dun & bradstreet

2026 REPORT

Global Bankruptcy

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Introduction

Welcome to the 2026 edition of the Dun & Bradstreet Global Bankruptcy Report. In an increasingly complex and volatile economic environment, this report delivers critical insights to help businesses anticipate risk, strengthen resilience, and identify new growth opportunities.

Since its inception in 2004, the Worldwide Network (WWN) has been a trusted partner to businesses around the world, providing unparalleled access to a comprehensive and reliable global data ecosystem.

This year's Global Bankruptcy Report covers bankruptcy data from 45 markets, a testament to the collective strength of the WWN and our unwavering commitment to providing accurate, timely, and relevant information. The breadth of this coverage enables both a robust global overview and meaningful regional comparisons, offering a truly comprehensive perspective on insolvency trends worldwide.

I extend my appreciation to our esteemed members who have played a pivotal role in contributing their local bankruptcy data — Altares, CIAL D&B, CRIF, D&B Hong Kong, D&B India, D&B Indonesia, D&B SAME, D&B Singapore, D&B Taiwan, D&BUS/Canada, D&B UK, D&B Europe, D&B China, Illion, Informa, Interfax, NICE D&B, and TSR for their invaluable contributions of local market data and expertise.

The data featured in this report has been meticulously analyzed and validated by D&B's Country Insight team of experienced economists, ensuring the highest standards of quality and consistency.

We trust that this edition of the Global Bankruptcy Report will support informed decision-making and help businesses navigate uncertainty with greater confidence.

SABINE LEFERINK
Senior Vice President | Worldwide Network

Preface

At Dun & Bradstreet, we have been tracking company performance for decades, helping businesses anticipate risks and navigate periods of financial uncertainty.

A clear turning point was reached in 2025, following a two year period of rapid increase in business bankruptcies after Covid-era emergency support was reduced. The pace of increase in overall bankruptcies slowed noticeably, even as bankruptcy levels in many economies remained above their pre-pandemic levels. The year progressed with a clearer sense of stabilization in many markets as monetary conditions remained tight but predictable, inflation settled into more manageable ranges, and financing expectations adjusted in a more orderly way.

Across the 45 economies monitored by Dun & Bradstreet, bankruptcy filings grew by 7% in 2025, compared with 15% in 2024. The share of economies experiencing growth in bankruptcies declined from 69% to 62%, reflecting a broader cooling in the momentum of bankruptcies. Several major markets, including the U.S., Switzerland, Germany, Argentina, and Vietnam, continued to register meaningful increases in bankruptcies, and their performance reinforced the importance of close monitoring in large, globally integrated economies.

Looking ahead, the global business environment remains fluid. Geopolitical realignments, evolving trade patterns, shifting currency environments, and policy uncertainty will continue to shape how businesses manage cross-border relationships and financial exposure.

In this environment, businesses should use AI-driven, real-time intelligence to continuously monitor customers, suppliers, and partners for emerging stress signals. Credit risk should be reassessed frequently using clean, trusted data to make reliable financial risk decisions that protect your business. Diversifying counterparties and building contingency plans around macroeconomic and geopolitical scenarios can significantly enhance resilience. Most importantly, decision-making should remain anchored in data-driven insights, not sentiment or short-term market noise.

Our report provides the latest perspectives on the forces shaping financial stability in the year ahead. As always, Dun & Bradstreet leads the market in enabling businesses to anticipate risk, act decisively, and strengthen resilience by embedding trusted data and intelligence into critical financial decisions. We welcome your feedback and look forward to supporting your goals in 2026.

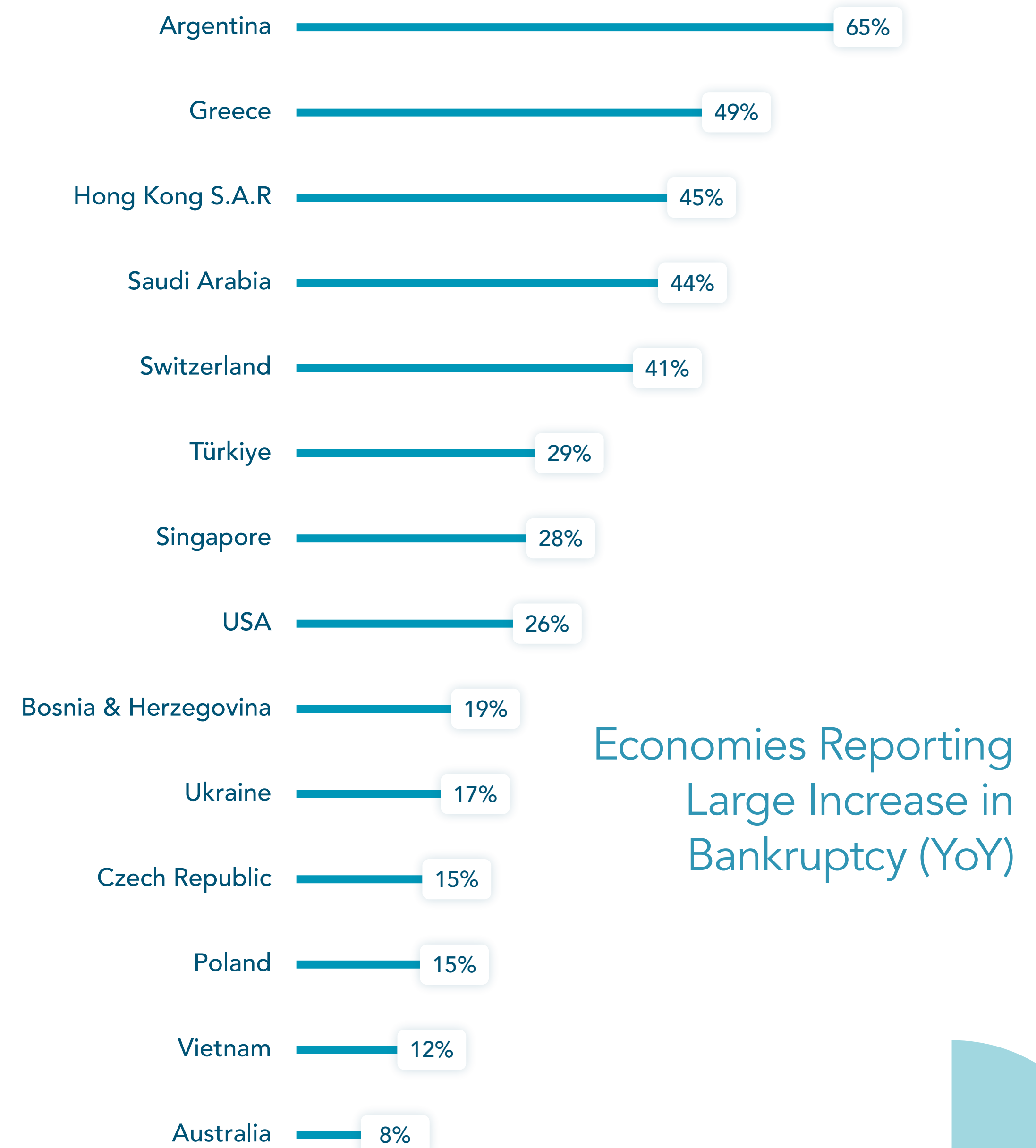
JULIAN PROWER
Chief Operating Officer |
Global Markets, Dun & Bradstreet

Overall Commentary

Global economic conditions in 2025 marked a period of gradual stabilization following several years of volatility. Across the 45 economies monitored by Dun & Bradstreet, bankruptcy filings rose by 7% — a clear moderation from the sharp 15% increase recorded in 2024. This easing in the rate of bankruptcies occurred alongside a more supportive macroeconomic backdrop. Inflation receded across many major economies as energy and food prices declined, helping alleviate the input-cost pressures that had accumulated during the prior inflationary cycle.

Energy markets, in particular, provided notable relief. Benchmark Brent crude prices averaged about $69/bbl in 2025, down from roughly $81/bbl the previous year, as over-supply and substantial stock builds exerted downward pressure on prices. The easing of oil markets helped lower operating costs for energy-intensive sectors such as manufacturing and logistics. At the same time, food commodity prices continued to soften. The global food price index declined by 6% in 2025, offering margin relief to consumer-facing industries that had been heavily exposed to earlier spikes in agricultural input prices.

These favorable cost dynamics coincided with a broad monetary policy pivot. Major central banks moved decisively toward easing, with the U.S. Federal Reserve delivering a cumulative 75bps of cuts and the European Central Bank reducing policy rates by 100bps between December 2024 and December 2025. The resulting improvement in financial conditions supported liquidity, eased credit burdens, and helped moderate bankruptcy activity relative to the previous year's surge.



The global trade environment also experienced a temporary, policy-driven lift. In anticipation of higher U.S. import tariffs, firms accelerated shipments to the country, resulting in a 26% surge in U.S. imports in Q1 2025, compared with a modest 1% increase in the same period a year earlier. This front-loading of trade flows, combined with the signing of targeted trade agreements, provided short-term support to global activity and helped buffer the economy from the immediate effects of tariff uncertainty.

Looking ahead to 2026, the balance of risks suggests that bankruptcies may edge higher once again. Even though trade policy uncertainty retreated from its April 2025 peak, it remained firmly above the Covid pandemic level as of January 2026, continuing to weigh on business sentiment, investment planning, and firms' willingness to commit to longer-term capital expenditures. Persistent ambiguity around the direction of global trade rules and tariff actions is likely to keep many companies cautious, reinforcing pressures on liquidity and operational flexibility. Heightened geopolitical tensions or an escalation of existing conflicts could disrupt trade routes, unsettle commodity markets, and impair supply chain stability. Under such circumstances, already-leveraged firms — particularly those dependent on short-term financing — may face increased refinancing stress, heightening the risk of financial distress.

DR. ARUN SINGH
Chief Economist | Dun & Bradstreet

Key Takeaways

In 2025, bankruptcies declined across 17 of the 45 markets we monitor, the highest proportion of markets with falling bankruptcies in four years.

Despite this, the total number of bankruptcies rose 7.1% to 627,575 in 2025. However, the increase was far slower than the 14.7% rise seen in 2024.

A sharp jump in the U.S. average tariff rate in 2025 and frequently revised trade policy decisions led to severe uncertainty among exporters globally that relied on the U.S. market.

While the sudden onset of external turbulence in 2025 would have been enough to tip financially distressed firms out of business, it was unlikely to force businesses with strong fundamentals into severe trouble. Larger, stronger firms were more likely to postpone capital expenditure plans and absorb lower profit margins than be forced into bankruptcy.

Even as many central banks cut interest rates across 2024 and 2025, financial conditions for many businesses tightened across 2025 as trade uncertainty amplified currency volatility and financing costs.

Across 23 economies, post-pandemic policy withdrawal and higher operating costs pushed bankruptcies beyond the pre-Covid norm rather than merely back to it.

Businesses in Ukraine continued to suffer the impact of the war, with an 82.5% compounded annual growth rate (CAGR) over the past five years — the greatest increase globally.

Between 2024 and 2025, the largest increase in bankruptcies were seen in Argentina (64.6%), Greece (48.8%), Hong Kong S.A.R. (44.6%), Saudi Arabia (44.4%), and Switzerland (40.5%).

The biggest declines were seen in Colombia (-71.4%), Indonesia (45.7%), Belarus (35.4%), and Kazakhstan (31.5%).

Dun & Bradstreet's Global Business Optimism Insights (GBOI) report for Q1 2026 revealed a broad-based upturn in business confidence — anchored by clearer policy paths, steadier financing, and supply chain normalization. However, global optimism remains subdued relative to the start of 2025, reinforcing our view that businesses will act with caution considering volatile trade and economic relationships.

NOTE For consistency, this report uses the term "bankruptcy" throughout. It should be noted, however, that definitions and legal frameworks differ across jurisdictions, and the data may therefore capture slightly different forms of insolvency or business failure across regions. Please reach out if you would like to learn more about the type of data used in a given region.

