

A photograph of an offshore oil rig at sunset. The sun is a large, bright yellow circle in the sky, casting a golden glow over the entire scene. The rig's complex metal structure, including a tall derrick and a crane, is silhouetted against the bright sky. The water below is dark with some reflections of the sun. The overall mood is dramatic and industrial.

Global Insolvency Outlook: Brace for Middle East spillovers

22 April 2026

Allianz Research

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Executive Summary



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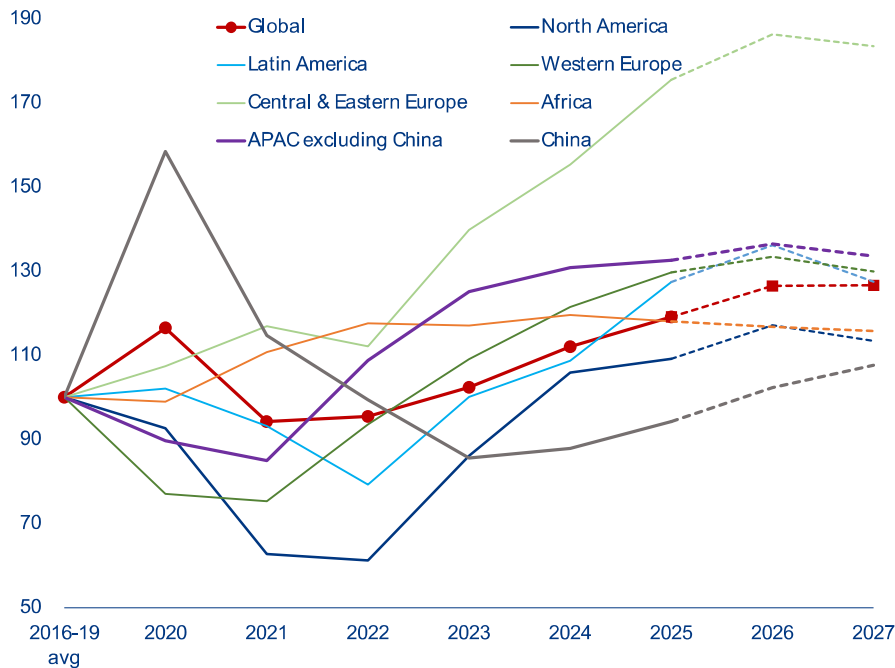
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- Spillovers from the Middle East crisis will make 2026 the fifth consecutive year of rising global business insolvencies.** The ripple effects of lower growth and higher inflation from the Middle East will account for one-third of this increase. The immediate implications for energy markets, shipping costs and supply chains, as well as second-round effects via inflation, financial conditions and the hit to confidence, have pushed up our forecasts to +6% in 2026 for our Global Insolvency Index (+2pps compared to what was expected before the conflict), with the expected plateau delayed to 2027. This comes after a +6% increase in 2025 (+10% in Germany, +4% in France, +7% in the US, +7% in China, +3% in Japan) and hinges on a progressive normalization of traffic through the Strait of Hormuz by June. At a global level, the direct toll from the Middle East represents +7,000 additional cases for 2026 and +7,900 for 2027, including +700 and +200 cases respectively for the US, and +3,750 and +3,600 respectively for Western Europe, while they were already expected to rise by +1,400 cases in 2026 and to fall by -11,000 in 2027. Asia will remain the largest contributor, with China's insolvencies projected to rise by +9% in 2026 and +5% in 2027 due to ongoing structural challenges. North America will see contrasting trends, with the US extending its rebound (+9% in 2026) while Canada continues its decline (-4%). Western Europe is expected to see a prolonged rise in 2026 (+3%, +4pps compared to pre-war expectations) followed by a moderate decline (-3%) in 2027, with most countries (10 out of 17) within the -4%/+4% range and thus indicating a quasi-stable number of insolvencies. This is the case for Germany (+2% to 24,650), France (+2% to 69,900), Belgium (+1% to 11,750) and the UK (-1% to 26,550). This prolonged risk of non-payment (insolvencies of buyers) and supply-chain disruptions (insolvencies of suppliers) requires close monitoring of critical buyers and suppliers.
- The extended rise in business insolvencies will put 2.2mn jobs directly at risk globally in 2026 (+94k compared to 2025), followed by a marginal decrease in 2027 (-34K).** Globally, the main sectors at risk are construction, retail and services. In 2026, Europe (1.3mn) would lead this global count, notably Western Europe (~960k), ahead of North America (~460k), both recording a 12-year high, and followed by Central and Eastern Europe (~325k) and Asia (~346k) This is equivalent to 6% of the number of unemployed people in the US and Europe, but with significant differences across countries (1% in Spain, 4% in Italy, 7% in Germany, 9% in the UK and 11% in France).

¹ The Allianz Trade Global (or Regional) Insolvency Index is the weighted sum of national indices, each country being weighted by the share of its GDP within the countries used in the sample, using a base of 100 in year 2015 (44 countries representing 84.5% of global GDP in 2025). National indices are based upon our monitoring of absolute and non-seasonally adjusted numbers of insolvencies

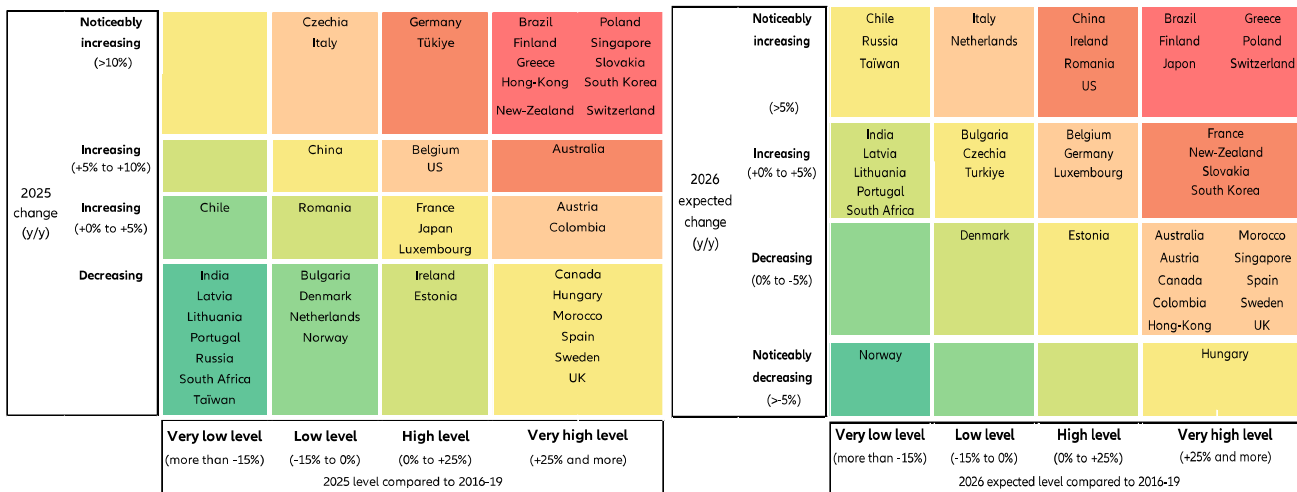
- **Things could get worse before they get better: Several geopolitical and economic shocks could significantly amplify insolvency risks.** First, the longer the conflict lasts, the stronger the impact on the insolvency outlook given the region's central role in supplying essential inputs such as LNG, fertilizers, aluminum, helium and sulfur. This disruption is driving up costs across global value chains, from agrifood to manufacturing, healthcare and technology, exacerbating pressures on energy-intensive sectors such as transportation (shipping, aviation, road transport), chemicals and metals. The combination of weaker demand, rising input costs and tighter financial conditions is straining companies with weak pricing power, thin margins, high debt levels or structurally higher working capital requirements (e.g. machinery, transport equipment, electronics, pharmaceuticals and construction). Countries and sectors are unevenly exposed to the direct and indirect impacts of the conflict in the Middle East. Asia is most vulnerable to the oil price and supply shock, but most developed markets' economies are highly dependent on oil and gas imports. Beyond transportation, energy-intensive sectors such as basic metals and chemicals are immediately more vulnerable in particular in Europe where the risk of non-payment already increased noticeably prior to the war in Iran. Second-round effects are likely to materialize in particular in consumer sectors in Europe, and cyclical sectors in both the US and APAC. Zooming in Europe, real estate and technology could suffer the most from a margin squeeze based on 2022-2023 episode. A prolonged conflict could push up global insolvencies by closer to +10% in 2026 and +3% in 2027, i.e. roughly +3pps compared to the current baseline scenario. Overall, this would mean +4,100 additional cases in the US and +10,500 in Western Europe over 2026-2027. The AI boom is another risk to monitor. A collapse in the current AI-driven economic boom could mirror the dot-com bubble burst, leading to an additional +15,600 insolvencies in the US and Western Europe over 2026-2027, boosting the baseline count by +6,100 and +9,500 cases, respectively. Fiscal concerns, such as confidence shocks related to high debt levels, could further exacerbate insolvency risks, particularly in the Eurozone, boosting business insolvencies by +22,500 firms in Western Europe over 2026 and 2017.

Figure 1: Global and regional insolvency indices, yearly level, basis 100: 2016-2019 average



Source: Allianz Research

Figure 2: Insolvency heat map 2025 (left) and 2026 (right)



Source: Allianz Research



A sustained global increase in 2025

As expected², business insolvencies ended 2025 with another rise globally (+6%) for the fourth consecutive year, and an upside trend in most countries. The number of business insolvencies rebounded in three out of five countries in 2025, with half of them still recording a double-digit increase for the full year. Interestingly, the upside trend remained steady all along the year, with little sign of easing in the first half and more signs of acceleration in the second half. Overall, our Global Insolvency Index rose by +6% y/y for the full year 2025, from +9% in 2024³, ending the year 19% above its pre-pandemic average (but 6% below its level during the Great Financial crisis). This outcome fully corresponds to our previous expectations, with more cases than anticipated in some countries, notably Switzerland, Greece, Turkey, Singapore and Brazil, which have been roughly compensated by less cases than anticipated in particular for Italy, Ireland, Norway and Morocco.

All regions recorded noticeable rises except Africa. Asia (+5% y/y) became the largest contributor to the global rebound due to the prolonged upside trend in China (+7%) and Japan (+3%), and double-digit rises in most other countries, while the region accounts for almost 39% of our headline indicator. In parallel, Latin America (+17%) and North America (+3%) both boosted the global rebound, with the US prolonging the rebound that began in 2023 (+7%). Western Europe remained a key contributor to the global rise despite a softer rebound (+7% y/y), the lower pace resulting mainly from the stabilization in the UK and a clear deceleration in the Eurozone (+7%), particularly in

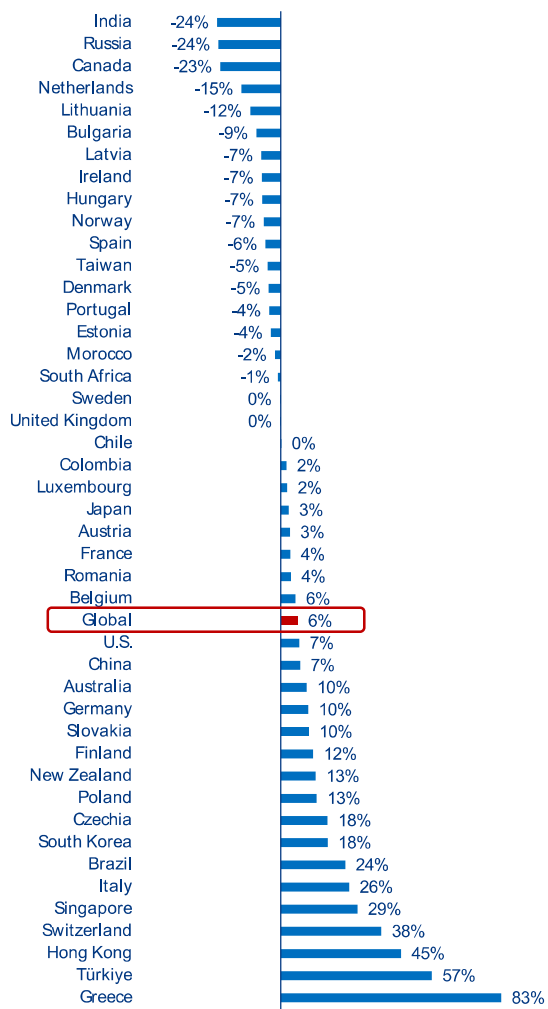
Germany (+10%) and France (+4%), with some countries seeing a downside trend reversal (e.g. Spain, the Netherlands, Ireland, Portugal).

