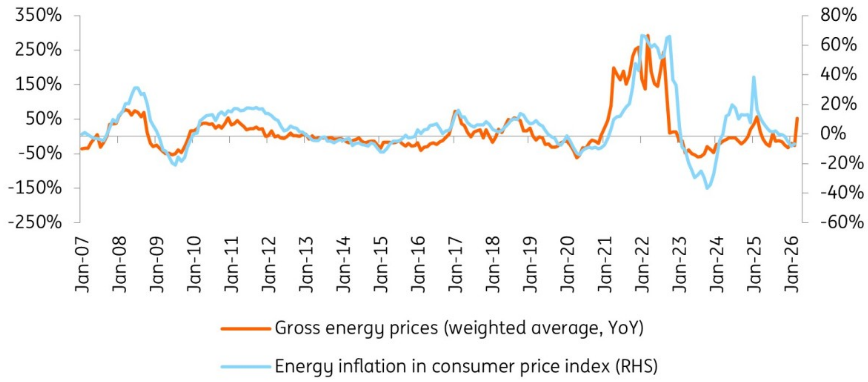
The wave is coming

Belgian inflation's strong sensitivity to energy prices has not disappeared: it has merely been delayed. This is all the more true because, so far, only limited measures have been taken to shield households from higher energy bills. The chart below illustrates the link between gross energy prices on international markets and energy inflation for final consumers. It compares (i) the year-on-year change in a synthetic index of gross energy prices in Belgium (22% gas, 36% electricity and 42% oil) with (ii) year-on-year inflation in consumer energy prices as captured in headline inflation.

Based on the latest available data, the synthetic gross energy price index has already risen by at least 50%. If the historical relationship holds, this could translate relatively quickly into roughly 13% inflation in the energy component of the consumer price index. Given its weight (8.4%) in the index, that would add about 1.1 percentage points to headline inflation, which was still slightly negative in March. It would therefore not be surprising to see inflation rise from 1.6% in March to close to 3% in April. And because the shock to energy bills is likely to persist and gradually spill over to other goods and services, inflation in Belgium could move toward 4% in the coming months.

Energy prices and inflation

Rising gross energy prices (gas, electricity and oil) should quickly translate into higher inflation in the energy component of the price index.



Source: Statbel, LSEG Datastream

A shock that is hard to pin down

In short, Belgium's exposure to energy price fluctuations remains high and should become more apparent from April onwards. Beyond that, inflation will depend on how the Middle East conflict evolves and on its effects on the production and transport of energy and other raw materials. Higher energy prices will also feed into wages through Belgium's automatic indexation mechanism. While a recent government measure will limit indexation for high salaries, further price increases cannot be ruled out as wage costs rise. Belgian inflationary pressures may therefore prove more important than the March reading suggests.

Author

Philippe Ledent
Senior Economist, Belgium, Luxembourg
philippe.ledent@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("**ING**") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

 ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.