Global bankruptcies have increased at a 9.3% CAGR in the wake of the pandemic over the past five years.

Bankruptcies in France, Switzerland, Sweden, Australia, Singapore, and Argentina reached the highest on record.

Bankruptcies in 2025 were sharply below 2019 levels in Colombia, South Korea, Russia, and Croatia.

ANALYSIS OF BUSINESS FAILURES

Regions

REGION

Asia Pacific

Bankruptcies across the Asia Pacific region in 2025 reflected a landscape shaped by divergent monetary paths, uneven demand recovery, and shifts in supply chains. While the aggregate data in the regional panel shows a modest rise in bankruptcies, the underlying narrative is far from uniform. The year was marked by heightened stress in rate-sensitive economies, persistent churn in formalizing markets, and a widening performance gap between capital-intensive manufacturers and service-oriented SMEs.

- Among advanced economies, Australia remained a major stress point in 2025. Bankruptcies kept rising, especially in construction, retail, and personal services, as shown in monthly Australian Securities and Investments Commission (ASIC) liquidations. High interest rates were the main driver: the Reserve Bank of Australia (RBA) stayed tight, pushing up borrowing costs and forcing many small builders, subcontractors, and suppliers into bankruptcy as projects slowed and refinancing risks grew. Labor shortages and expensive imports added pressure. This reflects the broader APAC trend of construction being the most rate-sensitive sector.
- Japan experienced a moderate rise in bankruptcies as post-pandemic normalization continued. Tokyo Shoko Research data shows more SME failures in accommodation, food and beverage, and small manufacturing. A weaker yen made imports costlier, squeezing firms unable to raise prices, while uneven domestic demand slowed service sector recovery. Though large firms stayed resilient due to strong cash buffers, smaller SMEs faced persistent strain from labor shortages and cost-push inflation. These pressures aligned with the Bank of Japan's gradual move away from ultra-easy policy.

KEY TAKEAWAY

Asia Pacific bankruptcies rose modestly in 2025, driven by rate-sensitive stress in Australia, post-pandemic SME normalization in Japan and Singapore, and structural business churn in the Taiwan region and Vietnam. High interest rates pushed construction-linked insolvencies higher in Australia, while Japan's SMEs faced yen-driven import-cost pressures. Vietnam and Taiwan region continued to record large volumes of micro-enterprise exits as credit tightened and formalization deepened. Regional dynamics were shaped by monetary divergence, property-cycle spillovers, and supply-chain restructuring linked to Chinese capacity discipline.

- Singapore saw business closures return toward long-run norms, with more liquidations in 2025, especially among small service sector firms such as retail, logistics brokers, and small traders. Tourism and professional services improved, but domestic SMEs struggled with high rents, rising wages under progressive-wage policies, and slower goods trade activity.

Bankruptcies in Taiwan Region and Vietnam were driven more by structural factors than short-term cycles. Taiwan Region continued to record very high closures — mainly de-registrations and formal liquidations — even as semiconductor restocking helped exporters. Domestic SMEs kept exiting due to demographic pressures and rising costs. Vietnam extended its multi-year wave of closures, reflecting tighter bank credit after the 2022–24 fraud clean-up, property sector spillovers, and ongoing formalization of the business base.

Across APAC, three region-wide drivers shaped 2025 outcomes. First, monetary policy divergence narrowed late in the year — Japan's slow normalization, Australia's prolonged restraint, and Chinese Mainland's easing cycle produced varied credit conditions that directly influenced SME survival. Second, supply-side restructuring — especially Chinese capacity discipline in steel, cement, and solar PV — reverberated through upstream Asian suppliers, raising bankruptcy risk for sub-scale manufacturers from Taiwan Region to Southeast Asia. Third, the property cycle remained a common drag: from Australia's construction failures to Vietnam's developer-linked credit tightening, real estate continued to shape bankruptcy geography.

The baseline for 2026 is one of stabilization with pockets of vulnerability. Australia's bankruptcies may remain high through early 2026 until rate cuts filter through. Japan's SME failures could plateau if wage growth and consumption firm up. Singapore should remain stable, though it is sensitive to global trade. Taiwan Region and Vietnam are likely to see continued heavy formal exits as registry cleansing and credit discipline persist. In contrast, South Korea looks set for another relatively steady year, barring semiconductor volatility. Overall, APAC's 2026 trajectory hinges on global demand, particularly for electronics and commodities, and the effectiveness of monetary easing across the region.

KEY DATA POINT

APAC business bankruptcies increased in 2025, with Australia, Japan, Singapore, Taiwan Region, and Vietnam contributing most to the rise. Construction, services SMEs, and micro-enterprises accounted for much of the pressure.

REGION

Eastern Europe & Central Asia

Across the region, most economies moved toward a conventional normalization cycle in 2025. The improvement in bankruptcies was led by Belarus (-35.4% y/y), Kazakhstan (-31.5%), Russia (-11.7%), and Bulgaria (-7.6%); however, bankruptcies rose in Türkiye (+28.7%) and Ukraine (+17.5%). Romania showed a marginal increase (3.8%).

Belarus posted the steepest decline (-35.4%), reflecting an economy reshaped by intensified Western sanctions — including new US and EU rounds in 2024-25 — and a deepening dependence on Russia; these shocks forced an aggressive re-sorting of the corporate sector in 2024, accelerating the exit of under-capitalized and trade-exposed firms (bankruptcies increased by 43.5%). By 2025, the remaining population of businesses was smaller and more state-linked, resulting in reduced bankruptcy incidence. Kazakhstan followed with a 31.5% reduction, supported by a resilient economy, continued fiscal support, and moderating (though still elevated) inflation; strong hydrocarbons revenues, public investment, and relatively accommodative credit conditions for corporates helped preserve cash flows, ensuring that business activity remained in expansion territory, aligning with lower bankruptcy incidence. Russia's 11.7% fall corresponds to a policy-tight environment and sustained sanctions/countersanctions pressure, which have re-routed payment channels, increased import-substitution dependency, and culled weaker firms earlier in the cycle — limiting the pool of failures by 2025. Bulgaria recorded a 7.6% decline, supported by robust domestic demand, strong household credit, and resilient GDP momentum through 2024-H1 2025.

By contrast, Türkiye's bankruptcies rose 28.7% (vs. 23.0% in 2024) as financing conditions stayed very tight despite a gradual easing cycle. After peaking at 50.0% (March 2024), the Central Bank of the Republic of Türkiye (CBRT) began cutting its policy rate in December 2024, reducing it to 47.5%, before cutting it through 2025, to 38.0% by December that year — levels that still implied high real borrowing costs for much of the year and constrained

KEY TAKEAWAY

Regional bankruptcies fell 4.8% y/y to 17,750 in 2025, from 18,641 in 2024. The improvement was driven by sharp declines in Kazakhstan, Belarus and Russia. In contrast, Türkiye and Ukraine recorded strong increases, reflecting continued stress from tight financial conditions and wartime disruptions, while Romania saw only marginal deterioration.

credit to SMEs. Bankruptcies in Ukraine rose 17.5% in 2025, but this came on top of a 126.0% y/y surge in 2024, indicating bankruptcies have plateaued at a much higher war-time level rather than normalizing. The persistence reflects operating frictions — repeated attacks on energy infrastructure, logistics bottlenecks, and elevated risk premia — that keep financing costly and business continuity fragile despite policy support and donor programs.

To frame what's driving the 2025 pattern, three forces stand out: where the decline is concentrated, how financial conditions split outcomes, and the structural wartime drag in Ukraine.

01 WEIGHT OF THE DECLINE IS CONCENTRATED

The region's net decline (891) masks sizable offsets: Russia (704) and Kazakhstan (427) together delivered a gross reduction of 1,131 bankruptcies, which more than offsets increases elsewhere (notably Romania, Ukraine and Türkiye), leaving a smaller net regional fall.

02 FINANCIAL CONDITIONS BIFURCATION

Where the policy stance remained tight despite a gradual easing cycle, bankruptcies climbed — reflecting still-elevated real borrowing costs and constrained SME credit. By contrast, where buffers and growth proved resilient despite high rates — Kazakhstan's economy grew ~4.9% in 2024 and Bulgaria saw solid consumption and credit momentum in 2024-H1 2025 — bankruptcies fell.

03 WAR-ECONOMY FRICTIONS

Repeated attacks on energy infrastructure, damaged logistics, and large capital-stock losses keep bankruptcy risk structurally elevated versus peers, meaning Ukraine's bankruptcy dynamics remain detached from the broader regional normalization cycle.

KEY DATA POINT

The combined share of Türkiye and Ukraine in regional bankruptcies rose from 12.2% in 2024 to 15.3% in 2025 — a +3.1pps shift.. This shift highlights how localized stress — tight real credit conditions in Türkiye and war-related operational disruption in Ukraine — increasingly offsets easing elsewhere.

REGION

Western & Central Europe

The number of bankruptcies in Western & Central Europe grew for the fourth consecutive year in 2025, to 193,987.

However, the rate of increase in bankruptcies slowed to 5.4%, from an 11.9% increase in 2024 and a 16.1% rise in 2023, as two factors have played out:

01 Central Banks Have Been Able to Cut Interest Rates Since 2023

- As the 2021-22 surge in inflation has diminished, central banks in the region have been able to cut interest rates. The European Central Bank (ECB) eased a cumulative 235bps over 2024-25, the Bank of England (BoE) cut 150bps, and the Swiss National Bank (SNB) cut 175bps.
- Central banks in the emerging economies in the region were able to cut interest rates earlier; the Czech Republic and Hungary cut 300bps and 650bps, respectively, across 2023-24, with no policy changes in 2025. However, this aggressive, early approach did not result in uniform outcomes for businesses. In 2025, bankruptcies fell in Hungary for the first time in three years, but they rose in the Czech Republic across both 2024 and 2025.

02 The Volatile Post-Pandemic Shake-Out of Business Bankruptcies Diminishes

- As pandemic-related emergency support measures diminished, the number of bankruptcies rose substantially across the region in 2022 and 2023. This represented a "clearing out" of businesses that were only able to survive across 2020 and 2021 due to government support. This trend appears to be diminishing with the slowing pace of bankruptcies; 9 out of 17 countries in the region reported fewer bankruptcies in 2025 than 2019.

KEY TAKEAWAY

Bankruptcies increased in 2025 but the pace continued to slow, as monetary stimulus has gradually passed through to businesses ahead of a positive outlook for 2026.

Of the 20 countries in the region, 15 recorded an increase in the number of bankruptcies in 2025. Bankruptcies surged particularly in Greece (+48.8%) and Switzerland (+40.5%). Conversely, bankruptcies fell sharply in the Netherlands (-15.1%), and Serbia (-15.0%)

In 2025, business bankruptcies reached the highest level since we started tracking this data in Belgium, France, Luxembourg, Poland, and Switzerland, suggesting the post-pandemic shake-out of underperforming businesses still has further to run.

One in three bankruptcies in the region in 2025 occurred in France, the most of any country. This result is to be expected, as France has the most businesses in the EU due to very low barriers to entry for registering a business, including one-person businesses that are typically omitted from statistics collected elsewhere. In 2024, France had 5.1 million registered businesses, according to Eurostat. The next country with the greatest number of registered businesses was Italy, at 4.5 million — almost double the 2.7 million businesses in the U.K., according to the Office for National Statistics (ONS) in March 2025.

The conditions for lending are a contributor to whether businesses survive or are forced into bankruptcy, as debt can be used to prolong the lifecycle of a business. Across Q2-Q4 2025, all five euro area countries (France, Germany, Italy, the Netherlands, and Spain) included in Dun & Bradstreet's GBOI survey reported lower levels of optimism for financing conditions compared to a year earlier) This is consistent with data collected by the ECB, which shows that the lending standards of bank loans to enterprises tightened in two out of the first three quarters of 2025. This comes despite the ECB cutting its main refinancing rate by 235bps between May 2024 and June 2025. The tightening of lending standards on loans to businesses through 2025 likely reflected the elevated uncertainty about the economic outlook.