Overall, three out of five countries, together accounting for 67% of global GDP, posted a rise in business insolvencies in 2025 (+17% y/y on average, following +20% in 2023), with half of them still recording an increase of more than +10%. The largest increases occurred in Greece, Türkiye, Hong Kong, Switzerland and Singapore in relative terms (+83%, +57%, +45%, +38% and +29% year-on-year, respectively), and in Switzerland, Italy, France, Germany and the US in absolute terms (+3,219 cases, +2,481, +2,382, +2,252, and +1,601, respectively). Simultaneously, however, the number of countries experiencing stable or decreasing insolvencies doubled from 2024, reaching two out of five cases (19 countries, up from 9 in 2024), with a mix of advanced markets (nine, up from two in 2024) and emerging countries (10, up from seven in 2024). These countries account for a higher share of global GDP (17%, up from 9% in 2024) and our Global Insolvency Index (20%), noticeably contributing to moderating the annual increase of our headline indicator. For this set of countries, the annual decrease in business insolvencies reached the average of -9%, compared to -16% in 2024. Notable cases with double-digit decreases can be found in all regions: Europe (the Netherlands, Lithuania and Russia), the Americas (Canada) and Asia (India).

² See our previous insolvency report [Global Insolvency Outlook 2026-27: Don't look down!](#) and our latest view in insolvencies [A new decade high for major insolvencies driven by services, retail and construction](#) | Allianz

³ Revised down by -1pp from our previous calculation (+10%) as the result of changes in historical data in Brazil due to a reformulation of the judicial recovery and bankruptcy indicator provided by SerasaExperian

Figure 3: 2025 business insolvencies, annual changes in %



Source: Allianz Research

In some countries, sector trends diverged from national trends. While the country-wide situation often sets the trend for most sectors, with differences in intensity and timing, this proved to be less the case in 2025 compared to past years, notably during the post Covid catching up phase. In Asia, Japan saw seven out of 10 sectors contributing to the national rise, with wholesale (-67 cases year-to-date to 1,147), transport (-67 to 390) and finance (-6 to 19) as exceptions. In the Americas, Canada saw 20 out of 22 sectors reporting a noticeable decrease in insolvencies, most often larger than -20% y/y, with agriculture and mining/quarrying as only exceptions on the upside. Simultaneously in the US, the UBS Corporate Bankruptcy Monitor saw more than half of their sectors recording a rise in insolvencies, with the largest increases in real estate and construction – and still numerous cases in particular in retail, healthcare, banking/finance, and food/beverage; yet, the rise in large firm insolvencies relied on only six out of the 16 sectors monitored through Bloomberg, in particular accommodation and food services, construction and real estate, and only four out of 11 sectors monitored through S&P, notably industrials and real estate.

At the regional level, all sectors in the 28 countries⁵ we monitor in Europe recorded a rise over the full year 2025 compared to 2024 – and there was no sign of trend reversal in Q4. But this still reflects a slowing momentum across European sectors, with 57% (i.e. 128 out of the 226 sectors monitored) posting a rise for the full year 2025 compared to 65% and 69% in 2024 and 2023, respectively – and still 53% in Q4. It also hides slightly wider disparities, with a first half of countries with insolvencies either on the upside in all sectors (Belgium, Czechia, Germany, Greece and Finland) or almost all of them (France, Italy, Luxembourg, Romania, Slovakia), or mostly on the decrease (the Netherlands, Denmark, Hungary and Lithuania), and the other half of countries with opposite trend in insolvencies across sectors, notably the UK, Spain, Portugal, Austria, Sweden. Overall, manufacturing, trade, hospitality and B2C services posted a rise in at least half of the European countries, while transportation & storage recorded increases in more than two-thirds of them. Transportation/storage stands out with a strong catch up above pre-pandemic levels (2016-2019 average) in several countries (19), ahead of information/communication (13) and construction (12) – the two

Figure 4: 2025 number of insolvencies, y/y change in % and comparison with 2016-19 average level*, selected European countries

	Industry	Construction	Trade	Transport & storage	Accommod. & food service activities	Information & communic.	Finance, insurance, real estate, B2B activities	Education, human health & social work activities	ALL SECTORS
Belgium	2	6	1	15	2	14	12	4	6
Bulgaria	-28	-34	20	-13	-21	9	-42	17	12
Czechia	17	21	12	7	12	18	17	27	16
Denmark	-3	-7	-3	11	-13	-5	-4	-7	-5
Germany	26	10	15	9	27	7	7	2	12
Spain	1	2	-5	18	10	-13	-9	-3	-1
France	3	-3	0	7	9	4	4	13	3
Italy	3	24	-4	8	-4	15	16	26	8
Luxembourg	31	-17	15	21	7	-11	8	9	3
Netherlands	-18	-21	-13	-26	-8	5	-13	-18	-15
Austria	-4	-1	1	13	3	-16	18	-7	4
Portugal	-24	-7	2	41	-1	-16	6	-17	-6
Romania	5	6	10	33	6	-17	19	21	11
Finland	6	3	8	24	15	4	13	21	11
Sweden	3	-5	2	10	3	5	-1	-2	0
Norway	-10	-10	-12	8	-2	-1	13	24	-2
UK	1	-3	4	-12	-3	-2	3	5	0

(*) non-seasonally adjusted numbers; colored cells indicate a higher level compared to 2016-2019 average

Source: DeStatis, ONS, SCB, Eurostat, Allianz Research

⁴ Bloomberg: Firms with USD50m+ in liabilities at the time of the bankruptcy filing; S&P CapitalIQ: Firms with public debt where either assets or liabilities at the time of the bankruptcy filing are greater than or equal to USD2mn, or private companies where either assets or liabilities at the time of the bankruptcy filing are greater than or equal to USD10mn. UBS: US chapter 7, 11 and 15 bankruptcy filings

⁵ Based on Eurostat (25 countries) and the national releases for the UK, Sweden and Denmark

⁶ See [A new decade high for major insolvencies driven by services, retail and construction | Allianz](#)

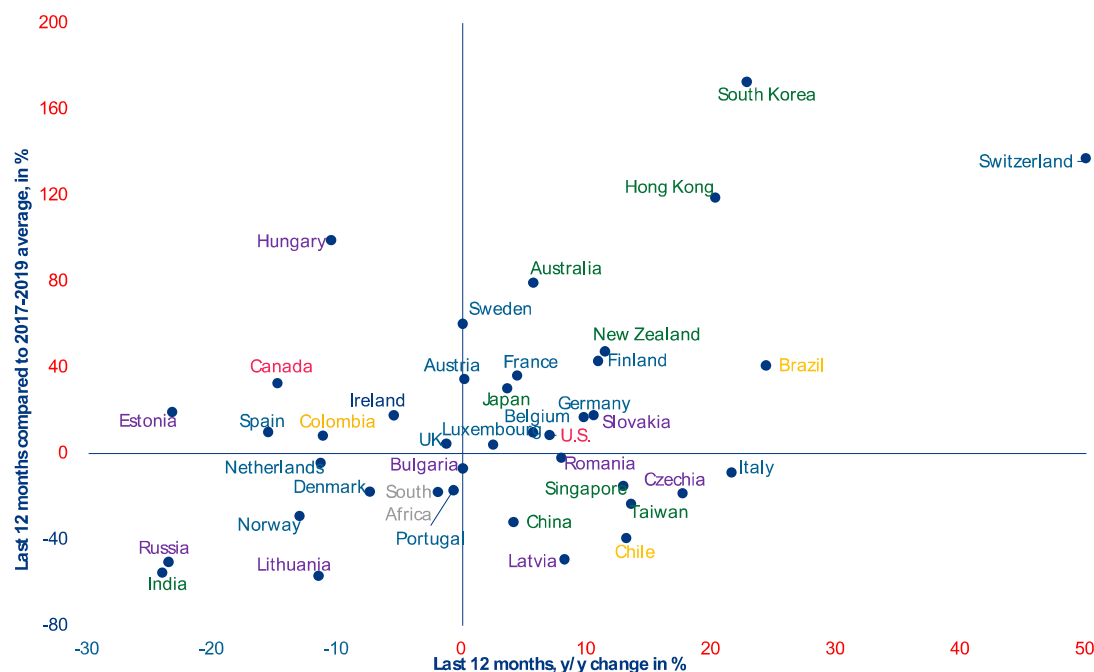
latter both saw more decreases than increases in 2025 but construction had previously experienced a massive rebound since 2020. Western European countries recorded the largest numbers of sectors above pre-pandemic levels of business insolvencies, notably Germany, France, the UK, Spain, Sweden and Austria, with Italy, Portugal and the Netherlands as exceptions on the opposite side of the spectrum. As our previous research has indicated, services, construction and retail led the global count in insolvencies of major firms in 2025 (44% of the total) while the latter reached a new decade high with 473 over the full year, i.e. one case every 18 hours, with rising fragilities in industrial sectors such as machinery & equipment, automotive and chemicals, in particular in Europe.

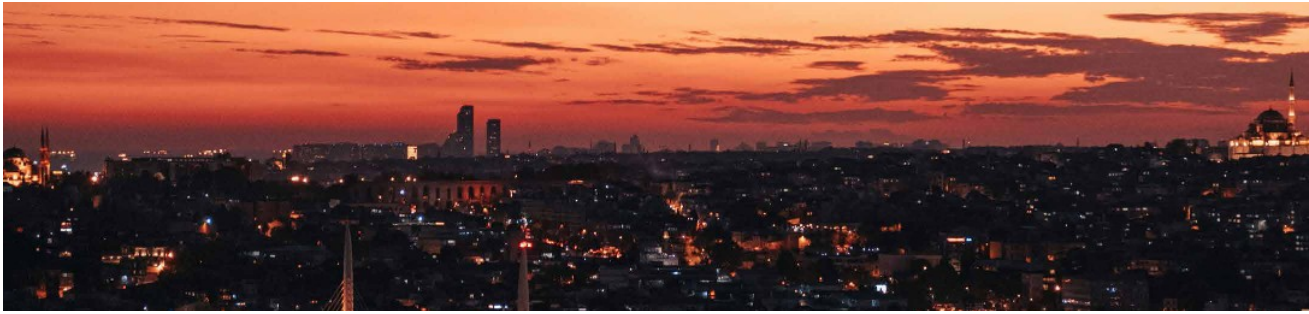
In this context, a majority of countries entered 2026 with a high number of insolvencies, with almost two-thirds of them above pre-pandemics levels, and half of them above GFC levels. We saw a slight decrease in the number of countries surpassing their pre-pandemic number of insolvencies to 64% at end-2025 from 68% end-2024, with the exits of the Netherlands, Denmark and Bulgaria offsetting the entry of Türkiye. For most of these countries, this surplus largely exceeds 10%. Several advanced economies of APAC are in this situation, in particular South Korea (187%), Hong Kong (130%), Singapore (85%) and Australia (85%), as well as Brazil (42%), Canada (34%) and the US (7%) in the Americas. Yet, these countries mainly belong to the advanced economies of Western Europe,

with Switzerland leading the way (116% above the 2016-2019 average), followed notably by Finland (60%), Sweden (59%), Spain (39%), and several others to a lesser but still significant extent, including Austria, the UK, France, Germany and Belgium. One out of two countries recorded more cases in 2025 than they did during the Great Financial Crisis (GFC), the last period of severe economic turbulence, notably France and Italy, with the US, Germany and the UK as key exceptions. Overall, a minority of countries (11) ended 2025 without reaching any of the two references, including Denmark, the Netherlands, Norway and Portugal in Western Europe, and Russia and South Africa in the rest of the world.

