Article | 31 March 2026 POLAND

Polish fuel prices up in March, but there's little heat elsewhere

Despite a surge in fuel prices, March inflation surprised to the downside in Poland as the rest of the CPI basket remained cool. The central bank will likely find comfort in a wait-and-see approach and will be on the lookout for potential signs of second-round effects. Our baseline scenario assumes flat National Bank of Poland policy rates by year-end

A limited increase in Poland's inflation rate in March has come as a welcome surprise

Fuel prices went up in March, but not as much as feared

Poland's CPI inflation increased to 3.0% year-on-year in March from 2.1% YoY in February, reaching the highest level since mid-2025. Still, it turned out to be below market expectations as the surge in gasoline prices had a lower impact on the headline reading than projected. Nevertheless, the upswing in CPI inflation was almost entirely driven by fuel prices, which jumped up by 15.4% from February. In annual terms, petrol prices rose by 8.5% YoY in March vs a decline of 6.1% YoY in February, adding around 0.8 percentage points to the annual CPI inflation increase between February and March.

No signs of price pressures elsewhere at this stage

Apart from fuel, there were no signs of upward pressure on prices in other elements of the CPI basket in March. Prices of housing energy fell slightly (-0.1% month-on-month), while the cost of food and non-alcoholic beverages remained unchanged (0.0% MoM). What's more, core inflation, excluding food and energy prices inflation probably remained close to the February reading (2.5-2.6% YoY).

So far, we've observed a pure supply-side shock that solely impacts fuel prices. Still, such an upswing in oil prices is likely to propagate onto prices of other goods and services in the coming months; in turn, the main central banks have turned hawkish. Policymakers will closely monitor prices of services and food and eventually wage developments in the months ahead in the search for potential second-round effects.

This time, the energy shock is different than in 2019-2022

We see substantial differences between the current developments and the energy trends of 2019-2023, including the energy shock in 2022. We currently have a supply-side shock that should not trigger a monetary policy reaction, unless second-round effects emerge. The previous shock, i.e., Covid-19 and the outbreak of war in Ukraine, was a combination of supply and demand shock. The pandemic led to disruptions in supply chains of goods from Asia, while the war led to a halt of imports of natural gas from Russia (sanctions). At the same time, we saw a post-pandemic economic re-opening (pent-up demand) and monetary and fiscal stimulus both in Poland and abroad.

The starting point for inflation was also different. In Poland, headline inflation was approaching 5% and core inflation was on the rise just before the outbreak of the Covid-19 pandemic. It was accompanied by increases in social spending that supported the consumption boom. As a result, the jump in inflation was sharp and inflationary expectations de-anchored. Inflationary pressure was well contained domestically before the Middle East conflict. The central banks will be more cautious now, but neither the National Bank of Poland nor the Federal Reserve need to hike rates currently. The European Central Bank might be in a slightly different position as it has already reduced its policy rate to the neutral level.

Inflation could have peaked unless oil prices continue heading north

Assuming there is no further significant increase in crude oil prices, the rise in prices seen in March may prove to be this year’s inflation peak, especially in the context of the government’s intervention in the fuel market (a cut in excise duty and VAT, as well as the introduction of a retail price cap). Because of that, the maximum prices for petrol and diesel set today by the energy minister are around 13-14% lower than the levels observed at gas stations at the end of last week.

NBP to keep rates unchanged this year

The limited scale of the increase in inflation in March turned out to be a positive surprise. Given the government's interventions in the fuel market, the likelihood is rising that average annual inflation in 2026 will remain within the band of acceptable deviations from the inflation target (2.5%, +/- one percentage point). The main risk to this scenario is a potential further significant rise in crude oil prices due to the conflict in the Middle East. In the face of this uncertainty, the Monetary Policy Council will likely refrain from further interest rate cuts – although we also assess the probability of any rate hikes to be low.

Author

Rafal Benecki
Chief Economist, Poland
rafal.benecki@ing.pl

Adam Antoniak
Senior Economist, Poland
adam.antoniak@ing.pl

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.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. 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.