Euro area growth is expected to be more broad-based across economies in 2026; we expect 18 out of 20 eurozone economies to post GDP growth above 1% for the first time since 2018. This will, in part, be driven by fiscal stimulus by the German government to upgrade infrastructure and expand military capabilities. The expected spillover to the rest of the region should support demand, particularly in manufacturers of capital goods. Further, trade deals secured by the EU, the U.K., and the European Free Trade Association (EFTA) provide certainty and new opportunities for manufacturers.

The risk to consumer-facing businesses is more balanced for 2026, as lower borrowing costs, reduced uncertainty, stable energy prices, and buoyant wage growth should drive disposable incomes higher. However, unemployment is high in many key markets, such as the U.K., which will rein in optimism and prevent an increase in spending.

KEY DATA POINT

15 out of 20 economies in Western & Central Europe registered an increase in bankruptcies in 2025, less than the 16 that reported increases in 2024.

REGION

Latin America

Bankruptcies across Latin America rose by 32.6% in 2025 to 5,615, reversing the steady post-pandemic declines recorded between 2021 and 2024.

The increase reflects the region's entry into a period of slowing growth, with GDP estimated to have decelerated to 2.1% in 2025, and widening differences in financial conditions across countries; trends we expect to continue into 2026. Slower activity has weakened firms' revenues and operating cash flow, reducing their ability to absorb higher costs or service debt. This has occurred even though inflation eased in most major economies, including Argentina, Brazil, Chile, and Peru, and several major central banks shifted to a more expansionary stance — with the notable exception of Brazil, which kept its policy rate at a high 15% at the end of 2025.

ARGENTINA

Argentina experienced a sharp rise in bankruptcies in 2025, with filings increasing by 64.6% y/y to 5,515. Sharp cuts in public spending and subsidies under President Javier Milei's reform program led to a pronounced decline in domestic demand, while a surge in import competition linked to the president's trade liberalisation agenda further strained operating conditions for firms exposed to foreign competitors. Real interest rates remained highly elevated over the year due to rapid disinflation, keeping financing and debt servicing costly. Manufacturing and retail activity contracted by 8.2% and 6.4% y/y, respectively, in November, reflecting the broad impact of weaker demand and tighter financial conditions. This is evidenced by well-established companies going bankrupt, including Celulosa Argentina, a major paper manufacturer, which filed for bankruptcy protection in September. Argentina has entered 2026 on firmer ground, supported by stronger market confidence, a fiscal surplus, and IMF-aligned reforms that underpin macroeconomic stability. Sustained disinflation should ease cost pressures, but currency volatility under the new inflation-linked exchange rate band (in place since January 2026), high real borrowing costs, and a heavy repayment schedule will continue to weigh on corporate finances.

KEY TAKEAWAY

Bankruptcies surged across Latin America in 2025, reversing the steady post-pandemic declines seen between 2021 and 2024, as firms struggled with slowing growth, high debt-servicing costs, political and trade uncertainty, and uneven credit access. Bankruptcies are likely to worsen or, at best, stabilize in 2026, with weaker growth, uneven financing conditions, and heightened political risk keeping pressures elevated.

BRAZIL

Under the revised 2025 methodology used by Dun & Bradstreet's Brazilian data partner, Brazil recorded the second-highest number of bankruptcies in the region, after Argentina. Bankruptcies and judicial reorganizations are reported to have risen sharply, particularly in the agribusiness sector (including soyabean producers), over the year. Tight financing constraints — reflected in a 15% Selic rate at end-2025 and lending rates close to 59% — and weak consumer demand drove many companies into distress and contributed to a high share of restructurings, with several resulting in liquidation. Notable cases include environmental services company Ambipar, which filed for bankruptcy protection in October 2025 with around $1.94 billion in debt, and Olvebra, a food manufacturer that shut down in April following an earlier reorganization attempt. Financial conditions should start to ease once rate cuts begin at the end of Q1 2026, and the removal of the U.S.'s additional 40% tariffs on key agricultural goods (from November 2025) will offer some relief to export-oriented firms. Even so, bankruptcy pressures are likely to persist through 2026, with growth expected to slow due to the lagged impact of earlier tight monetary policy.

COLOMBIA

In contrast, Colombia recorded the sharpest annual fall in business bankruptcy filings globally in 2025, declining by 71.4% to 100 cases, driven by a broad-based dip across sectors. The improvement partly reflects the feedthrough impact of Law 2437, approved in December 2024, which gives permanent status to key pandemic-era restructuring tools that have consistently helped improve the bankruptcy landscape and supported a steady decline in bankruptcies in the country since 2021. The law has officially introduced fast-track insolvency procedures for micro and small firms, clearer rules on debtor financing and debt discharge, and faster electronic processing. These measures are expected to continue strengthening business stability in 2026. Even so, firms will still face pressures from currency volatility and elevated labor costs, including a 23% minimum wage increase in December 2025, which will compress margins for labor-intensive sectors.

Agribusiness, construction and real estate, retail and consumer goods, and hospitality remain among the sectors at elevated risk of bankruptcy, given their sensitivity to subdued domestic demand and the mounting capital pressures seen across Latin America. Manufacturing firms, particularly in Mexico, are also likely to remain under strain as U.S. trade policy uncertainty and the risk of tariff-related shocks weigh heavily on export-oriented industries.

Looking ahead, the regional bankruptcy outlook for 2026 reflects a combination of elevated risks and selective opportunities. High debt-servicing burdens, fiscal fragility, and subdued domestic demand will continue to put pressure on firms. Growth is expected to slow in Brazil and Argentina and to remain soft in Mexico ahead of the United States–Mexico–Canada Agreement (USMCA) renewal in July 2026. Geopolitical tensions, including increased

U.S. counter-narco-terrorism activity in the region (as noted in Venezuela in early 2026), add further uncertainty. Moreover, high crime rates will continue to raise security-related operating costs and compress margins for vulnerable businesses.

At the same time, D&B expects lower inflation and expected sustained easing by the U.S. Federal Reserve to allow for broadly synchronized rate cuts across the region, gradually improving liquidity conditions. Institutional reform efforts in countries such as Colombia and Argentina are also likely to help viable firms restructure rather than move into liquidation.

Overall, bankruptcies are likely to worsen or, at best, stabilize in 2026, with weaker growth, uneven financing conditions, elevated global trade and policy uncertainty, and heightened political risk keeping bankruptcy pressures elevated despite pockets of opportunity.

KEY DATA POINT

The number of bankruptcies in the Latin America region rose sharply by 32.6% y/y, to 5,615,ending the region's steady post-pandemic downward trend noted between 2021 and 2024.

REGION

The Nordics

In 2025, the Nordics edged marginally higher on headline bankruptcies (23,868 vs. 23,530 in 2024, up 1.4% y/y). Beneath the modest change, however, national trajectories diverged following a volatile 2024 shaped by post-pandemic normalization effects, sector-specific stress, and country-specific policy dynamics.

- **POST-PANDEMIC EFFECTS CONTINUED UNEVENLY**, as the delayed withdrawal of emergency support and catch-up failures weighed more heavily on smaller and highly leveraged firms.
- **CONSTRUCTION-RELATED VULNERABILITIES REMAINED A SHARED PRESSURE POINT**, reflecting weak residential demand and refinancing stress in property-linked firms, particularly in Denmark, Finland, and Sweden.

Through 2025, normalization forces and policy shifts played out unevenly across the Nordics. Bankruptcies in Finland declined 5.6% y/y to 3,292 in 2025, from 3,488 in 2024, reversing part of the post-pandemic elevation in failures as energy-exposed and cost-sensitive firms saw a mild easing in pressures. Denmark, on the other hand, saw a modest 3.9% y/y rebound to 6,422 bankruptcies in 2025 (following an 11.5% y/y decline in bankruptcies, to 6,181, in 2024), with the 28.5% jump in real estate bankruptcies reflecting lingering effects of earlier rate tightening, sluggish domestic demand, and persistent stress in older, lower-quality property assets that remain difficult to refinance or reposition even as broader financial conditions begin to ease. Sweden, by contrast, plateaued at elevated levels (9,936, up 0.3% y/y from 9,905 in 2024), amid subdued economic activity in 2025 and gradual stabilization, as the Riksbank (the central bank) began cutting the policy rate in May 2024 and continued through 2025, easing financing conditions. The stabilization also reflects fading base effects from the 2024 spike, when failures were amplified by the unwind of pandemic-era supports rather than fresh macro deterioration.

KEY TAKEAWAY

Nordic bankruptcies edged up 1.4% y/y to 23,868 in 2025. The region has largely moved past the post-pandemic "reset" into a more structural plateau where outcomes hinge on country-specific financing conditions and sectoral mix rather than a common macro pulse. The headline uptick hides diverging national paths.

- Lag effects from financing conditions continued to shape bankruptcy timing.
- Energy-linked cost uncertainty remained a differentiator between firms with and without pricing power.
- Backlog effects from 2024 heightened bankruptcy levels in Sweden despite improved monetary settings.

Norway stood out as the counterbalance. Bankruptcies declined 6.5% y/y, to 4,218 from 4,512 as corporate strain eased, supported by improving household purchasing power and robust investment activity, particularly in energy and related supply chains. Policy, though still restrictive, began to tilt cautiously toward easing. Over 2025, Norges Bank began cautious easing, cutting the policy rate in June and again in September, while emphasizing a gradual path as inflation proved sticky in services and the krone remained a constraint (further cuts risked weakening the krone and importing inflation).

Netting these moves, the region's slight aggregate rise highlights distinct country-level patterns: Sweden holding high but stable, Denmark losing part of last year's improvement, Norway recording a modest decline, and Finland pulling back from a high 2024 base. Looking ahead, the mix of easier monetary settings in Sweden and gradual easing in Norway, alongside Europe-wide disinflation, should anchor stabilization. However, Nordic construction exposure, energy price volatility, and the pass-through from policy rates to SME credit costs remain key factors to watch.

KEY DATA POINT

The Nordics added just 338 net bankruptcies in 2025, but this masks sharp offsets: Denmark's rebound (+241) nearly equalled Norway's improvement (–294), while Sweden's plateau (+31) and Finland's pullback (–196) reveal a region shaped by cross-market cancellations rather than a common trend.

REGION

Sub-Saharan Africa

Overall liquidations and bankruptcies are likely to increase in sub-Saharan Africa, with tariffs, external debt, heavy government borrowing, and higher interest rates contributing to rising cost pressures on businesses. However, despite higher U.S. tariffs, countries such as South Africa have experienced a downward trend in total bankruptcies, although certain sectors continue to show an upward spike.

Bankruptcy in the region in 2026 will continue to be affected by the following factors:

01

PRESSURE ON EXPORT-LED SECTORS DUE TO TARIFFS Many businesses that rely on exports to the U.S. — such as automobiles and agriculture in South Africa and the textile sector in Mauritius and Lesotho — are now subject to much higher tariffs.

02

HIGHER INTEREST RATES IN THE BANKING SECTOR
High interest rates in Zimbabwe (35%), Ghana (28%), Nigeria (27.5%), and Malawi (26%), have increased corporate distress and bankruptcies while simultaneously discouraging banks from lending, as elevated default risks and weaker borrower viability make private sector credit unattractive.

03

STRICTER CLASSIFICATION RULES
Nigeria's reclassification of previously restructured loans as nonperforming after regulatory forbearance ended could trigger bankruptcies by forcing borrowers into immediate default status, accelerating loan recalls and resulting in higher provisions and tighter credit access.

KEY TAKEAWAY

Bankruptcies are set to rise as tariffs, high interest rates, government borrowing, and restricted lending strain businesses. South Africa shows improvement, but several sectors remain under pressure. Nigeria, Kenya, Angola, Mali, and the DRC face heightened risks. Still, investment in mining, agriculture, energy, and infrastructure offers diversification opportunities across the region.