Despite the recent rebound, the post-Covid and Ukraine war insolvency backlog has only been partially cleared across much of Europe. Between 2020 and 2022, support measures for firms spared the equivalent of more than three-quarters of insolvencies in countries such as the US (86%), Austria (86%), Portugal (78%) and Germany (77%), and the equivalent of more than one year of insolvencies usually reported in the Netherlands (125%), France (114%), Ireland (114%), Australia (112%), and Italy (102%). As of 2025, less than half of West European countries have more than compensated for the 'missing' insolvencies of the overall Covid-19 period and the shockwaves from the war in Ukraine. This includes the UK, Spain, Sweden, Denmark, and Finland. Germany, France, Italy, Ireland and Belgium are still to fully clear the backlog.

Figure 5: Business insolvencies – Last 12 months, available figures as of mid-April 2026



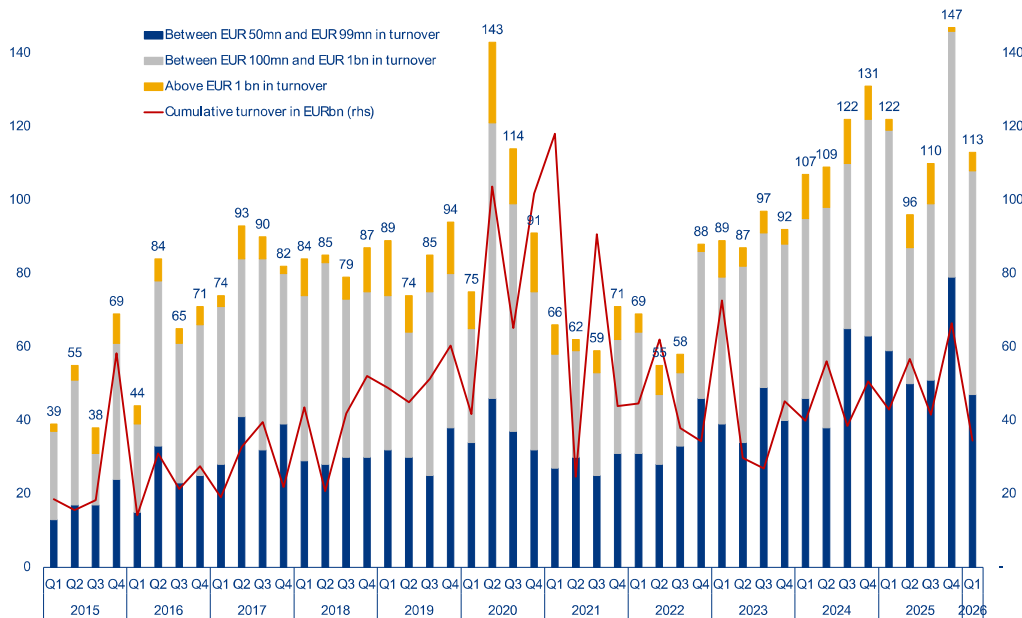


Middle-East spillovers to postpone the plateau in global insolvencies to 2027

Even before the start of the conflict in the Middle East, business insolvencies started 2026 with a strong pace. Preliminary figures available for Q1 2026 already confirmed most of the national trends posted in the previous quarters, with three out of five countries still recording year-on-year increases when looking at cumulative three-month or six-month data – pushing our global insolvency index close to marking a 15th consecutive quarter of rising insolvencies since mid-2022. Importantly, large firms were still not immune. Q1 2026 recorded another high number of insolvencies of large firms – those with a turnover exceeding EUR50mn – with 113 additional cases globally compared to 122 cases in Q1

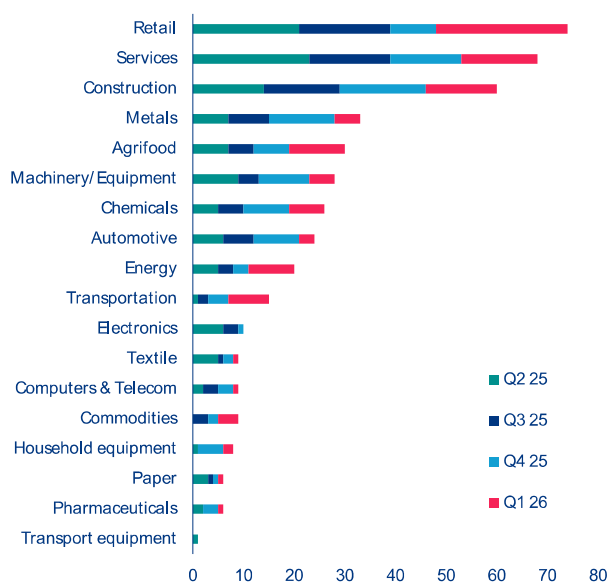
2025 and the quarterly average of 84 cases posted since the start of our monitoring in 2015. This still represents one case every 19 hours, with Western Europe leading the global count (68 cases), ahead of North America (19) and APAC (17). Retail (26), services (15) and construction (14) still – as expected for business demographic reason⁷ – despite more evidence of fragilities in sectors such as chemicals, machinery equipment and transportation, in particular in Western Europe. These large insolvencies are fueling the risk of a domino effect due to their extensive supplier networks, which could potentially push up insolvencies among smaller firms.

Figure 6: Major insolvencies, quarterly number, globally, by size of turnover



Source: Allianz Research

⁷ More details: [A new decade high for major insolvencies driven by services, retail and construction | Allianz](#)

Figure 7: Major insolvencies, quarterly number, by sector, globally

Source: Allianz Research

Looking ahead, we have raised our forecasts for insolvencies in 2026 due to the spillovers from the Middle East crisis. The shockwaves are visible in the immediate pressure on energy-intensive sectors such as transportation, chemicals and metals and the rise in costs across global value chains, from agrifood to manufacturing, healthcare and technology. We also take into account the second-round effects via inflation, financial conditions and confidence, notably on the most vulnerable firms. This includes companies with weak pricing power, thin margins, high debt levels or structurally higher working capital requirements (e.g. machinery and transport, equipment, electronics, pharmaceuticals, construction) and businesses heavily reliant on consumer credit (e.g. automotive, tech, real estate/construction). Countries and sectors are unevenly exposed to the direct and indirect impacts of the conflict in the Middle East⁸. Asia is most vulnerable to the oil price and supply shock, but most developed economies are also highly dependent on oil and gas imports. Beyond transportation, energy-intensive sectors such as basic metals and chemicals are immediately more vulnerable, in particular in Europe where the risk of non-payment already increased noticeably prior to the war in Iran. Second-round effects are likely to materialize in particular in consumer sectors in Europe, as well as cyclical sectors in both the US and

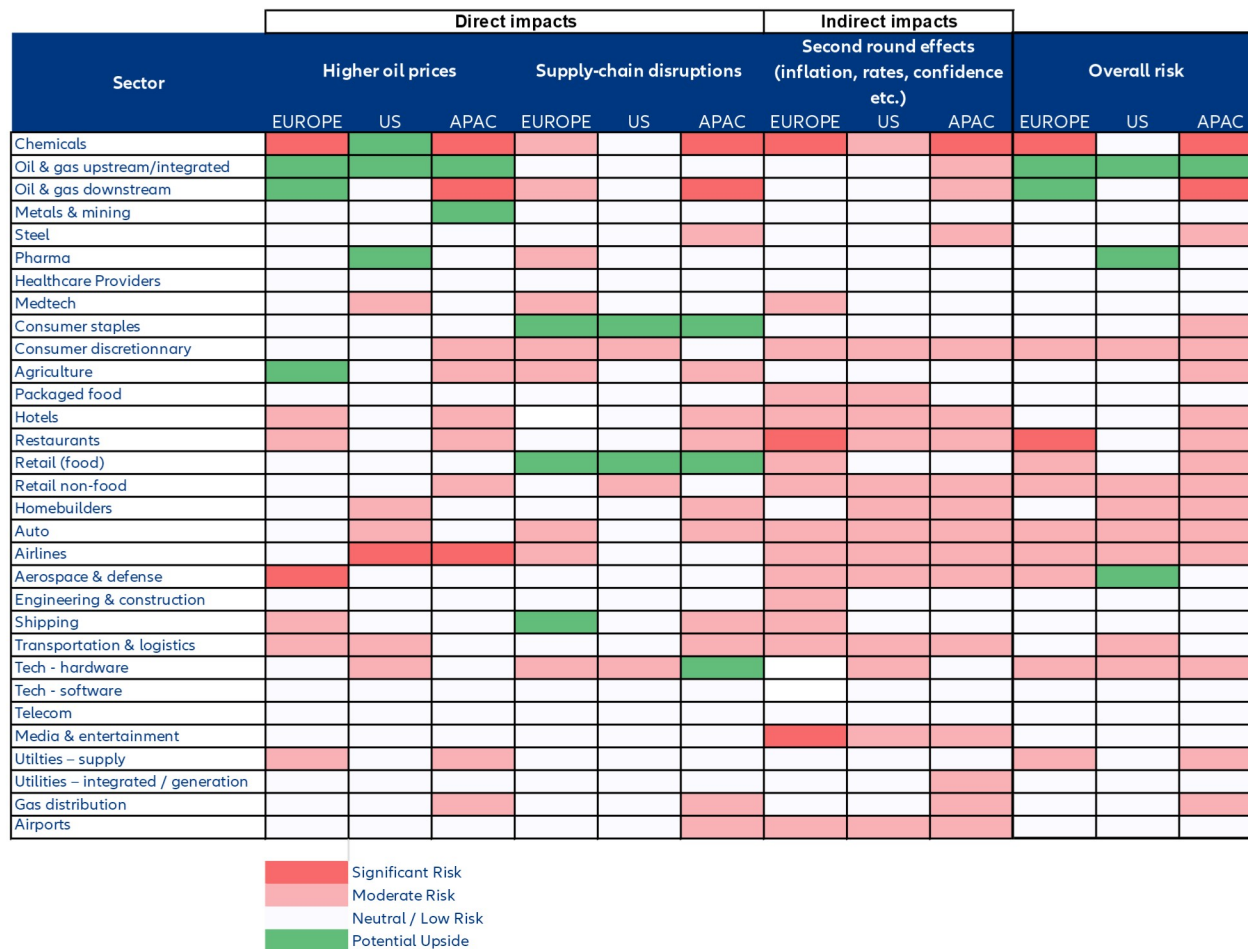
APAC. Zooming in on Europe, lessons from the 2022 energy crisis suggest that real estate and technology could suffer the most from a margin squeeze.