Bankruptcies in South Africa decreased 1% y/y in 2025, which can be attributed to the gradual reduction in energy costs and improved energy supply, both of which significantly eased the burden on companies. Despite tariff pressures affecting export-oriented sectors, the decline in bankruptcies indicates that a stabilizing currency, lower interest rates, and policy stability have encouraged companies to choose business rescue programs rather than liquidation. A 25bps reduction in the South African Reserve Bank (SARB, the central bank) rate in November 2025, alongside consistent declines in inflation, will further support increased credit availability for businesses. Voluntary liquidations rose in sectors such as financial services, catering, and trade and accommodation in 2025, potentially due to lower demand, higher operational costs, the shift toward hybrid work practices, and higher interest rates making debt servicing more difficult.

The following sectors experienced more liquidations in 2025, compared to full-year 2024:

- **FINANCING**
- **REAL ESTATE**
- **TRADE AND ACCOMMODATION**
- **CONSTRUCTION**
- **MANUFACTURING**

Although the central bank intends to ease interest rates, further reductions appear unlikely until inflation slows meaningfully. Higher interest rates, unsustainable debt levels, reduced consumer demand, and weak external conditions are also contributing to increased stress on businesses in Kenya and Nigeria. In Kenya, businesses are expected to face more difficulties, as interest in suspense continues to increase y/y. In December 2025, total interest in suspense (which is the cumulative amount of interest accrued on NPLs that is no longer recognized as income) grew 18% y/y , indicating mounting financial stress on companies and individuals in the country.

Although Nigeria recorded solid growth of 3.84% in 2025 due to revisions in GDP calculations, CPI rebasing, and other statistical adjustments, high interest rates of 27.5%, elevated inflation, depreciation of the naira, and limited energy availability are imposing significant operating cost pressures on businesses. The NPL ratio is estimated to have risen to 7% in 2025, well above the Central Bank of Nigeria's 5% tolerance threshold. Regulatory changes, such as ending forbearance measures, have led to reclassification of loans from "restructured" to "nonperforming," which will negatively affect margins and profitability, thereby reducing credit availability for productive businesses and households.

The extension of the African Growth and Opportunity Act (AGOA) until 2026 has provided partial relief to many businesses operating in beneficiary countries and exporting

to the U.S. Conflicts, coups and governmental change significantly affect bankruptcy rates in the region. Following a coup in 2021, Mali is now ruled by a military junta. In 2025, the country revoked mining exploration permits for 90 companies, which will likely increase bankruptcy risk within the sector. In Angola, bankruptcy risk remains elevated (at 16.99% in September 2025, compared to 19.75% in September 2024) due to lower liquidity and insufficient project financing. Additionally, the tax codes, fines, and general tax administration introduced in 2024-25 will likely accelerate bankruptcies in the country.

However, the mining, agricultural, energy, and infrastructure sectors continue to offer investment opportunities across many countries in the region. Investors from the Chinese Mainland, the rest of Asia, and the EU are heavily investing in the agribusiness and mining value chains in the Democratic Republic of the Congo, Senegal, Angola, Zambia, Zimbabwe, and South Africa. This may support existing companies in diversifying their portfolios and reducing bankruptcy risks across the region.

KEY DATA POINT

Bankruptcies in South Africa declined 1% in 2025, driven by easing energy costs and policy stability, contrasting sharply with broader regional pressures caused by high borrowing costs and policy changes.

ANALYSIS OF BUSINESS FAILURES

Economies

Canada

KEY TAKEAWAY

Canada's business bankruptcies fell from 6,793 in 2024 to 5,262 in 2025 — a 22% drop reflecting a normalization after severe shake-out in 2024 rather than a genuine strengthening in financial resilience. The decline was driven by the earlier failure of the most vulnerable firms, modest monetary easing, and operational adjustments across surviving businesses. However, underlying fragilities persisted, and U.S. tariffs constrained the pace of improvement, leaving many exporters and highly leveraged SMEs still exposed heading into 2026.

Canada's business bankruptcy landscape in 2025 reflects a clear cooling from the exceptionally elevated distress levels that defined 2024. After rising to 6,793 cases amid rapid interest rate hikes, cost pressures, and the withdrawal of pandemic-era supports, bankruptcies fell to 5,262 in 2025 — a drop of more than 22%. Rather than signaling renewed financial strength, the decline largely reflects a normalization after the sharp correction in 2024, when many of the most vulnerable firms had already been forced out of the market. Business sentiment data aligned with this pattern — Canada's Dun & Bradstreet Business Optimism Index remained deeply negative in Q1 2025 (-17.7%), indicating that firms were still operating under significant financial and demand-side stress even as recorded bankruptcies began to ease.

Quarterly data show a clear and consistent easing in businesses becoming bankrupt throughout the year. Whereas 2024 began with a surge of 2,163 bankruptcies in Q1, the highest quarterly total in over a decade, 2025 opened at a much lower 1,512. This early decline indicates that many of the weakest firms had already failed by late 2024, leaving behind a more resilient cohort with firmer liquidity positions or access to restructuring alternatives. The downward trajectory continued into Q2, with filings edging down to 1,480. Sentiment stabilized somewhat in that quarter, with Canada's Business Optimism Index hovering near neutral (+0.1%), suggesting that firms were no longer experiencing rapid deterioration, even if conditions remained fragile. The easing steepened in Q3, when bankruptcies fell to 1,221, contrasting with a sharp drop in Canada's Business Optimism Index (-11.8%), which signaled renewed pessimism as firms faced continued cost pressures and rising trade-related uncertainty. By Q4, the count had dropped further to 1,049 — the lowest quarterly total since before the pandemic. A modest recovery in sentiment was visible in Q4, with Canada's Business Optimism Index rising to +3.6%, reflecting cautious optimism among surviving firms even as structural pressures persisted. Some of this late-year moderation reflects familiar seasonal factors, such as easing inventory and energy-related pressures. Even so, the magnitude and consistency of the declines point to a broader cooling of acute financial strain.

Still, the decline must be interpreted cautiously. Canada's improvement in 2025 contrasts with the U.S. surge but does not imply a fundamentally healthier environment. Much of the adjustment occurred earlier, as firms with high pandemic-era debt loads, thin liquidity, or volatile cost exposures failed in 2023–24. As a result, the surviving population had already undergone a form of selection. Moreover, bankruptcies capture only part of the landscape: many distressed firms shifted into proposals

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(formal offers to creditors to settle debts under conditions other than the existing terms) or informal restructuring arrangements, meaning that the drop in bankruptcies reflects a change in composition as much as an improvement in underlying financial health.

A crucial differentiator in 2025 was the growing impact of U.S. tariffs on Canadian goods, which increasingly weighed on export-oriented firms. While these tariffs did not reverse the overall decline in bankruptcies, they eroded earnings and cash-flow stability for manufacturers, agricultural processors, and transportation-linked businesses by depressing demand, increasing compliance costs, and squeezing margins. Although the earlier 2024 purge meant the most fragile firms had already exited, the tariffs nonetheless limited the degree of improvement among the remaining businesses, effectively acting as a brake on recovery and slowing the normalization of bankruptcy pressures.

The forces shaping Canada's 2025 bankruptcy profile can be understood through three reinforcing dynamics:

01 **The extraordinary surge in bankruptcies in early 2024 effectively cleared out the most fragile firms, leaving a more resilient base entering 2025.** The selection effect meant that fewer firms began 2025 in a highly vulnerable state, contributing to the decline in bankruptcies even before economic conditions improved.

02 **Gradual monetary policy easing began to shift in a more supportive direction.** Although interest rate cuts take time to feed through to actual borrowing costs — and many firms had already reset their loans at higher rates — the directional change helped stabilize the corporate sector and slow the pace at which new firms slipped into bankruptcy. The easing environment did not undo prior damage but prevented the pressure from intensifying.

03 **While cost structures remained elevated, many firms had already spent the previous two years adapting to high input costs, supply chain disruptions, and rapid wage growth.** By 2025, they had pared back operations, tightened inventory cycles, and renegotiated contracts, improving their ability to absorb pressures that might previously have triggered failure. Export-heavy firms, however, faced an additional strain from U.S. tariffs, which depressed cross-border demand and undermined profitability. The renewed negative sentiment in Q3 aligns with these pressures intensifying mid-year

Despite the welcome decline in bankruptcies, 2025 did not mark a return to robust corporate health. Rather than structural strengthening, the improvement reflects cyclical unwinding. Many firms remained thinly capitalized, carrying the higher interest burdens accumulated during the tightening cycle. Sectors such as construction, retail, and

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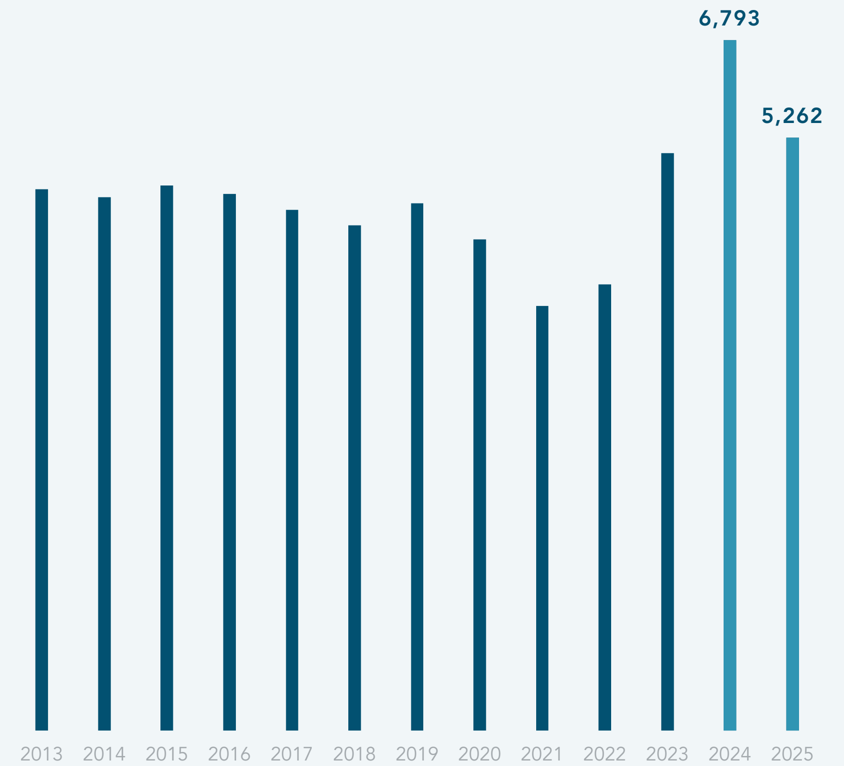
hospitality continued to face margin compression, while export-dependent industries operated under the uncertainty of U.S. trade measures. A few firms avoided bankruptcy only through restructuring tools such as proposals, suggesting that bankruptcy risk in the system remains higher than the headline figures imply.

Canada enters 2026 in a state of fragile stability. Although the downward trajectory in bankruptcies across 2025 is encouraging, the persistence (and potential enlargement) of U.S. tariffs presents a lingering threat to Canadian exporters and their suppliers. Unless trade tensions ease meaningfully, tariff-exposed industries will continue to operate with compressed margins and reduced competitive flexibility. At the same time, many firms will carry forward higher debt-servicing costs from refinancings completed during the peak rate period. This combination of thin financial buffers, persistent cross-border headwinds, and still-elevated operating costs means that even modest shocks could reignite bankruptcy pressures. Thus, although 2025 brought relief after the extreme conditions of the previous year, Canada's business sector will remain vulnerable in 2026, particularly among highly leveraged SMEs and export-dependent firms facing a challenging U.S. trade environment.

BUSINESS BANKRUPTCIES IN CANADA



KEY DATA POINT

Business bankruptcies in Canada declined from 6,793 in 2024 to 5,262 in 2025 — a 22% fall driven largely by the prior year's purge of vulnerable firms, rather than a meaningful and sustained improvement in operating or financing conditions.

Chinese Mainland

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KEY TAKEAWAY

Bankruptcies in the Chinese Mainland declined in 2025, but recorded filings fell mostly because Q4 disclosures are systematically delayed. Policy easing, liquidity injections, and targeted support undertaken in 2025 have cushioned distress among large manufacturers and property-linked firms. Sectoral strain remained concentrated in manufacturing, wholesale/retail, and construction-related supply chains, reflecting weak domestic demand, patchy exports, and the impact of capacity-cut campaigns in steel, cement, and solar PV. The headline decline therefore masks persistent underlying vulnerabilities.

Corporate bankruptcies in the Chinese Mainland appear to have fallen in 2025, with 6,018 recorded cases vs. 8,960 in 2024; although this improvement is likely overstated because filings in the fourth quarter remain structurally under-reported due to delayed disclosures from numerous local courts. Liquidity support from the People's Bank of China (PBoC) — adding an outright reverse-repo tool in late-October 2024 and injecting funds at year-end — appears to have limited the impact on weak demand or the property spillovers that have kept bankruptcy numbers high, especially for smaller firms.

The first half of the year was relatively steady. Q1 2025, with 740 filings, carried forward some delayed activity from late-2024 but remained contained due to the liquidity effects of earlier policy easing, including multiple Reserve Requirement Ratio (RRR) reductions and targeted liquidity injections, implemented through 2024. Domestic demand was still soft and export orders uneven, particularly in electronics and consumer durables, limiting the recovery for small industrial and trading firms. In Q2 2025, bankruptcies rose to 1,334, reflecting both the usual post-Spring festival normalization in court processes and persistent financing pressures on SMEs. Despite broader monetary easing, smaller firms still faced tighter cash flow and continued dependence on costly, non-bank financing channels. The most pronounced rise came in Q3, which reached 1,652 filings. This period typically captures more enforcement activity, but in 2025, it also reflected slower export momentum and the lingering burden of the real estate downturn. Industrial suppliers connected to construction and property development remained vulnerable as project restarts were uneven and banks accelerated monitoring of overdue exposures, often pushing firms into formal bankruptcy channels.

Sectoral data reinforces this pattern for 2025: the manufacturing sector — including metals, chemicals, capital goods, electricals, and electronics — contributed the largest share of filings, reflecting weak external demand and cost pressures. Some of it may also be a result of the government's "anti-involution" drive started in mid-2025, which aimed to curb destructive price wars and force the exit of outdated capacity in oversupplied industries, pushing weaker firms — especially in solar PV, basic materials, and mid-tier industrials — into consolidation or formal bankruptcy as regulators tightened enforcement and discouraged excessive low-margin competition. Wholesale and retail businesses

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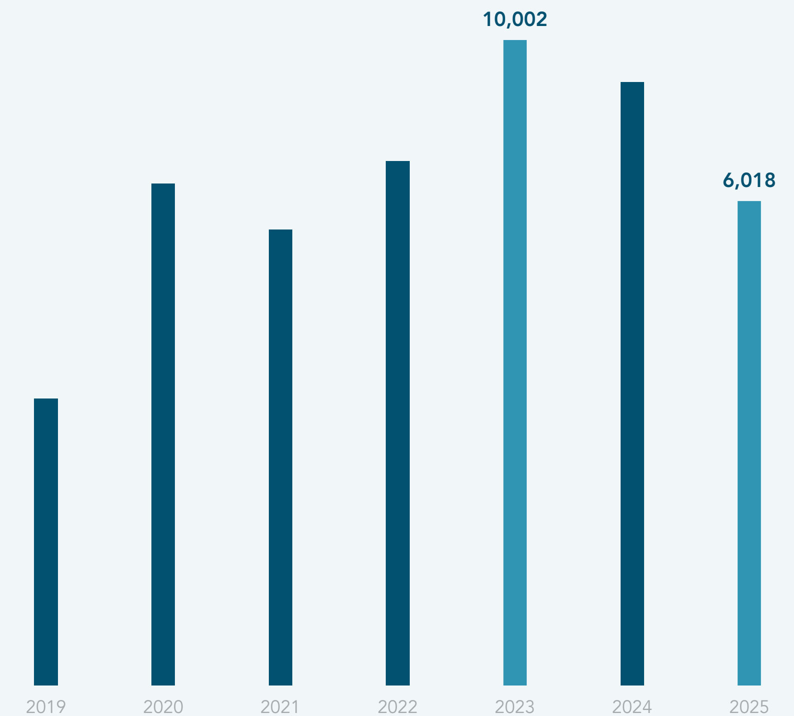
have continued to struggle with intense competition, thin margins, and slow consumption recovery in lower-tier cities, while service-sector firms — especially accommodation, food, and small consumer businesses — remained exposed to demand fluctuations. The construction-related ecosystem also showed strain, with upstream suppliers facing cash-flow disruptions even as major developers received administrative forbearance and extended restructurings rather than immediate liquidation.

Looking ahead to 2026, the trajectory is one of cautious stabilization rather than a sustained decline in bankruptcies. Policymakers are expected to maintain an accommodative stance, but the room for further aggressive easing is limited by concerns over excessive credit expansion and the need to preserve financial stability. Demand in export markets may remain uncertain, particularly if global electronics and consumer demand stay weak or if geopolitical tensions disrupt trade. The real estate sector remains the most significant risk: although large-scale developer failures are less likely due to targeted interventions, smaller and mid-tier developers, along with construction supply chains, may continue to experience distress. If domestic consumption strengthens and external demand stabilizes, bankruptcies could remain broadly steady; however, any renewed property market stress or adverse external shock may tilt the balance upward again.

BUSINESS BANKRUPTCIES IN THE CHINESE MAINLAND



KEY DATA POINT

Recorded corporate bankruptcies fell in 2025, but Q4 filings are materially underreported. Manufacturing remained the largest contributor, consistent with pressure amplified by capacity-rationalization measures and weak demand.

France

KEY TAKEAWAY

Bankruptcies in France rose to a record 69,912 in 2025, as domestic political uncertainty, combined with an unstable international trade and investment environment, drove more firms out of business.

France's business environment was unable to escape domestic and international uncertainty in 2025. The French government had three prime ministers in 2025 from three different political parties; the resultant uncertainty in continuity of government policies contributed to a difficult environment for businesses to operate within. Banks have likely been hesitant to ease lending standards due to international trade disruptions and domestic political instability. In the first three quarters of 2025, credit lending standards to businesses did not tighten or ease according to data from Banque de France (the central bank). While this is an improvement for businesses, compared with previous years (lending standards tightened in 2022-24), it illustrates the delayed pass-through of lower interest rates as set by the ECB.

While the number of bankruptcies increased 2.8% in 2025 to 69,912, the pace of increases slowed sharply from a 17.2% increase in 2024 and 36.1% in 2023. This trend can be identified further in the quarterly data, with the growth rate of bankruptcies slowing to just 1.0% y/y in Q4 2025 compared with 10.7% in Q4 2024.

Two sectors accounted for almost a third of all bankruptcies in France:

CONSTRUCTION CONTRACTORS

17.3%

EATING/DRINKING PLACES

12.9%

However, their fortunes diverged in 2025, with the former experiencing a 1.6% decline in the number of bankruptcies compared with an 8.7% increase in the latter. The typically volatile construction sector has likely benefited from falling interest rates over 2024-25, as cheaper housing finance stimulates residential demand. Conversely, the eating/drinking places sector benefits less from falling interest rates because spending in this space is not typically financed by debt; a 2025 study by Sweden's central bank estimated that spending on durable goods is approximately three times as sensitive as other consumption. The eating/drinking places sector is more sensitive to household income growth, which slowed significantly faster in France than the rest of the euro area in 2024 and 2025, according to the Indeed wage tracker.

Of the 5.1 million businesses registered in France in 2024, just 0.1% are classified as 'large' (i.e., employs over 250 people). However, these large companies account for 45.9% of the overall workforce, the highest share across any EU country. With bankruptcies concentrated among very small businesses with potentially no hired staff (73.3% of the bankrupt

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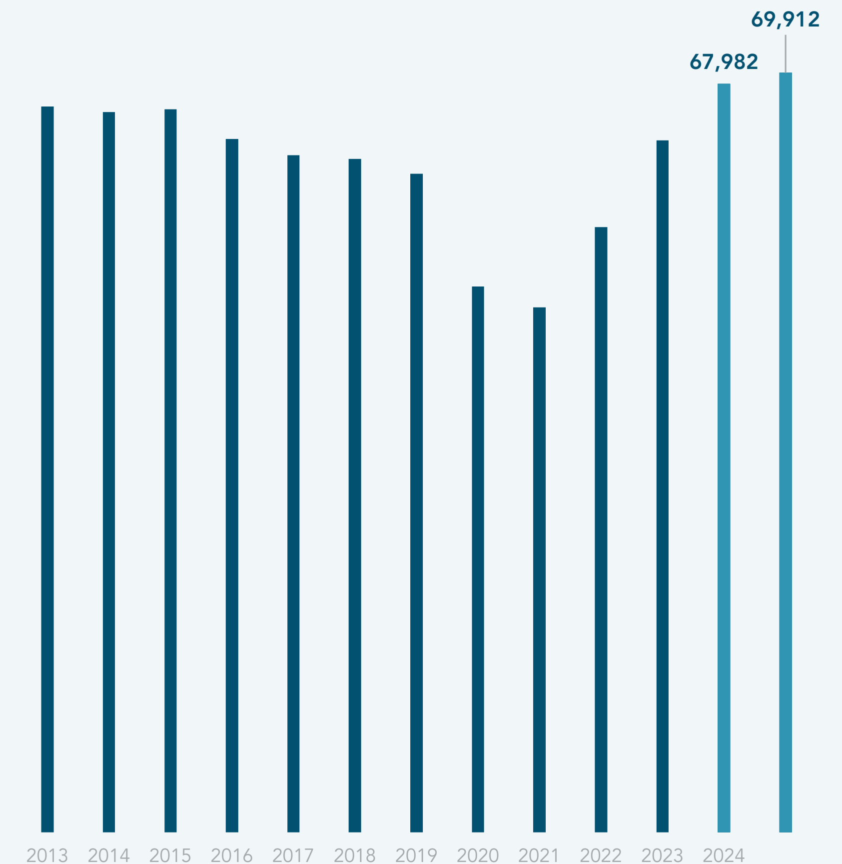
firms in 2025 had less than three employees), the macroeconomic impact is small. This feature of the French economy, with very low barriers to entry for small businesses, ensures it remains dynamic and attractive to entrepreneurs but can act as a limiter for productivity and wage growth.

Our 2026 economic outlook for France acknowledges the many risks the country faces, as persistent political stagnation undermines business and consumer confidence. Conversely, should the government find a way to pass meaningful fiscal reforms to close the budget deficit, it may push the economy into recession as the rest of the economy's performance is not healthy. This uncertainty has been reflected in our survey data: Dun & Bradstreet's Global Business Optimism Insights report for Q1 2026 showed that business optimism among SMEs in France was 6.6% greater than a year earlier but for large businesses, optimism fell 7.3%. Concerningly, the share of businesses in France reporting optimism for the domestic economy has fallen from 87.1% in Q2 2025 to 72.1% for Q1 2026.

As borrowing costs are expected to decline in 2026, the financial stress on small businesses should ease. As a result, should France avert a deterioration in economic conditions caused by political instability, the trend of rising bankruptcies of the past four years may reverse in 2026.

BUSINESS BANKRUPTCIES IN FRANCE



KEY DATA POINT

Bankruptcies in France increased in 2025 for all business size categories: small +2.9%, medium +2.2%, and large 17.6%.

Germany

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KEY TAKEAWAY

Despite a further increase in bankruptcies in Germany in 2025, the clouds that have hung over businesses of the past few years have shown signs of clearing.

The number of bankruptcies in Germany increased in 2025 to 23,370, the highest number since 2014, during the eurozone crisis.

Businesses in Germany have yet to benefit from monetary policy easing by the ECB; the average rate on outstanding domestic corporate bonds averaged 3.6% in 2025, equal to 2024 and down only marginally from an average 4.2% in 2023. In addition, the lending standards applied by banks in Germany tightened across 2025, according to ECB data, as an increase in U.S. tariffs threatened to push the German economy into a third year of recession.