At this stage, under a baseline scenario assuming a progressive normalization in the Strait of Hormuz by May⁹, we expect our Global Insolvency Index to rise by +6% in 2026 (+2pps compared to what was expected before the conflict and +3pps compared to our last report). This would result in a fifth consecutive year of growing insolvencies before a plateau in 2027 (+1pp and +1pp, respectively) – this is without considering GCC countries nor Israel due to the lack of official statistics on insolvency proceedings. At the global level, the direct toll from the Middle East represents +7,000 additional cases for 2026 and +7,900 for 2027, including +700 and +200 cases respectively for the US, and +3,750 and +3,600 respectively for Western Europe, while business insolvencies were expected to rise by +1,400 cases in 2026 and to fall by -11,000 in 2027 prior to the war. Asia will remain the largest contributor, with China's insolvencies projected to rise by +9% in 2026 and +5% in 2027 due to ongoing structural challenges. North America will see contrasting trends, with the US extending its rebound (+9% in 2026) while Canada continues its decline (-4%). Western Europe is expected to see a prolonged rise in 2026 (+3%,

⁸ More details: [Pixels of crisis: A granular look at the risks of non-payment due to the conflict in the Middle East](#)

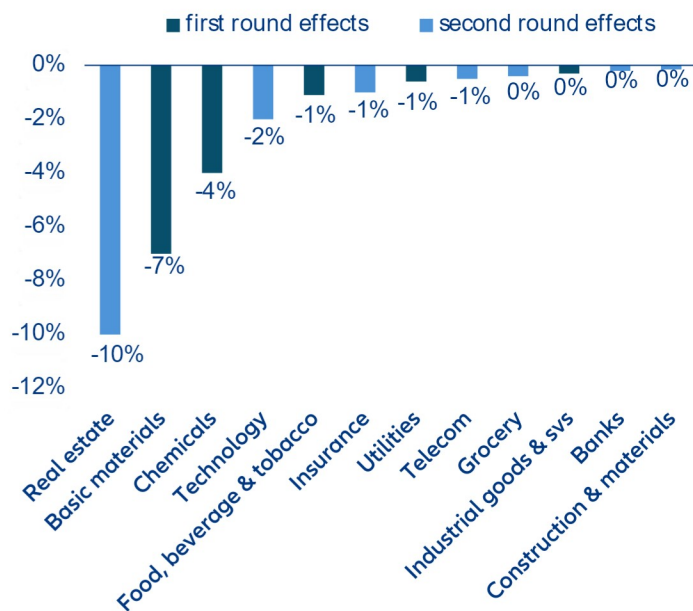
⁹ More precisely, our baseline scenario includes a deal allowing for a progressive normalization of oil and gas trade in May. In between partial re-routing, additional production (US, Russia) and strategic reserves being tapped covers >50% of Hormuz gap in oil and gas; no material destruction of oil/gas industry.

Figure 8: Vulnerability heatmap, by sector, by region



Source: Allianz Research

Figure 9: Maximum profit margin deterioration over the period 2022-2023, European industries (Stoxx 600 benchmark)

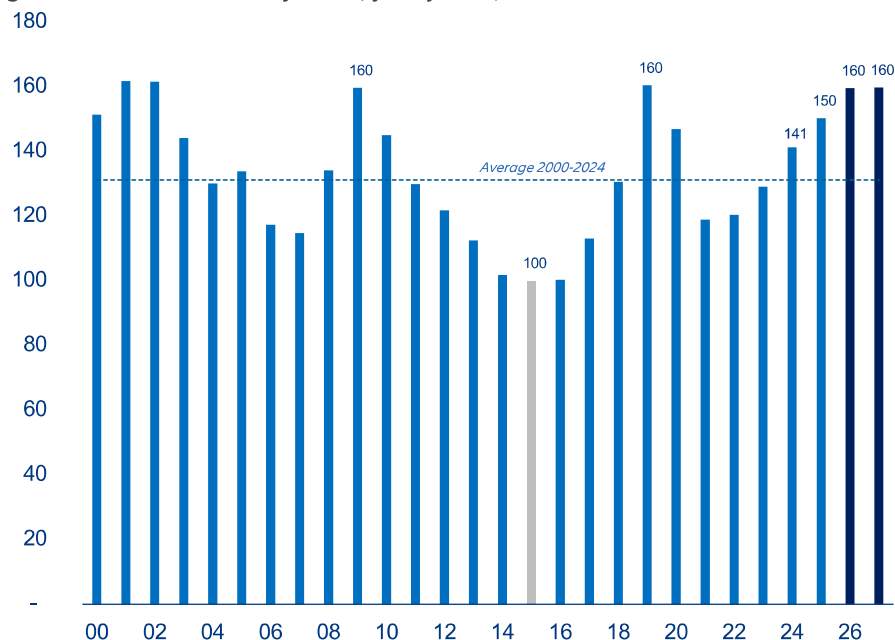


Source: LSEG Datastream, Allianz Research

+4pps compared to pre-war expectations) followed by a moderate decline (-3%) in 2027, with most countries (10 out of 17) within the -4%/+4% range and thus indicating an extended high level after several consecutive years of rising insolvencies. This is the case for Germany (+2% to 24,650 in 2026), France (+2% to 69,900), Belgium (+1% to 11,750) and the UK (-1% to 26,550). Overall, our Global Insolvency Outlook for 2026 would be driven by a larger number of countries (30, from 25 in 2025) recording rising insolvencies and accounting for a significant share of global GDP (73%) and thus of our headline indicator (86%) – despite a reduced average increase (at +6% y/y in simple average for the countries concerned, after +18% in 2025). In relative terms, the largest increases are expected in Switzerland, Greece, Chile, Russia and Taiwan (+20% y/y, +15%, +15%, 15% and +14%, respectively). Conversely, decreases would be moderate on average (-4%, after -9% in 2025) despite some outliers mostly concentrated in countries that recorded the highest levels in the past two years (Australia, Canada, Hungary, Sweden). Our forecast of a plateau for 2027 (+1pp compared to both what was expected before the conflict and our last release) assumes

a gradual normalization of the business environment compared to 2026. The latter, however, would not yet allow a widespread downside trend reversal in business insolvencies. We expect the persisting lack of an economic boost, apart from specific cases mostly related to AI or defense, to hinder businesses' ability to regain stability and accelerate growth, as it would sustain competition, limiting pricing power and revenue growth, hence only moderately weakening pressure on profitability. At the same time, we expect a limited relief from monetary policies, keeping the pressure on the (re)financing issues of the already vulnerable companies and limiting access to the liquidity firms need to navigate challenges effectively – in particular SMEs. In this context, our headline index would remain high: +27% above its 2016-2019 average in 2027, with lower levels more in North America (+13%) and to a lesser extent APAC (+21%) than in Western Europe (+30%), prolonging (i) the risk of non-payment (insolvencies of buyers) as well as the risk of supply-chain disruptions (insolvencies of suppliers) and (ii) the necessity to monitor key and critical buyers and suppliers.

Figure 10: Global Insolvency Index, yearly level, basis 100: 2015



Source: Allianz Research



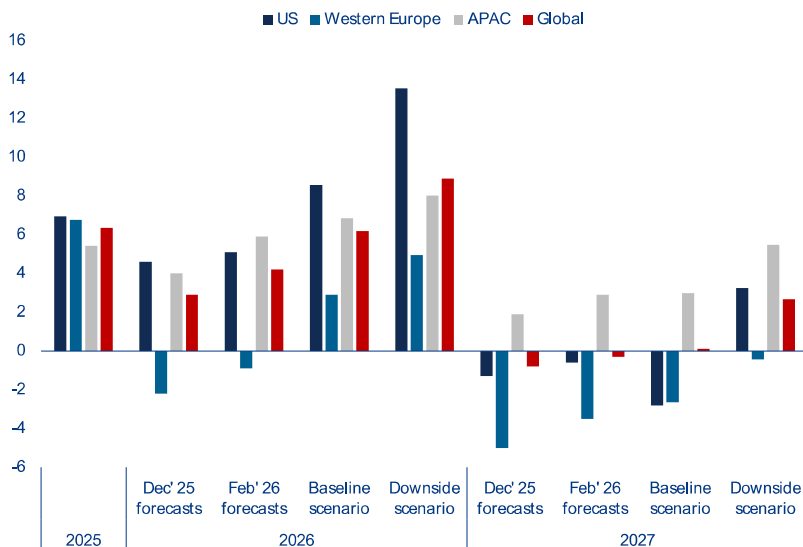
What could go wrong ?

Key downside risks to the insolvency outlook

A prolonged conflict in the Middle East could push global insolvencies closer to +10% in 2026 and +3% in 2027. If the Strait of Hormuz remains blocked for longer, leading to a continuous disruption of global oil and gas supply, as well as other commodity supply shortages (LNG, fertilizers, aluminum, helium and sulfur), inflation would jump noticeably, dragging down confidence and growth. This would amplify second-round effects and in turn increase our insolvency forecasts. In our downside scenario, we expect insolvencies to rebound by +5% in Western Europe and +13% in the US in 2026, i.e. +2.1pps and +5pps from our current baseline scenario, which would

push up our global index by +9% (+2.7pps compare to the current baseline) – just based on the direct impact from the switch in economic growth alone. As the economic harm would continue to diffuse in 2027, insolvencies would keep on increasing in the US (+3% y/y, i.e. +6pps from our current baseline scenario) and see a quasi-stabilization in Western Europe (-2% i.e. +2.2pps from our current baseline scenario). Overall, this would mean +4,100 additional cases in the US and +10,500 in Western Europe over 2026-2027.

Figure 11: Major insolvencies, year-to-date number, by sector



Source: Allianz Research

Another risk to monitor: A burst of the AI-induced boom could mean +15,600 additional bankruptcies in the US and Western Europe over 2026 and 2017. While the rapid expansion of AI is viewed a significant driver of economic growth, it also introduces substantial risks, notably for labor markets (e.g. job displacement, employment declines) and resources (e.g. infrastructure bottlenecks, energy shortages, supply-chain vulnerabilities for chips). But the financial system is also at risk if ambitious expectations fail to materialize, leading to an AI stocks collapse. Looking at the parallel of the dot-com bubble, which triggered elevated insolvencies across Western economies, our analysis suggests that a comparable AI bubble burst could cause approximately +6,100 additional insolvencies in the US over 2026-2027, boosting the baseline count by 12% for the two years. For Western Europe, the additional insolvencies would represent only 3% of the baseline count, but would add up to +9,500 cases, including +3,700 in France, +1,200 in the UK, +900 in Italy and +800 in Germany.

Similarly, fiscal concerns, such as confidence shocks related to high sovereign debt levels, could further exacerbate insolvency risks, particularly in the Eurozone. We calculate they could increase business insolvencies by +22,500 firms in Western Europe over 2026 and 2017, increasing the baseline count by +6%.

In our baseline scenario, the extended rise in business insolvencies will put 2.2mn jobs directly at risk globally in 2026 (+94k compared to 2025)¹⁰, notably in construction, retail and services, followed by a marginal decrease in 2027 (-34K). In 2026, Europe (1.3mn) would lead this global count, notably Western Europe (~960k), ahead of North America (~460k), both recording a 12-year high, with the largest numbers seen in the US (~428k), France (~283k), Germany (~209k), and the UK (~156k). Central and Eastern Europe (~325k) and Asia (~346k) – boosted by Japan (129k) and China (~144k) – would follow, both at a moderately increasing annual number since 2022 (+7% and +28%, respectively) compared to Western Europe and North America (+46% and +93%, respectively). This is equivalent to 6% of the number of unemployed people in the US and Europe, but with significant differences across countries (1% in Spain, 4% in Italy, 7% in Germany, 9% in the UK and 11% in France).