In mid-2025, the U.S. increased its tariff rate on EU exports to the country to 15%, creating significant stress for Germany's export-driven industries. The value of goods exports to the U.S. fell sharply in 2025; data from November reported a 22.9% y/y contraction . Vehicle and machinery manufacturers are particularly vulnerable, as these accounted for 40.5% of total exports to the U.S. in 2024.

A trade deal signed between the EU and India in January 2026 will reduce tariffs on cars and provide a much-needed boost to the 4,355 motor vehicle manufacturers in Germany; the success of this sector is hugely important to the overall economy, as it employed 1 in 40 workers in 2025.

The pace of increase in bankruptcies showed signs of slowing at the end of 2025, falling 14.2% q/q in Q4 2025 and 4.6% y/y. This is a result of the German economy returning to growth in 2025, following two years of contraction caused by a severe spike in energy prices that exposed uncompetitive industries. However, despite expanding, economic growth was meagre last year, at an estimated 0.2%.

We expect 2026 to mark a defining moment for the German economy and businesses, as a sharp pick-up in fiscal stimulus should inject much-needed life into an economy that has stagnated since the Covid-19 pandemic. With spending on infrastructure and

defense set to increase substantially, manufacturers of capital goods are set to benefit from greater demand.

Reinforcing our positive assessment, optimism of German businesses continued to recover for Q1 2026 to the highest level in over a year, as reported in the latest GBOI report. More businesses are expecting their input costs to fall in the first three months of this year compared to any point in the survey history, particularly among energy-intensive sectors such as manufacturers of capital goods (88.9% expect input costs to fall) and mining (91.7%).

However, it will not be a simple quick fix to prevent a prolonged period of stress on businesses.

The international competitiveness of German exports is deteriorating; the Global Innovation Index 2025 by the World Intellectual Property Organization reported that Germany fell one place to 11th, being overtaken by the Chinese Mainland.

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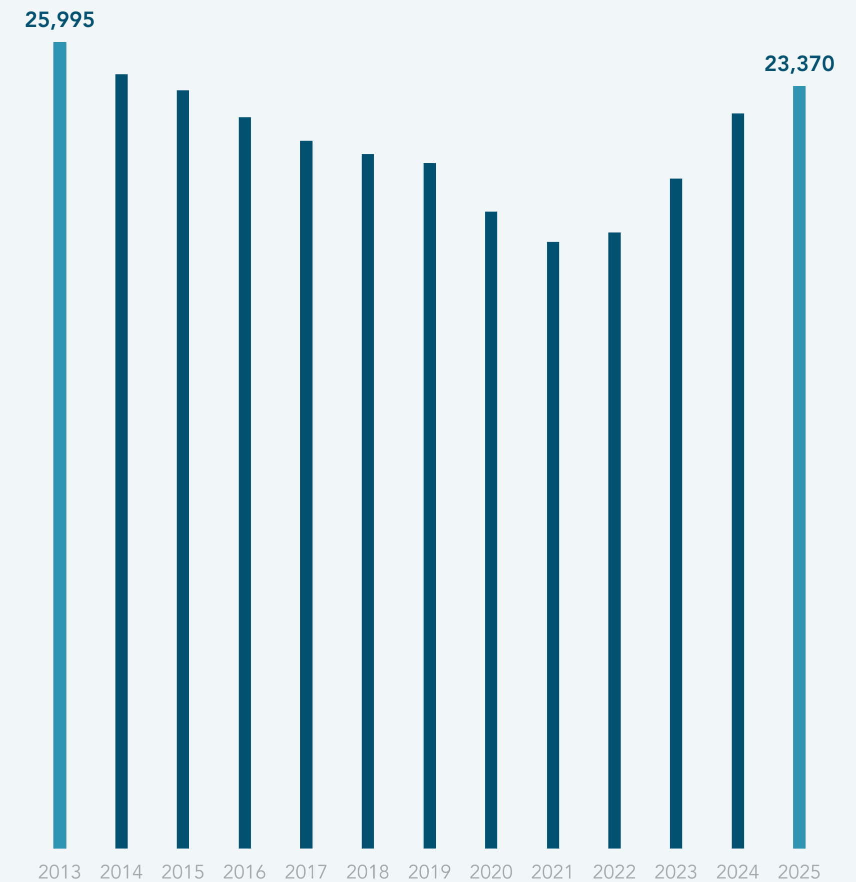
BUSINESS BANKRUPTCIES IN GERMANY



KEY DATA POINT

Bankruptcies in Germany increased in 2025 to an 11-year high as the economy slowly turned a corner.

India

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KEY TAKEAWAY

India saw a moderation in corporate bankruptcy activity in 2025 as monetary easing, normalization of NBFC risk-weights, and improved funding conditions softened stress for formal corporates. However, this decline also reflects NCLT capacity constraints, with backlogs stretching case-admission timelines and suppressing recorded filings. By sector, distress remained concentrated in manufacturing, real estate, and construction, matching IBBI's stock of ongoing CIRPs. India enters 2026 with a more supportive credit environment, but tribunal throughput remains the key bottleneck shaping formal bankruptcy numbers.

Corporate bankruptcy activity in India eased in 2025, with 1,377 cases versus 1,919 in 2024. Quarter by quarter, the narrative fits both policy and operating conditions. Q1 (289) came just before the rate cut by the Reserve Bank of India (RBI); banks stayed cautious after the 2023 risk weight hike, and many cases remained stuck at admission. Q2 (347) captured the initial easing impulse and the usual post-fiscal-year normalization of filings. Q3 (302) was muted relative to seasonal patterns, consistent with reports of slower admissions and continued preference for settlements or withdrawals under Section 12A. Q4 (439) rose on year-end creditor housekeeping and better tribunal throughput.

Two forces are likely to have influenced the 2025 numbers. First, finance conditions moved from tight to mildly easier. The November 16, 2023 RBI circular had lifted capital requirements on unsecured consumer credit and on banks' exposures to Non-Banking Financial Companies (NBFC), nudging lenders to ration higher-risk credit and price it up; this pinched working capital lines for smaller borrowers through much of 2024. In February 2025, the RBI delivered its first rate cut in five years (cutting the repo rate to 6.25%), with further easing in April; the bank later restored bank risk weights on NBFC exposures to rating-linked norms from April 1, 2025, calming NBFC funding costs. The combined effect was a gradual improvement in credit affordability for the formal corporate sector even as unsecured retail credit stayed under tighter regulatory limits.

Second, process capacity and legal timelines continued to shape flows. National Company Law Tribunal (NCLT) backlogs remained high, with press and parliamentary replies through late-2024-2025 noting 12,000–15,000 pending matters and stretched benches; this slows admissions and extends pre-admission settlements, which in turn can depress quarterly admissions even when stress exists. Meanwhile, updates from the Insolvency and Bankruptcy Board of India (IBBI) show a structural improvement in the resolution-to-liquidation ratio since 2018, reflecting a maturing code but also longer case durations. The net effect is fewer, slower admissions and more out-of-court or pre-admission resolutions — consistent with the moderation in our 2025 series.

The IBBI's aggregate disclosures and third-party syntheses point to manufacturing as the single largest stock of ongoing bankruptcy cases, followed by real estate and construction — where cost pressures, lingering receivable cycles, and collateral frictions are most visible.

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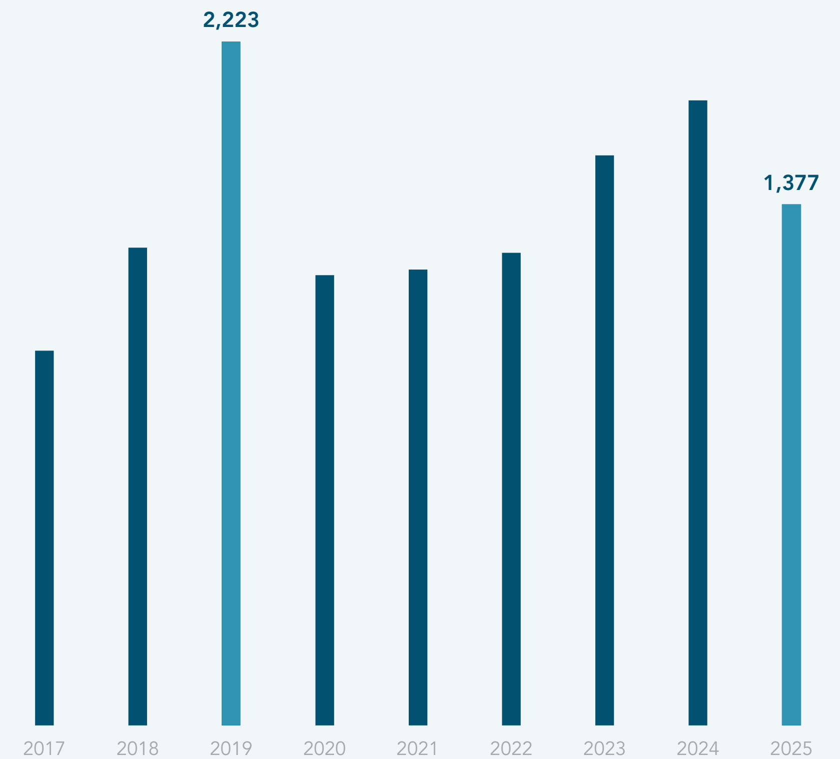
Importantly, the housing backdrop in 2024–25 bifurcated: sales volumes cooled in 2024 and again in 2025 across major cities while ticket sizes rose, inventory thinned in many markets, and the credit mix tilted toward better-capitalized developers. That combination (slower volumes, rising values, and consolidation) reduced new project starts at the margin but also improved survival odds for larger developers and their supply chains, helping contain construction-linked bankruptcies despite continued stress in the long tail.

For 2026, the base case is broad stability with a mild downside tail if external demand weakens or if trade frictions dent exports. If the RBI sustains its easing bias and NBFC funding remains orderly, there might be incremental relief for MSME borrowers via cheaper working capital and smoother refinancing, limiting a jump in admissions. The swing factor is process capacity; sustained clearing of NCLT backlogs — through e-courts, bench additions, and tighter adjournment control — could raise admissions mechanically in the near term before lowering the stock by speeding resolutions.

BUSINESS BANKRUPTCIES IN INDIA



KEY DATA POINT

A decline in 2025 insolvency filings coincided with rate cuts and the RBI's restoration of rating-linked risk weights for NBFC exposures, while 12,000–15,000 pending NCLT cases constrained admissions.

Italy

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KEY TAKEAWAY

Bankruptcies in Italy rose 6.9% y/y to 9,795, signalling a moderate tightening in corporate conditions despite a broadly stable macro backdrop. The increase reflects lingering financing pressures, cost burdens, and sector-specific strains — especially in retail, construction, and services — rather than regulatory effects.

Italy's macroeconomic environment in 2025 continued to reflect a backdrop of subdued but positive growth. Domestic demand remained the main driver of activity, supported by real income gains, resilient labor market conditions, and continued — though gradually tapering — fiscal spending tied to the National Recovery and Resilience Plan (NRRP). While inflation moved closer to the ECB's 2.0% target, external headwinds persisted, with weak foreign demand and ongoing softness in manufacturing weighing on industrial output. The ECB's rate-cutting cycle improved sentiment, but monetary easing passed through only gradually, keeping borrowing costs elevated for many leveraged firms.

Against this macro backdrop, company bankruptcies rose to 9,795, up 6.9% from 9,162 in 2024. The increase suggests a mild re-acceleration of formal bankruptcies after the normalization seen in 2023-24. However, the absolute level remains broadly in line with pre-pandemic averages, pointing to sector-specific frictions rather than an economy-wide deterioration. The 2025 increase appears to be driven less by any single regulatory shift and more by lagged financing pressures: firms continue to absorb the cumulative impact of high input costs, slow credit pass-through from earlier ECB tightening, and margin compression in consumer-facing sectors. The Corporate Crisis and Insolvency CodeCCII, in force since 2022, remains central to the institutional framework, but unlike in 2023-24, there is no evidence of a discrete procedural transition — such as the shift from fallimento (bankruptcy) to liquidazione giudiziale (judicial liquidation) — materially inflating bankruptcy counts in 2025. Instead, the rise reflects a more organic adjustment as distressed firms come to formal resolution after several years of strained liquidity.

Sectorally, stress continues to exhibit a familiar pattern. Wholesale and retail trade (contributing 32.8% of the total bankruptcies in the country), services (25.2%), and construction (24.1%) account for the bulk of cases, reflecting the structure of Italy's SME-dominated economy. Retail margins

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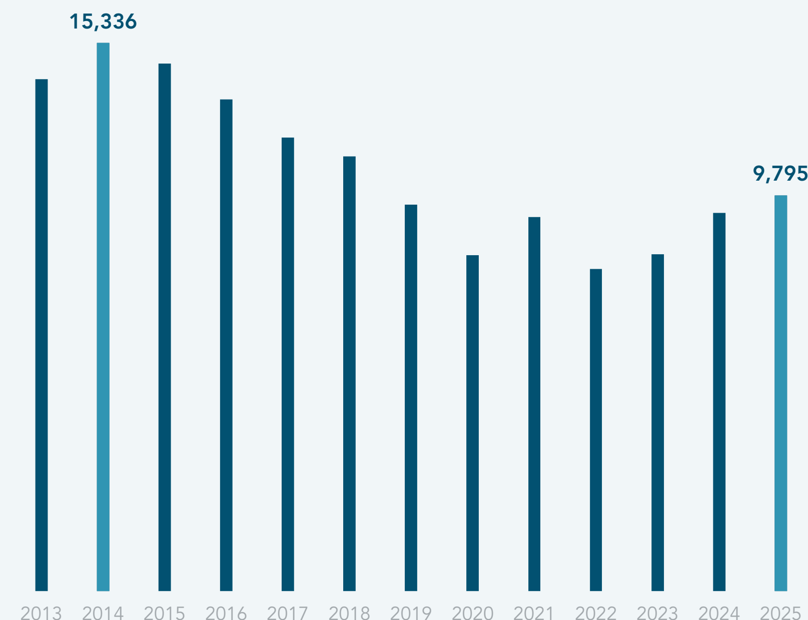
remain pressured by still-cautious discretionary spending and high operating expenses. Construction continues to face the after-effects of the Superbonus 110% phase-down, which reduced liquidity flows and complicated project financing for small contractors. Services have benefited from robust tourism but still face elevated labor costs and capacity-related inefficiencies.

Overall, Italy's 2025 bankruptcy landscape points to a gradual re-tightening in corporate conditions, rather than a renewed institutional or policy-driven step-change. The moderate y/y increase in bankruptcies signals that, beneath broadly stable macro indicators, pockets of vulnerability remain significant — particularly among SMEs with limited financial buffers and persistent exposure to demand volatility. Bankruptcy dynamics will depend on the pace of monetary policy transmission, the stabilization of the construction sector post-Superbonus, and the durability of domestic demand as NRRP-related support gradually recedes.

BUSINESS BANKRUPTCIES IN ITALY



KEY DATA POINT

Bankruptcies rose 6.9% y/y in 2025, with the quarterly pattern pointing to stress-driven volatility rather than normalization. After spiking in Q2 (+15.7% y/y) — led by retail and construction — bankruptcies fell sharply in Q3 (-30.2%), before surging again in Q4 (+50.4%). The late-year rebound more than offset mid-year relief. This pattern reflects stress-driven volatility rather than improvement, as the overall trend remains upward.

The Netherlands

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KEY TAKEAWAY

Bankruptcies in the Netherlands declined 15.1% y/y in 2025, marking a turning point after the post-pandemic normalization phase, during which bankruptcies rose rapidly.

Bankruptcies in the Netherlands declined in 2025 to 3,497, a 15.1% reduction from 4,119 in 2024, following two consecutive years of sharp increases (from 2,081 in 2022 to 3,176 in 2023). This reversal likely represents a turning point after the post-pandemic normalization phase, during which bankruptcies rose rapidly as emergency support measures were withdrawn and financing conditions tightened. The overall decline in bankruptcies during 2025 occurred alongside easing inflationary pressures in the EU, stabilization in energy markets, and the gradual transmission of monetary policy easing into corporate cash flows. At the same time, financial stability conditions remained supportive in the Netherlands. Strong capital and liquidity buffers in the financial system limited the risk of a credit-supply shock, preventing a broader amplification of corporate distress.

The decline in headline bankruptcies during 2025 was broad-based but uneven across industries.

- **Wholesale and retail trade**, which accounted for 21.9% of bankruptcies in 2024, saw its share fall sharply to 10.9% in 2025. An exceptionally weak 2024, with higher financing costs, inventory corrections, and intense online competition forced many weaker retailers out, leaving a leaner retail sector in 2025 with better cost discipline and more stable demand, which likely translated into fewer bankruptcies.
- **Professional, scientific and technical activities** also saw a reduction in relative weight, with their share falling from 7.1% to 6.4%. These activities likely benefited from improved financing conditions and the growing adoption of digital and data-driven tools which supported resilience, limiting bankruptcy risk relative to more capital-intensive sectors.
- By contrast, **accommodation and food service activities** emerged as the dominant source of new distress. The sector's share of bankruptcies surged from 9.9% in 2024 to 22.4% in 2025, making hospitality the single largest contributor to bankruptcies. The sector faced persistent cost pressures — particularly from wages, energy, rent, and debt servicing — and continued to erode

margins, while limited pricing power constrained the ability to pass these costs on to consumers, likely impacting the bankruptcy numbers.

- **Information and communications** increased its share from 13.0% in 2024 to 15.6% in 2025, although the actual number of bankruptcies rose by around just 1% from 468 in 2024 to 474 in 2025. This reflected relative stability, as the sector seems to have balanced ongoing restructuring pressures in certain segments with steady underlying demand for digital services.

Overall, the 2025 outcome signals a shift from system-wide stress to sector-specific vulnerability. The sharp reversal in wholesale and retail trade, alongside improvements in construction and professional services, materially reduced aggregate bankruptcy risk compared with 2024. However, the deterioration in accommodation and food services underscores the continued exposure of labor-intensive, low-margin sectors to cost shocks and financing pressures. Looking ahead, bankruptcy dynamics are likely to remain uneven, shaped less by broad macroeconomic shocks and more by differences in sectoral cost structures, pricing power, and balance sheet strength.

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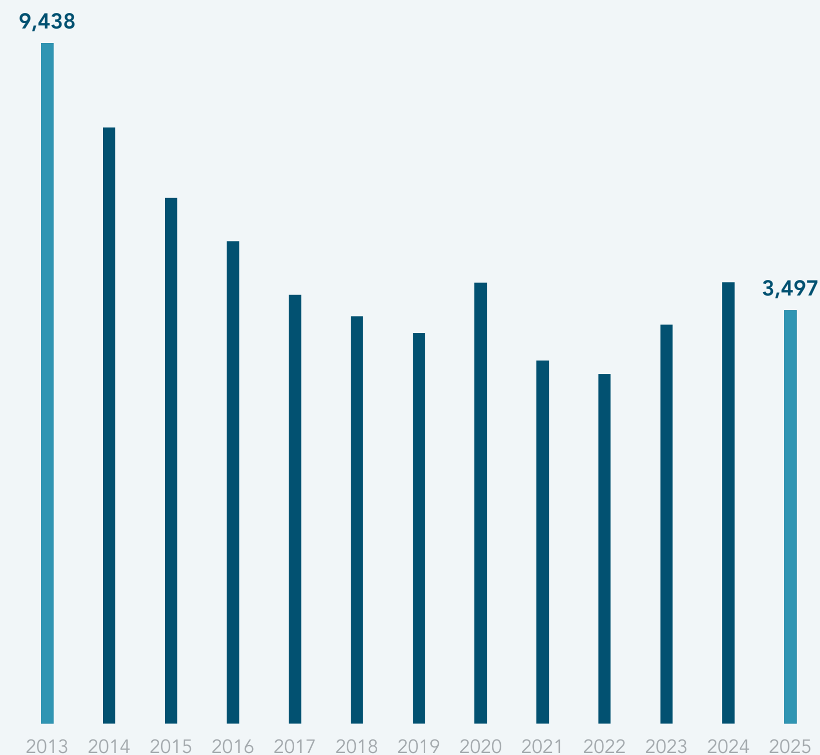
BUSINESS BANKRUPTCIES IN THE NETHERLANDS



KEY DATA POINT

Bankruptcies in the Netherlands declined in 2025 to 3,497, a 15.1% reduction from 4,119 in 2024, following two consecutive years of sharp increases from 2,081 in 2022 to 3,176 in 2023.

Poland

KEY TAKEAWAY

Poland's economic recovery strengthened in 2025, but insolvencies rose sharply, by 14.7% y/y, as lagged effects of earlier tightening and weak external demand weighed on firms, signaling uneven balance sheet repair despite improving macro conditions.

Poland's economic recovery gained firmer traction in 2025, with growth supported by easing inflation, a gradually less restrictive monetary stance, and resilient labor market conditions. That said, the external environment remained a meaningful constraint. Germany — Poland's largest trading partner — continued to struggle with weak industrial activity, while broader global trade remained uneven amid lingering uncertainty in major economies. As a result, Poland's expansion progressed, but at a measured pace and with limited external tailwinds.

Bankruptcies rose more sharply in 2025, increasing to 6,799 cases, from 5,929 in 2024 — a 14.7% y/y rise. The step-up follows stabilization in 2024, when the increase had slowed to single-digit rates (+4.6%) after the exceptional surge in 2023 (+55.5%). The 2025 outcome reflects the lagged transmission of earlier tightening and uneven pass-through of improving financial conditions, rather than a weakening macro backdrop, as higher borrowing costs, margin pressure, and subdued external demand continued to weigh on more leveraged and trade-exposed firms. This trend is further evidenced by Dun & Bradstreet's Total Failure Score (TFS) — a forward-looking measure of severe financial distress — which shows that the average TFS for Poland rose by 3.4% y/y in 2025, reinforcing signals of higher underlying strain.

Domestic demand remained the main pillar of growth, underpinned by real income gains, low unemployment, and ongoing fiscal support. However, the transmission to corporate resilience was uneven. While household consumption improved slightly in 2025, spending remained cautious — particularly for discretionary goods — limiting relief for retail- and service-focused firms. Correspondingly, wholesale and retail trade recorded the highest share of bankruptcies (17.9%), followed by construction (15.4%), underscoring persistent margin and demand pressures in SME-dominated sectors. Smaller firms, especially those with thin capital buffers, continued to face elevated operating costs and only gradual easing in financing conditions.

Overall, Poland's 2025 bankruptcy profile reflects an economy that is expanding but still digesting past shocks. The sharper rise

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in bankruptcies underscores that recovery at the macro level has not yet been translated into uniform balance sheet repair across sectors. The future trajectory of bankruptcies will hinge on the pace of monetary easing, the durability of household demand, and any improvement in conditions among Poland's key trading partners — particularly Germany.