Figure 12: Jobs at risk due to business insolvencies in 2026, in thousands



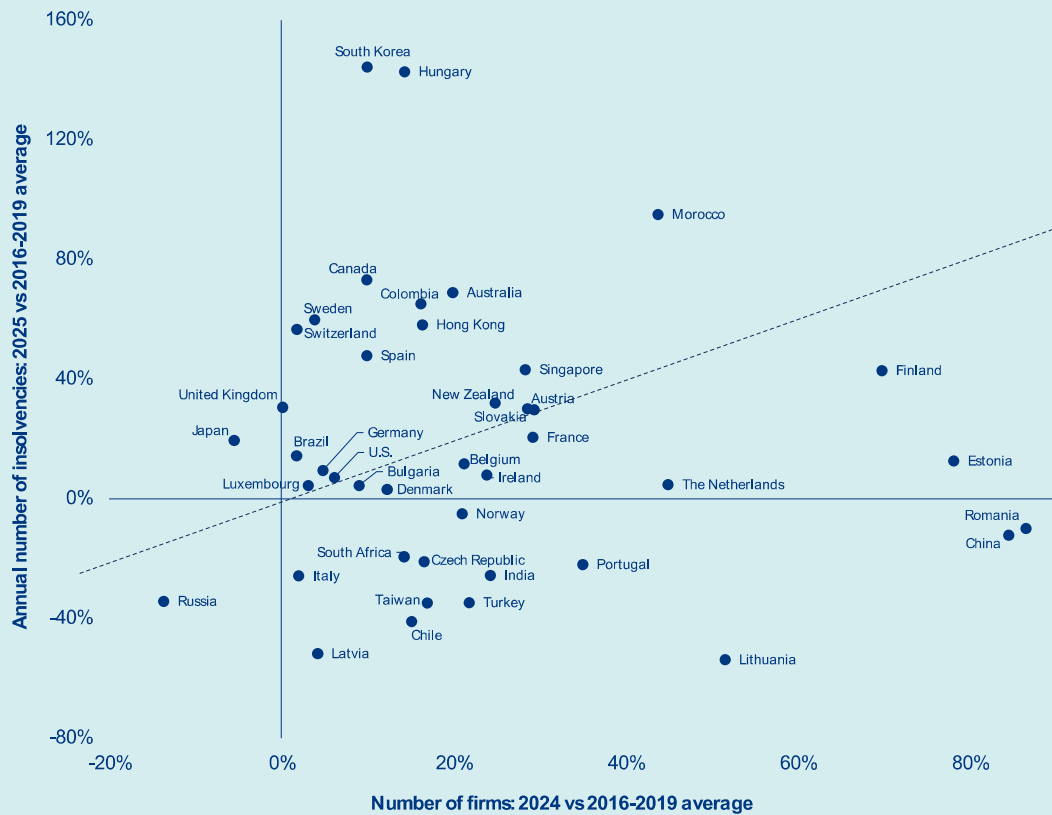
Source: OECD, SBS (Eurostat), ONS, US Census, StaCan, Allianz Research

¹⁰ We calculate this based on the average number of employees per firm, the share of companies that go into a liquidation phase immediately (72% on average) and the share of people laid off in a restructuring phase (32% on average).

The post-pandemic hangover: More firms = more insolvencies

The business creation boom ongoing since the pandemic is mechanically increasing the potential for more insolvencies. Most countries have experienced a surge in business creation since the pandemic era, driven by factors such as the rise in remote work, e-commerce expansion, sustainability issues and particularly the rise of technology sectors, boosted by AI-focused businesses. In Europe, business registrations saw notable growth in services and tech-driven sectors, more than in capital-intensive industries. This phenomenon, while indicative of economic dynamism, has heightened insolvency risks through various interrelated mechanisms. One is that new market entrants often challenge the resilience of established players, as they intensify competition through aggressive pricing strategies or innovative offerings aimed at capturing market share. At the same time, startups and younger firms are often inherently more financially vulnerable compared to established firms, which have accumulated resources and resilience to withstand economic downturns. In addition, the survival rate of newly born firms has declined significantly over time, with less than half of them surviving the five-year mark in Europe¹¹ – ending either by a simple dissolution or a liquidation post insolvency proceeding. More importantly, the high level of business creation is mechanically increasing the potential of insolvencies when it surpasses business dissolution as it enlarges the stock of firms that could be made fragile by a weaker economic and financial cycle, or an external shock. This potential is high as the stock of active firms has continued to rise over the past years in most countries, with a global rise of +10% from 2021-22 to 2025 for our sample, with double digit rises notably in Asia (China, India and Hong Kong), a majority of countries between +5 and +10% in Central and Eastern Europe, Western Europe with a mix of leading (e.g. Portugal, Finland, Sweden, the Netherlands and to a lesser extent France) and lagging (Spain, the UK, Belgium, Switzerland, Italy) countries and the US on a softer pace.

Figure 13: Business demographic dynamic vs business insolvencies dynamic (*), selected countries



Sources: National business registers, Eurostat, Allianz Research

¹¹ [Business demography statistics - Statistics Explained - Eurostat](#)

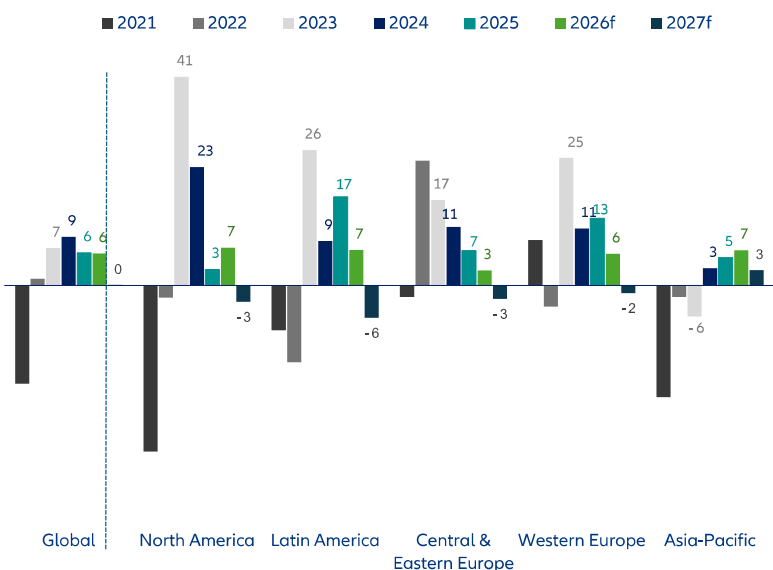


Regional outlooks

Asia will remain the largest contributor to global insolvencies in 2026-2027, accounting for 54% of the worldwide increase, with China to prolong its rise (+9% in 2026 and +5% in 2027, from +7% in 2025). This prominence stems partly from methodological reasons due to the region’s significant share in global GDP (33%) and consequently in our headline indicator (39%). North America would follow as the second largest contributor ahead of Western Europe with a fifth consecutive year of rising insolvencies in 2026 – and a prolonged increase (+3%) resulting from mixed trends and a majority of countries (10 out of 17) within the -4%/+4% range and

thus indicating a persistently high number of insolvencies. Central and Eastern Europe would remain boosted by the increase in insolvencies expected in its three largest markets: Russia, Türkiye and Poland.

Figure 14: Global and regional insolvency indices, yearly change in %

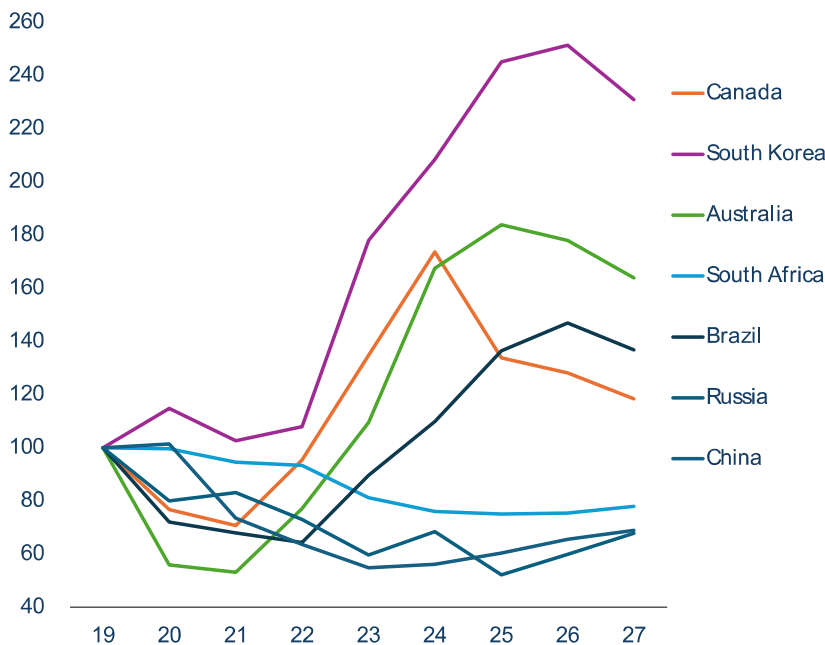


Sources: OECD, SBS (Eurostat), ONS, US Census, StaCan, Allianz Research

Asia is leading global insolvency growth, boosted by China and several countries reaching multi-year record highs. Asia ended 2025 with major rises in insolvencies in most countries, notably Australia (+10% y/y), New Zealand (+13%), South Korea (+18%), Singapore (+29%) and Hong Kong (+45%). India and Taiwan were exceptions for the third consecutive year. Several economies hit multi-year highs, including Japan (12-year high to 10,300 cases), New Zealand (15-year high to 3,126), South Korea (25-year high to 2,282) and Australia (historical high with 11,774 cases). In both Australia and Japan, the rise continued across most sectors in 2025. In Japan, this was particularly the case in real estate (+18%), retail (+7%) and construction (+5%), while wholesale and transport sectors showed resilience (-6% and -15%, respectively). In Australia, this was notably the case in transport sectors in relative terms (+35%) and construction in absolute terms (+224 cases to 3,061) with wholesale as the key outlier (-4%). Construction and B2B services, including hospitality, contribute the highest number of insolvencies in both countries, with construction representing 25% and 20% of the total in Australia and Japan, respectively, and B2B services standing at 39% and 34%, respectively. Looking ahead, we expect only moderate downside trend reversals in 2026 for Hong Kong (-2%), Singapore (-3%) and Australia (-6%), along with a prolonged rise in Japan (+5%), for the fifth consecutive

year, South Korea (+2%) and New Zealand (+2%), and a rebound in Taiwan (+14%) and India (+5%). The region's energy supply is heavily exposed to the Middle East. Strategic reserves and fiscal support will alleviate the impact, but the shock is expected to offset much of the economic boost coming from sustained AI-driven demand and trade rerouting gains, and to lead to most central banks remaining on hold throughout the year, while Australia and Japan to continue their monetary tightening cycle. At the regional level, without China, this would translate into a slight acceleration to +3% in 2026 (+7% with China) from +1% in 2024 (+5% with China), followed by a modest improvement in 2027 (-1% without China, +2% with China). In China, which is mechanically playing a key role since it accounts for 61% of our regional index, we expect business insolvencies to confirm in 2026-2027 the upside trend reversal which started in 2024. The latter would occur mainly in domestic activities, notably consumer-oriented sectors and real estate, as both are expected to remain weak in a context of limited social protection weighing on households' confidence and boosting the preference for savings. We anticipate a +9% rise to 7,750 cases in 2026, followed by a +5% increase to 8,150 cases in 2027, still a low level compared to the record levels of 2019-2020 (11,900 cases in average), but close to its pre-pandemic number (7,430 on average for 2017-2018).

Figure 15: 2025-2027 expected number of insolvencies, selected economies, basis 100: year 2019



Source: Allianz Research

A prolonged increase is looming in North America, with opposite dynamics between the US and Canada.

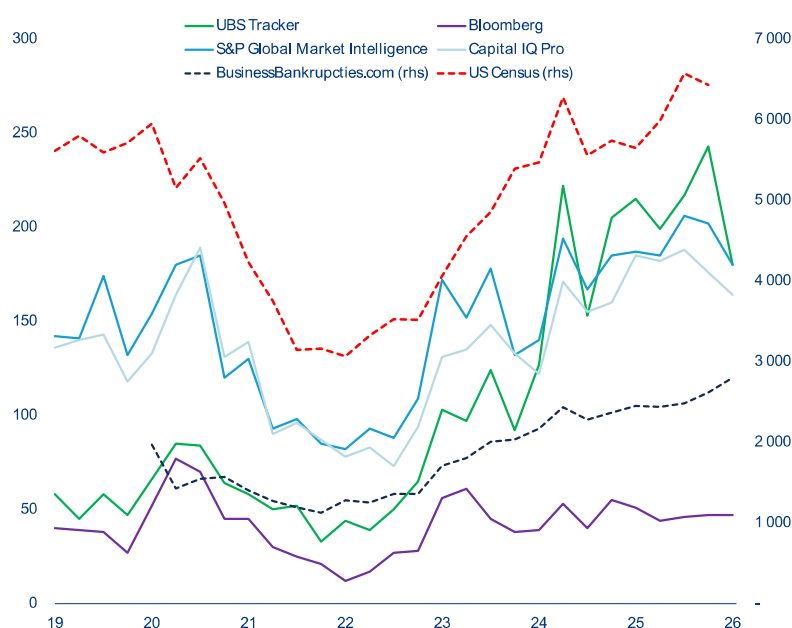
We expect North America to remain the second-largest contributor to the global rise, with the regional outcome decelerating further from the 2023-2024 double-momentum (+41% and +23%, respectively) to a weighted average of +7% for 2026. However, opposite trends would continue within the region, with the US extending its rebound in insolvencies in 2026 (+9%, from +7% in 2025), and Canada prolonging its decrease started in 2024 (-4%, from -23% in 2025). In the US, the official figures from US Courts for 2025 confirmed the softer momentum that was expected after the massive rebound recorded in the previous two years (+32% in annual average over 2023-2024) and resulting from the gradual fading of the buffers accumulated since the strong post-Covid recovery, notably for SMEs. Business insolvencies returned to 24,600+ cases in 2025, which is above the 2016-2019 average (23,000), but firms are facing new challenges that are shaping the insolvency outlook. For 2025, it was notably trade policy uncertainty, tariff hikes, DOGE spending cuts, federal layoffs and curbs on immigration. For 2026, the list includes the weakness of household spending – notably by lower and middle income consumers – residential investment and non AI-related activities. At the same time, refinancing needs would remain at higher-than-expected rates, and higher input costs would remain in a highly competitive domestic market, with limited pass-through to consumers. The combination of factors would see the US to ending 2026 with another rise to 26,750 cases (+9%) before a moderate drop to around 26,000 cases (-3%) in 2027, still a low level from a historical perspective (34,000 for the 2000-2020 average, 41,000 for the 1990-2020 average).

In Canada, business insolvencies decreased noticeably in 2025 (-23%) and most sectors reported double-digit drops, with agriculture and mining/quarrying as exceptions on the upside.

This trend reversal was expected as conditions normalize after the sharp surge of 2022-2024 (+35% annually), when the end of pandemic-related government financial support, along with rising production and financing costs, together pushed insolvencies to a 14-year high of nearly 4,800 cases. We expect this ‘normalization’ to continue in 2026 and 2027 but the less supportive macroeconomic environment, persistently high debt-service costs and the remaining uncertainties in trade-sensitive sectors, notably with the USMCA review and potential US tariffs, would still lead to more than 3,000 insolvencies both in 2026 and 2027.

Latin America shows a similar mixed picture. Brazil ended 2025 with another noticeable rise in insolvencies (+24% to 3,939 cases), following sharp increases in 2023 (+39%) and 2024 (+22%), with economic growth insufficient to counter pressures from high financing and labor costs and sector-specific vulnerabilities to US tariffs, and for agribusiness, driven by draughts, lower commodity prices and high input costs. Looking ahead, slightly lower interest rates have eased immediate pressure on firms with floating rate but financial pressures remain major as expectations for the Selic rate (Brazil’s benchmark interest rate) still lead to high debt-servicing costs. This sets the stage for another rise in insolvencies in 2026 (+8%) that would lead to a new 20-year level with roughly 4,240 cases, before a trend reversal in 2027 (-7%).

Figure 16: US insolvencies, quarterly number, by data provider



Sources: S&P CapitalIQ, Bloomberg, UBS, Allianz Research

The 28th regime: a game-changer for insolvencies, or too limited to matter?

For decades, Europe’s insolvency landscape has been defined by fragmentation. Twenty-seven member states, twenty-seven legal traditions and twenty-seven sets of rules on when a company is deemed insolvent. The debate around who gets paid first – and how long it takes to wind things up – has been everlasting and often politically explosive. But ever since Mario Draghi identified the fragmentation of insolvency frameworks as a major obstacle to the proper functioning of the Single Market, and advocated for the creation of a “28th regime,” the Commission has been quietly laying the groundwork to turn this vision into reality. In March 2026, the Commission therefore published its EU Inc. Regulation, the centerpiece of the much-discussed “28th regime”, while the Insolvency Harmonisation Directive (EU) 2026/799, originally proposed in December 2022, was formally adopted by the Council on 30 March 2026 and entered into force on 1 April 2026 with a transposition deadline of January 2029.

Together, these two instruments represent the most ambitious overhaul of European insolvency architecture in a generation. The EU Inc. creates an optional pan-European company form that startups, SMEs and scale-ups can adopt. The headline features are striking: fully digital incorporation within 48 hours at a maximum cost of EUR100, no minimum share capital, bilingual articles of association, harmonized employee stock ownership plans and a “once-only” data-submission principle. The proposal is a Regulation based on Article 114 TFEU, meaning it will be directly applicable across all 27 member states without requiring national transposition, a significant departure from earlier signals that a Directive might be used, and which had raised concerns about 27 divergent implementations.

Insolvency provisions are innovative... but remain narrow. Chapter X of the EU Inc. proposal contains insolvency rules, but they apply only to EU Inc. companies classified as “innovative startups” under a non-binding Commission Recommendation. To qualify, a company must spend at least 10% of operating costs (or 5% of net sales) on R&D, employ fewer than 100 people, have turnover or assets below EUR10mn and be less than 10 years old. Every other EU Inc. company falls under its member state’s existing insolvency regime – if the Commission’s proposal is confirmed during negotiations

For qualifying companies, the simplified insolvency procedure introduces several notable features. The insolvency trigger is a pure cash-flow test: a company is deemed insolvent when it is generally unable to pay its debts as they mature. This is a pure cash-flow insolvency test, deliberately simpler and more debtor-friendly than the dual tests used in Germany (which adds balance-sheet insolvency) or Spain (which combines both approaches). France’s cessation des paiements is conceptually identical, though French law imposes a stricter 45-day filing obligation.

Another key aspect of the legislation is that all proceedings are conducted digitally: legal representation is optional, and asset realization takes place through interconnected national electronic auction platforms. The entire procedure must conclude within six months, extendable by a further six months, an extraordinarily ambitious target given that average EU insolvency proceedings currently take up to 3.5 years on average. On creditor ranking, the proposal is conspicuously silent. Rankings would follow national law, meaning creditors must still understand the insolvency hierarchy of the member state of registration. Subrogation rights and retention of title are also not explicitly addressed, leaving significant gaps.

While the EU Inc. has attracted the headlines, the Insolvency Harmonization Directive will also be consequential. The legislation sets minimum standards across all member states for avoidance actions (with three categories of challengeable transactions and harmonized look-back periods), asset tracing through centralized bank account registers, pre-pack proceedings (allowing a confidential sale process before formal insolvency), directors’ filing duties within three months of becoming aware of insolvency and the establishment of creditors’ committees. Member states have until January 2029 to transpose to national law. A critical detail: the original draft’s micro-enterprise winding-up provisions were entirely deleted from the final Directive. This clearance made room for the EU Inc. to occupy this space for qualifying startups.

What does this mean for companies ? For businesses trading across borders, the architecture is a double-edged sword. On the one hand, the digital-first design holds clear promise: it could significantly reduce both the cost and complexity of dealing with a counterparty's insolvency. Suppliers owed money by a failed "EU Inc." would no longer be forced to navigate unfamiliar national court systems from scratch. On the other hand, the absence of a minimum capital requirement – combined with the shift from traditional capital maintenance rules to balance-sheet and solvency tests – fundamentally alters how risk must be assessed. Creditors dealing with EU Inc.–incorporated counterparties will need to rethink their approach, as the familiar signal of a minimum capital buffer simply disappears.

For SMEs, whether as potential users of the EU Inc. form or as creditors, the overall picture is therefore ambivalent. The proposed six-month timeline for insolvency proceedings is appealing in theory: faster resolution should mean less cash tied up in distressed firms and quicker visibility on recovery prospects. Yet this target remains untested, and serious doubts persist as to whether national courts will be able to deliver on it in practice.

Stakeholder reactions are mixed so far. Reactions have split along predictable lines. BusinessEurope and SMEUnited welcomed the proposal as a step forward for competitiveness and cross-border simplification, though SMEUnited insisted the regime should be open to all company types. The startup ecosystem, which had campaigned for the 28th regime through a petition attracting over 22,000 signatures, was cautiously supportive but disappointed by the scope limitations. As one Dutch startup association leader put it bluntly: "This is still not a true 28th regime". On the other side of the spectrum, trade unions mounted the strongest opposition. ETUC warned that worker protections were "nowhere to be found" in the Regulation, pointing to the precedent of "shelf" Societas Europaea companies created as empty shells to circumvent worker participation rules.

In their current form, the EU Inc. insolvency provisions remain cautious. By restricting the simplified procedure to a narrow category of "innovative startups" defined by a non-binding Recommendation, the Commission has created a regime that will apply to only a fraction of the companies it purports to serve. The extensive fallback to national law on creditor ranking, subrogation and retention of title means that the very fragmentation the proposal was designed to solve will persist for the vast majority of cross-border transactions. Scholars have drawn uncomfortable parallels with the Societas Europaea, which attracted fewer than 4,000 registrations over two decades, a cautionary tale for ambitious but narrowly scoped EU corporate forms.

But the broader direction of travel is unmistakable. The Insolvency Harmonisation Directive establishes a genuine, if modest, baseline that will reshape national regimes by 2029, particularly on avoidance actions and pre-packs. The EU Inc. proposal, even if imperfect, has opened a door that was firmly shut just two years ago: for the first time, the EU has proposed a directly applicable insolvency procedure, however limited in scope. And the Commission's stated ambition to have the Regulation agreed by end-2026 suggests that political momentum is building, not fading.

The real question is whether the legislative process, through the JURI Committee, the Council negotiations, and ultimately the trilogues, can widen the aperture. If the European Parliament and Council broaden the scope of the simplified insolvency procedure beyond innovative startups, fill the gaps on creditor ranking and subrogation, and address the legal basis concerns that several scholars have raised, the 28th regime could yet become the game-changer that the single market needs. If they cannot, Europe will have added a twenty-eighth layer to its insolvency patchwork rather than replacing it. And Draghi's vision of a truly integrated capital market will remain aspirational. Either way, the status quo has shifted. The conversation is no longer about whether Europe needs a common insolvency framework, but about how far and how fast it is willing to go. For creditors, insurers and businesses in general: the message is clear: prepare for change, but do not stop learning national law just yet.

In Western Europe, most countries look set for a persistently high number of insolvencies, well above their pre-pandemic levels, despite some downside trend reversals. In 2025, Western Europe remained a key contributor to the global rise in insolvencies despite a slower rebound (+7% y/y from +11% in 2024) resulting from mixed outcomes: (i) a stabilization in the UK and Sweden; (ii) a noticeable deceleration in the two largest markets of the Eurozone, namely Germany (+10%) and France (+4%); (iii) a significant increase in Italy (+26%) and Switzerland (+38%) and (iv) a downside trend reversal in the five other countries (e.g. Denmark, Ireland, the Netherlands, Portugal and Spain). Looking ahead, we expect a prolonged increase in business insolvencies at the regional level (+3% y/y), with a similar tempo for the Eurozone (+3%). This represents slightly more cases than anticipated prior to the start of the war in the Middle East: +4pps and +2pps, respectively in relative terms, meaning that the direct toll from the Middle East represents +3,750 and +2,980 additional cases for 2026, for Western Europe and the Eurozone, compared to the modest rises expected previously (less than 900 and 500 cases, respectively). This would mark a fifth consecutive year of rising insolvencies. A majority of countries (10 out of 17) would be within the -4%/+4% range, including Germany (+2% to 24,650), France (+2% to 69,900), Belgium (+1% to 11,750) and the UK (-1% to 26,550), still indicating a prolonged high number of cases. The moderate decrease expected for 2027 (-3% and -1% for Western Europe and the Eurozone, respectively), would still lead most European countries to continue largely surpassing their pre-pandemic numbers of insolvencies. In 2027, Switzerland would lead the way (150% above the 2016-2019 average), followed notably by Finland (63%), Sweden (41%), Spain (38%) and several others to a lesser but still significant extent, including Austria, the UK, France, Germany and Belgium.

In Germany, business insolvencies are likely to prolong their upside trend that started in 2023 and saw another broad-based rise across sectors in 2025 – notably for the top six sectors that represent the national count, namely construction (+10%), trade (+15%), professional services (+10%), hospitality (+27%), administrative and support (+12%), and manufacturing (+24%), which recorded another batch of insolvencies of large/well-known firms. We expect the recovery to remain fragile despite the fiscal support, and the geopolitical uncertainties, US tariffs and higher energy prices to maintain the pressure on firms. Business insolvencies could increase by +2.4% in 2026 (i.e.

+1.5 compared to prior to the war in Iran) to 24,650 cases, i.e. a record high since in 2012 – however still well below the levels posted during the GFC (32,000+). At this stage, a marginal reduction is projected for 2027 (-2%), when the ease of war-related pressures and the fiscal stimulus will drive up growth.

In France, business insolvencies are projected to hit a new record in 2026. The annual count already reached 68,625 cases in 2025, i.e. well above pre-pandemic levels (+25% above the 2016-2019 average), with most sectors contributing to the rise, in particular hospitality (+9%), professional services (+7%) and health/social work (+33%), or roughly stable at a high level, notably retail (+1%), with construction as key exception on the downside (-3%) but still accounting for almost one out of five insolvencies. We expect a prolonged high number of cases in 2026 in a context of sluggish growth due to higher inflation sapping the consumer recovery and continuous issues in the construction sector, along with sustained high interest rates. Business insolvencies would increase by +2% to 69,900 cases (compared to 0% prior to the war), before reducing by -3% to around +67,800 in 2027 as economic conditions likely improve.

In the UK, we expect business insolvencies to keep on plateauing in 2026, close to the high level reached in 2024 in 2025, with 26,550 cases i.e. roughly 30% above the levels observed before the succession of shocks and challenges that have impacted firms since Brexit. This would mask uneven trends across sectors, prolonging the disparity observed in 2025 when insolvencies moderately decreased in the top three sectors contributing the most to the national count (-6% for construction, -5% for hospitality, -1% for retail), but increased in manufacturing (+3%), wholesale (+7%), information/communication (+5%) and B2B services (+3%). As the UK's growth momentum is likely to weaken substantially, we expect the various challenges on the business front, notably regarding input costs, wages and rates, to maintain insolvencies high in 2026 (-1% compared to -3% prior to the war) before a larger relief for firms in 2027 (-5%) that would translate to around 25,300 cases in 2027.

In Italy, the acceleration in business insolvencies recorded over the past three years (+9%, +17% and +26% successively in 2023, 2024 and 2025) pushed the country to catch up with most European countries in returning to its pre-pandemic number of cases. Interestingly, all

sectors contributed to the rise in 2025, with double-digit increases across most of them, notably for the top four sectors in the national count, namely trade (+12% y/y), construction (+27%), manufacturing (+21%) and hospitality (+13%). We expect a prolonged rise in 2026 to 12,750 cases (+5% compared to +2% prior to the war) as the economy is to expand modestly, partly due to its structurally high dependence on imported energy and its impact for households and energy-intensive industries. 2027 could see a potential decrease to 12,300 cases

In **Benelux**, the great divide is not over between the Netherlands and Belgium. In Belgium the number of business insolvencies reached a 10-year record again in 2025 with 11,681 cases (+6%), after another noticeable boost from construction (+5%), professional services (+11%), transport/storage (+11%) and real estate (+24%) – but also signs of plateauing for manufacturing (+1%), hospitality (+1%) and trade (-1%). With constant but timid economic growth since mid-2022, the business environment is expected to remain too challenging to prevent a new record high number of insolvencies in 2026 with 11,750 cases (+1% compared to -1% prior to the war), i.e. slightly above the previous historical peak of 2013. A potential decline is projected for 2027 as economic conditions improve (-3% to 11,400 cases). In the Netherlands, business insolvencies remain well below the past records of 2013 (-62%) and 2009 (-54%) while they stood out in 2025 with a substantial decline (-15% following +31% in 2024) resulting from a broad-based trend across sectors, notably from the largest contributors to the national count – i.e. construction (-21%), wholesale (-11%), trade (-15%), professional services (-26%) and hospitality (-8%). At this stage, we anticipate the weaker economic environment for 2026 to renew the pressure on firms and lead to a rebound in business insolvencies to 3,850 cases (+6% compared +4% prior to the war).

Austria already posted a record-high number of insolvencies since 2009, with more than 6,800 cases in 2025 resulting from a prolonged rise (+3%) for the fourth consecutive year, despite uneven dynamics across sectors (double digit rises in transportation/storage and B2B services, moderate increase in trade and hospitalities/ food services, moderate decrease in construction, a noticeable decrease in B2C services and information/communication). We expect the fragile economic outlook, with a slow exit from recession combined with the weakness of the German economy – Austria's most important trading partner – to maintain the pressure, notably on industrial competitiveness and manufacturing. Austria is likely to end 2026 with another high of around 6,750 cases (-1%) before a broad improvement to 6,300 cases in 2027 (-7%).

Spain looks set to remain one of the few outliers compared to regional peers with a prolonged decrease in insolvencies in 2026 (-4%) albeit a softer one compared to 2025 (-6%) when the economy continued to expand faster than Eurozone peers – but without modifying the concentration of insolvencies in trade, construction, manufacturing and hospitality, rather than B2B and B2C services. We expect a contained number of insolvencies to less than 5,400 cases as Spain entered the Iran energy shock better insulated than most European peers (the structural shift toward renewables that reduced the exposure of households and industry to oil prices and the energy pass-through). The solid but softer economic outlook ahead for 2027 should however lead to a slightly higher number of cases, around 5,540 insolvencies (+3%), close to the annual average posted over 2023-2025.

In **Portugal**, we expect business insolvencies to rebound slightly in 2026 and 2027. This would offset the decline posted in 2025 (-4% to 2,361 cases) despite prolonged disparities across sectors – with construction, retail and textiles posting decreases (-2%, -6% and -29%, respectively) but transportation and services on the upside (+46% and +2%, respectively), and across types of firms – with micro companies representing two out of three cases and leading the national trend while insolvencies continue to rise in small and medium firms. Portugal's economic outlook for 2026 has become more nuanced in the wake of the Iran conflict and the ensuing energy shock as energy price pass-through reduced our initial expectations for consumption and investment, leading to a stable pace of growth in 2026 before a moderation in 2027. This outlook should push up business insolvencies slightly to around 2,350 cases in 2026 and 2,460 cases in 2027, i.e. less than averaged in 2018-2020 (2,600).

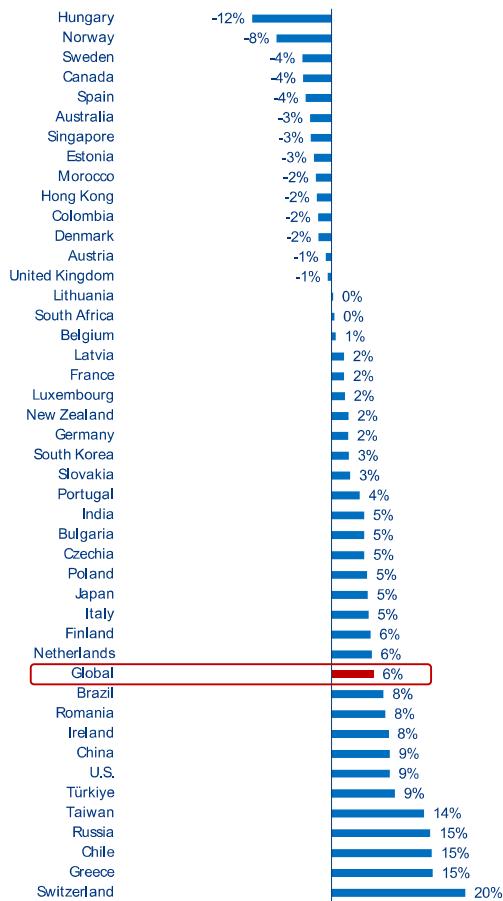
A new historical record is projected in **Switzerland** for 2026, with a sixth consecutive year of increase to 14,000 cases, i.e. twice more than recorded in 2022 and almost three times more than averaged prior to the pandemic. The key factor at play beyond this spike is the new insolvency framework¹² in place since 2025 as the latter is mechanically pushing up the number of firms pursued through bankruptcy proceedings. Yet, the below-average economic outlook, with growth forecasts revised down due to higher energy prices and global uncertainties, is also contributing to the upside trend. At this stage, we anticipate the increase in insolvencies to reach +20% in 2026 from +38% and +17% in 2024 and 2023, respectively, before the start of a normalisation in 2027 (-3%).

¹² Since 1 January 2025, Switzerland has transformed its debt collection system by repealing paragraphs 1 and 1bis of Article 43 of the Federal Law on Debt Collection and Bankruptcy. Public law debts (VAT, taxes, social contributions) can now directly lead to bankruptcy for companies registered in the commercial register, replacing the previous seizure process. This reform affects all registered businesses, including self-employed individuals, aiming to increase financial accountability and combat unfair competition from delayed tax payments. For memo our dataset excludes the specific cases of dissolutions due to organizational deficiencies that refer to the article 731b CO.

In Central and Eastern Europe, the regional picture of a gradual deceleration in business insolvencies from high levels overshadows a batch of uneven dynamics converging to the upside. Our regional index for Central and Eastern Europe recorded a noticeable increase for 2025 (+13%), confirming the trend in place in 2024 (+11%) and 2023 (+25%). We expect a softening in 2026 (+6%) before a widespread downside trend reversal in 2027 that would reduce the regional index by -2% but still mean a high level from a historical perspective. Yet, this regional picture results from uneven dynamics. On one hand, countries that should record a prolonged rise in insolvencies in 2026. These include Türkiye (from +57% in 2025 to +9% expected in 2026 and -9% in 2027), Poland (+13%, +5% and -2%, respectively) and Romania (+4%, +8% and -6%, respectively) – all to post a limited decline in 2027 – while Czechia (+18%, +5% and +4%, respectively) and Slovakia (+10%, +3% and +3%, respectively) would see a continuous rise in 2027. Poland is a special case as the legal environment is leading to a widespread use of simplified restructuring proceedings that often shift

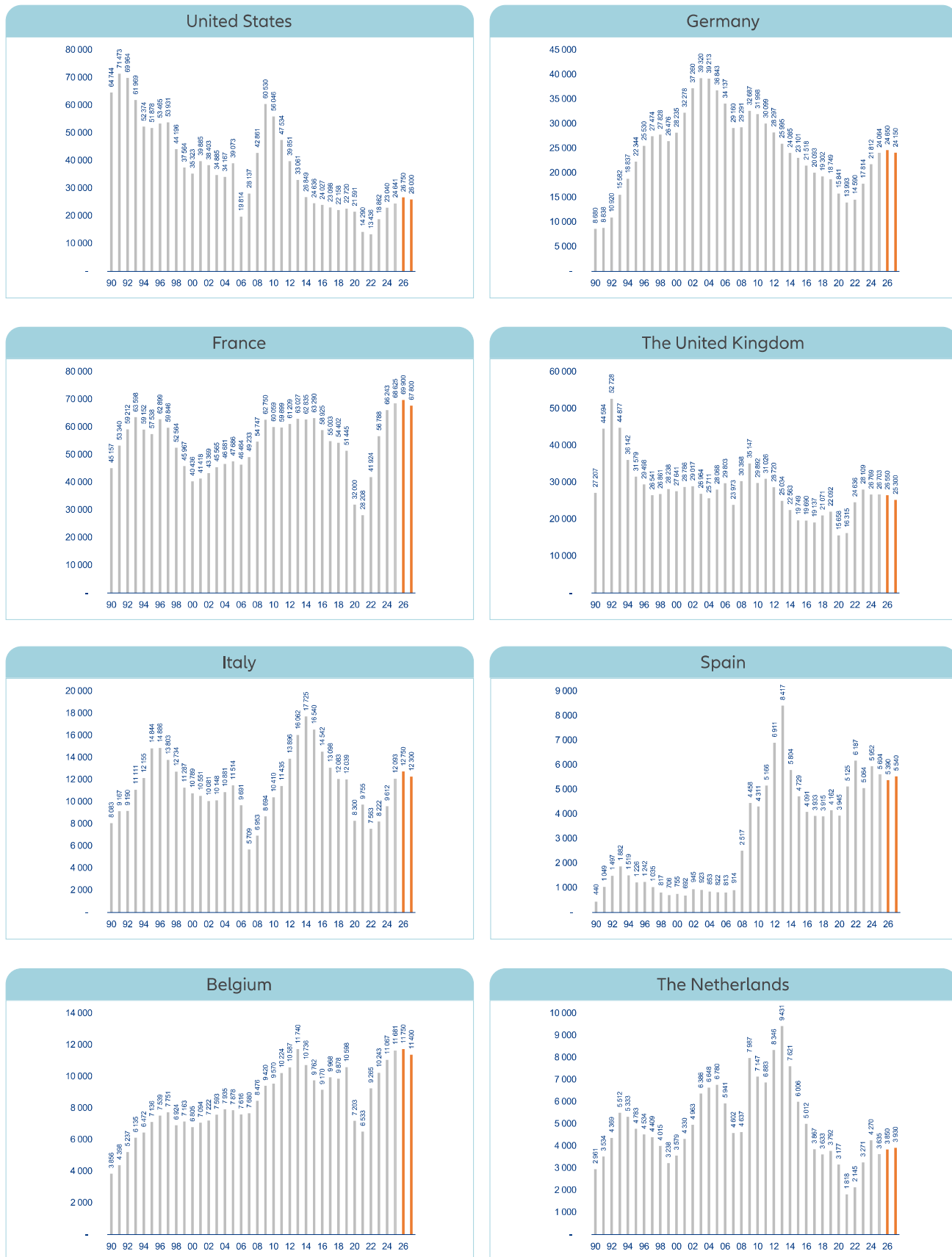
the financial burden onto business partners, primarily SMEs, as the latter effectively bear the cost of supporting struggling companies that are given preferential treatment over creditors. This contributes to a domino effect of insolvency, on top of the structural weakness of Polish SMEs. In Türkiye, we expect cautious monetary policy and higher-than-expected inflation (at around 28% on average) that would lead the Turkish lira on a slight appreciation path against the USD (in real terms) and export-prone companies to continue suffering from lower margins – except in sectors that benefit from high international demand, such as tech, defense, construction and pharmaceuticals. The Baltics and Russia would stand out. The former due to their uneven dynamics resulting from the limited number of cases (965, 280 and 150 cases expected in 2026 in Lithuania, Latvia and Estonia, respectively). The latter due the bounce-back that we anticipate in 2026 (+15%) from the massive drop posted in 2025 (-14%), which would result from the surge in cost of servicing debt and the fall in corporate profits, in particular for the firms not connected to the military-industrial complex.

Figure 16: 2026 business insolvencies, annual changes in %



Source: Allianz Research

Figure 18: 2025-26 expected number of insolvencies, selected advanced economies



Source: Allianz Research

Statistical appendix

	% of Global Index	Business insolvencies level					Business insolvencies growth					Comparison with 2016-2019 average				
		2023	2024	2025	2026f	2027f	2023	2024	2025	2026f	2027f	2023	2024	2025	2026f	2027f
GLOBAL INDEX *	100	129	141	150	160	160	7%	9%	6%	6%	0%	2%	12%	19%	27%	27%
North America Index *	30,5	80	99	102	109	106	41%	23%	3%	7%	-3%	-14%	6%	9%	17%	13%
U.S.	27,8	18 862	23 040	24 641	26 750	26 000	40%	22%	7%	9%	-3%	-18%	0%	7%	16%	13%
Canada	2,3	3 699	4 766	3 675	3 520	3 250	41%	29%	-23%	-4%	-8%	34%	73%	34%	28%	18%
Latin America Index *	3,0	146	159	186	199	186	26%	9%	17%	7%	-6%	0%	9%	27%	36%	28%
Brazil	2,6	2 588	3 169	3 939	4 240	3 950	39%	22%	24%	8%	-7%	-7%	14%	42%	53%	43%
Chile	0,4	1 145	722	723	830	800	6%	-37%	0%	15%	-4%	-6%	-41%	-41%	-32%	-35%
Colombia	0,5	1 411	1 699	1 735	1 700	1 600	16%	20%	2%	-2%	-6%	37%	65%	69%	65%	56%
Europe Index *	26,9	90	102	113	118	116	19%	14%	10%	5%	-2%	12%	28%	41%	47%	44%
EU27+UK+Norway Index *	22,7	115	126	135	137	134	25%	10%	7%	2%	-2%	27%	40%	49%	52%	48%
EU27 Index *	18,3	110	125	136	139	137	28%	14%	8%	3%	-2%	25%	43%	55%	59%	56%
Euro zone Index *	15,3	82	97	104	106	105	17%	18%	7%	3%	-1%	-3%	14%	22%	25%	23%
Western Europe Index *	21,5	99	110	117	121	117	17%	11%	7%	3%	-3%	9%	21%	30%	33%	30%
Germany	5,4	17 814	21 812	24 064	24 650	24 150	22%	22%	10%	2%	-2%	-11%	10%	21%	24%	21%
United Kingdom	3,9	28 109	26 769	26 703	26 550	25 300	14%	-5%	0%	-1%	-5%	37%	31%	30%	30%	23%
France	3,8	56 788	66 243	68 625	69 900	67 800	35%	17%	4%	2%	-3%	3%	21%	25%	27%	23%
Italy	2,8	8 222	9 612	12 093	12 750	12 300	9%	17%	26%	5%	-4%	-36%	-26%	-7%	-1%	-5%
Spain	1,9	5 064	5 952	5 604	5 390	5 540	-18%	18%	-6%	-4%	3%	26%	48%	39%	34%	38%
Netherlands	1,2	3 271	4 270	3 635	3 850	3 930	52%	31%	-15%	6%	2%	-20%	5%	-11%	-6%	-4%
Switzerland	1,0	7 238	8 475	11 694	14 000	13 520	7%	17%	38%	20%	-3%	34%	57%	116%	159%	150%
Sweden	0,8	8 842	10 748	10 711	10 250	9 500	30%	22%	0%	-4%	-7%	32%	60%	59%	52%	41%
Belgium	0,7	10 243	11 067	11 681	11 750	11 400	11%	8%	6%	1%	-3%	3%	12%	18%	19%	15%
Ireland	0,5	663	875	812	880	820	25%	32%	-7%	8%	-7%	-18%	8%	0%	9%	1%
Norway	0,6	4 517	4 543	4 245	3 900	3 800	22%	1%	-7%	-8%	-3%	-6%	-5%	-11%	-18%	-21%
Austria	0,6	5 380	6 587	6 810	6 750	6 300	13%	22%	3%	-1%	-7%	6%	30%	34%	33%	24%
Denmark	0,5	3 076	2 491	2 376	2 330	2 340	9%	-19%	-5%	-2%	0%	27%	3%	-2%	-3%	-3%
Finland	0,4	3 315	3 482	3 906	4 130	3 970	25%	5%	12%	6%	-4%	36%	43%	60%	70%	63%
Portugal	0,3	2 248	2 361	2 256	2 350	2 460	15%	5%	-4%	4%	5%	-26%	-22%	-25%	-22%	-19%
Greece	0,3	271	304	557	640	700	130%	12%	83%	15%	9%	193%	229%	502%	592%	657%
Luxembourg	0,1	919	1 159	1 187	1 210	1 100	-9%	26%	2%	2%	-9%	-17%	5%	7%	9%	-1%
Central & Eastern Europe Index *	5,5	153	170	192	204	201	25%	11%	13%	6%	-2%	40%	55%	76%	86%	83%
Russia	2,2	7 396	8 477	6 477	7 420	8 400	-18%	15%	-24%	15%	13%	-43%	-34%	-50%	-42%	-35%
Türkiye	1,1	932	1 357	2 131	2 330	2 120	-41%	46%	57%	9%	-9%	-55%	-35%	3%	12%	2%
Poland	0,8	4 467	4 839	5 492	5 780	5 650	70%	8%	13%	5%	-2%	387%	427%	499%	530%	516%
Romania	0,3	6 650	7 274	7 553	8 150	7 700	0%	9%	4%	8%	-6%	-18%	-10%	-6%	1%	-5%
Czechia	0,3	5 639	5 921	6 964	7 300	7 600	-4%	5%	18%	5%	4%	-25%	-21%	-7%	-3%	1%
Hungary	0,2	20 751	15 485	14 388	12 700	11 200	146%	-25%	-7%	-12%	-12%	225%	143%	126%	99%	76%
Slovakia	0,1	2 023	1 880	2 077	2 134	2 200	12%	-7%	10%	3%	3%	40%	30%	44%	48%	52%
Bulgaria	0,1	507	484	439	460	470	-7%	-5%	-9%	5%	2%	9%	4%	-5%	-1%	1%
Lithuania	0,1	1 037	1 089	963	965	990	0%	5%	-12%	0%	3%	-56%	-54%	-59%	-59%	-58%
Latvia	0,0	252	297	275	280	270	-18%	18%	-7%	2%	-4%	-59%	-52%	-55%	-54%	-56%
Estonia	0,0	141	160	154	150	145	41%	13%	-4%	-3%	-3%	-1%	13%	8%	6%	2%
Africa Index *	0,6	125	128	126	125	124	0%	2%	-1%	-1%	-1%	17%	20%	18%	17%	16%
South Africa	0,5	1 657	1 551	1 534	1 540	1 590	-13%	-6%	-1%	0%	3%	-14%	-19%	-20%	-20%	-17%
Morocco	0,2	14 245	15 658	15 307	14 950	14 300	15%	10%	-2%	-2%	-4%	77%	95%	91%	86%	78%
Asia-Pacific Index *	38,9	181	187	197	210	217	-6%	3%	5%	7%	3%	1%	4%	10%	17%	21%
China	18,7	6 481	6 653	7 138	7 750	8 150	-14%	3%	7%	9%	5%	-14%	-12%	-6%	2%	8%
Japan	6,8	8 690	10 006	10 300	10 850	11 200	35%	15%	3%	5%	3%	4%	20%	23%	30%	34%
India	3,7	1 095	855	649	680	710	-12%	-22%	-24%	5%	4%	-5%	-26%	-43%	-41%	-38%
South Korea	2,3	1 657	1 940	2 282	2 340	2 150	65%	17%	18%	3%	-8%	109%	144%	187%	195%	171%
Australia	1,9	7 008	10 729	11 774	11 400	10 500	42%	53%	10%	-3%	-8%	10%	69%	85%	80%	65%
Taiwan	0,8	174	139	132	150	160	-18%	-20%	-5%	14%	7%	-18%	-35%	-38%	-30%	-25%
Singapore	0,5	201	304	392	380	360	-7%	51%	29%	-3%	-5%	-5%	43%	85%	79%	70%
Hong Kong	0,5	354	443	644	630	570	17%	25%	45%	-2%	-10%	26%	58%	130%	125%	104%
New Zealand	0,3	1 968	2 760	3 123	3 200	2 800	20%	40%	13%	2%	-13%	-6%	32%	49%	53%	34%

(*) Index 100: 2015, GDP 2025 weighing at current exchange rates

Sources: national figures, Allianz Research (f:forecasts)



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