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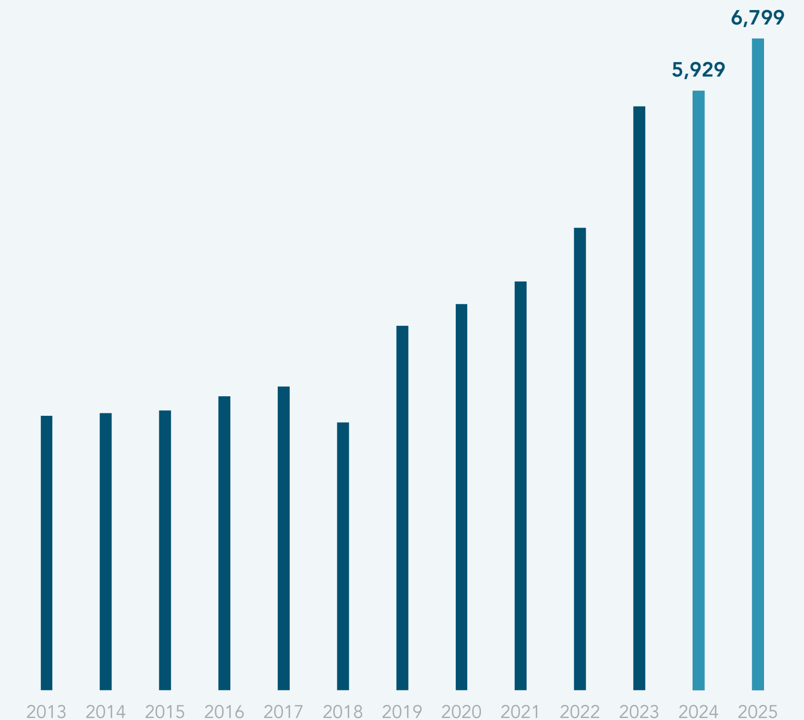
BUSINESS BANKRUPTCIES IN POLAND



KEY DATA POINT

Bankruptcies reached a new high in 2025 for Poland, accounting for 30.8% of all filings since 2022. The rise reflects the lagged impact of past monetary tightening and persistent pressure on highly leveraged, trade-exposed firms, despite a generally improving macro backdrop.

Spain

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KEY TAKEAWAY

Spain's 2026 bankruptcy outlook remains weak after a rise in 2025. With the Covid-era accounting moratorium — active since 2020 — expiring on 31 December 2025, firms must now reincorporate 2020–21 losses into net equity. This will push many low-margin companies into mandatory dissolution, giving directors just two months to recapitalise or file for bankruptcy. A surge in restructuring plans is likely over H1 as long-protected firms confront deferred balance sheet damage, putting the 2022 Insolvency Law to the test.

A 6.3% rise in bankruptcies in Spain in 2025, to 6,637, marks the second consecutive annual increase following a brief decline in 2023. Although the pace of increase has slowed compared with 2024, this brings Spain's bankruptcy count to its highest level since 2013, when the economy was still grappling with the eurozone debt crisis.

Spain's Insolvency Law reform of 2022 significantly expanded the country's pre-insolvency toolkit, making it easier for viable firms to restructure early and avoid liquidation. This shift is visible in the temporary dip in corporate bankruptcies in 2023. However, from 2024 onwards, bankruptcy numbers have returned to an upward trajectory, partly reflecting that some companies which entered pre-insolvency in 2023 failed to achieve viable restructurings. For example, Sunsundegui, a Spanish bus and coach manufacturer, entered pre-insolvency in late 2024 before proceeding to full insolvency, filing for bankruptcy and entering liquidation in April 2025.

- On a sectoral scale, the largest growth in bankruptcies was recorded in the healthcare (60.2%) and transportation and storage (30.5%) sectors, a reversal of the trends noted in 2024, reflecting increasing operational costs and persistent labor shortages (particularly an acute lack of nurses).
- Despite sustained strong overall tourism growth, bankruptcies in the accommodation and food services sector continued to rise in 2025, reflecting high operating and rental costs, and an ongoing tightening of regulations aimed at curbing overtourism.
- Only four sectors — financial and insurance, utilities, education and other services — posted declines in bankruptcies, reflecting comparatively stable demand and greater resilience in the face of elevated global trade and policy volatility.
- In terms of business size, bankruptcy proceedings rose overwhelmingly among micro-enterprises; however, this reflects Spain's business structure more than a disproportionate build-up of risk in that segment.

Spain's rising bankruptcy numbers contrast with an otherwise strong macroeconomic backdrop, as the country is estimated to have posted well above EU-average growth in 2025 and is expected to maintain resilient expansion into 2026. This supportive environment — characterized by labor cost competitiveness, ongoing fiscal support via EU funds, easing inflation, and improving financing conditions — should, in principle, help firms manage debt-servicing pressures, tempering

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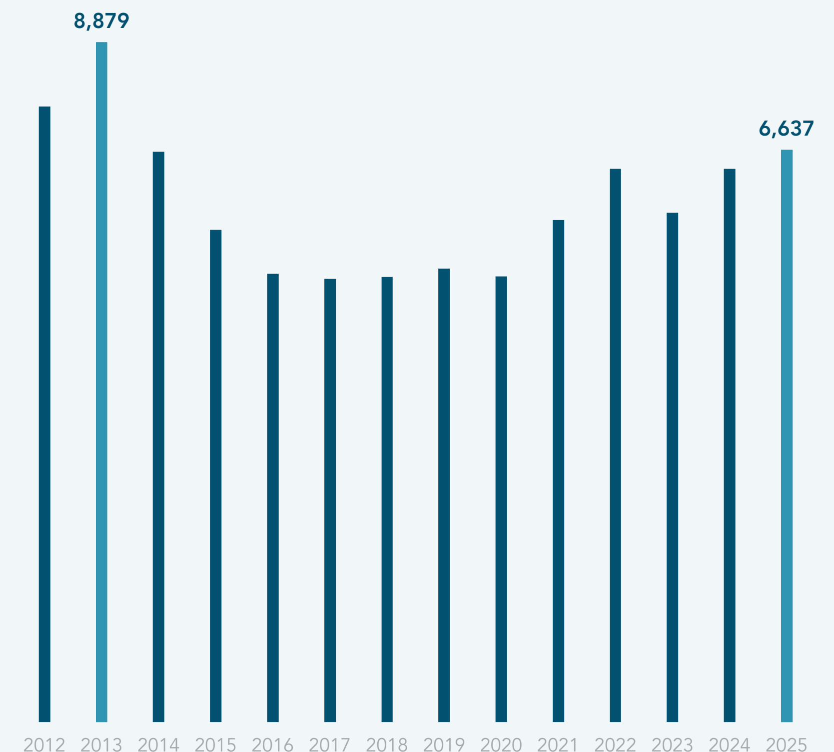
bankruptcy risks. However, a softer external environment — in part stifled by sluggish growth in the Chinese Mainland, a key trade partner — poses headwinds for goods-export-oriented sectors, particularly manufacturing, where bankruptcy pressures are likely to persist. An ongoing push toward stricter anti-tourism measures is also likely to fan risks for firms reliant on visitor-driven demand. With the ECB at the end of its monetary easing cycle and policy rates expected to remain low and stable, borrowing conditions should limit a sharper deterioration, but sector-specific vulnerabilities will continue to drive corporate distress.

Spain's bankruptcy outlook for 2026 is glum, with the corporate accounting moratorium — in place since the pandemic-era measures of 2020 — having officially expired on December 31, 2025.

- As of January 1, 2026, companies must once again incorporate all 2020–21 Covid period losses into their net equity calculations. This shift will push many low margin firms into mandatory dissolution, triggering a strict two-month liability window for directors to recapitalize, restructure, or file for bankruptcy.
- A concentrated surge of restructuring plans is expected over early 2026 as several firms confront deferred balance sheet impairments — marking a major real economy test of Spain's 2022 Insolvency Law.

BUSINESS BANKRUPTCIES IN SPAIN



KEY DATA POINT

Spain's bankruptcies rose 6.3% in 2025 to 6,637, marking a second consecutive annual increase. Although the pace has moderated relative to 2024, the total now stands at its highest level since 2013, underscoring a continued deterioration in bankruptcy conditions.

Switzerland

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KEY TAKEAWAY

Bankruptcies in Switzerland jumped 40.5% in 2025 as stricter enforcement rules exposed SME stress, while a strong franc and weak external demand squeezed construction, services, and hospitality sectors despite stable macro conditions.

Switzerland's macroeconomic environment remained broadly stable in 2025, with low inflation, a resilient labor market, and monetary policy that remained less restrictive than in neighboring economies. However, external conditions continued to constrain growth. In particular, the persistent strength of the Swiss franc weighed on export-oriented companies and tourism-linked services, compressing margins for firms exposed to euro area demand and global trade flows. While domestic fundamentals remained sound, the operating environment became less forgiving for smaller and internationally exposed businesses.

Against this backdrop, company bankruptcies surged to 12,015 in 2025, from 8,551 in 2024 — a 40.5% y/y increase. A key driver was institutional rather than cyclical: the revision of the Debt Enforcement and Bankruptcy Act (SchKG), effective January 1, 2025, which requires public creditors (including tax authorities, social insurance funds, and customs) to pursue unpaid claims through formal bankruptcy proceedings rather than enforcement measures such as seizures. This change led to a step-change increase in registered bankruptcy cases, accelerating the recognition of financial distress that had previously remained unresolved or administratively contained. Consistent with this trend, credit-risk indicators also deteriorated, with the Dun & Bradstreet TFS showing a 13.3% y/y rise in Switzerland's average score in 2025, indicating a broader increase in underlying default risk.

Sectoral patterns underline this structural adjustment. Business services accounted for the largest share of bankruptcies (19.1%), followed by construction (15.5%), and eating and drinking places (9.7%). These sectors are characterized by high SME density — dominated by micro-firms, thin operating margins, and sensitivity to labor costs and demand fluctuations. In construction, the combined impact of softer project pipelines and tighter enforcement of public liabilities weighed heavily,

while hospitality and services faced margin pressure as post-pandemic demand normalized and cost pass-through remained incomplete.

Overall, Switzerland's 2025 bankruptcy profile points to a regulatory-driven normalization of bankruptcies, amplified by external headwinds. The sharp rise reflects the emergence of previously unrecorded stress among smaller firms following years of unusually low bankruptcy rates, supported by accommodative policy and flexible enforcement. Looking ahead, bankruptcy dynamics will depend less on domestic growth and more on the interaction between enforcement practices, SME refinancing conditions, currency strength, and the pace of recovery in Switzerland's key export markets.

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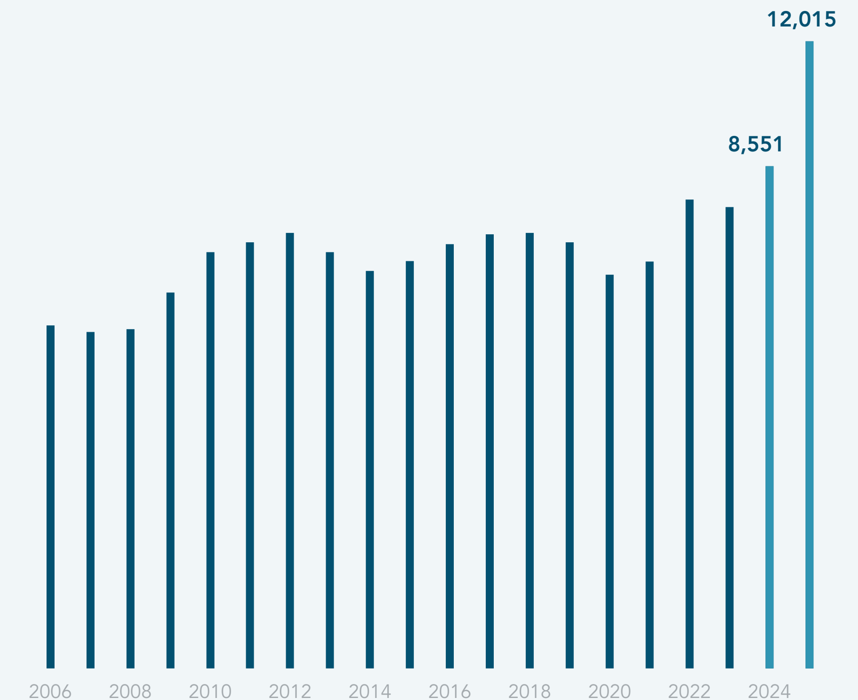
BUSINESS BANKRUPTCIES IN SWITZERLAND



KEY DATA POINT

The 40.5% y/y surge to 12,015 bankruptcies in 2025 represents Switzerland's largest recorded one-year jump in over a decade, with public-creditor-driven filings alone accounting for the bulk of the 3,464 increase, underscoring a structural, enforcement-led regime shift.

The U.K.

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KEY TAKEAWAY

U.K. bankruptcies have flatlined at historically high levels as firms remain squeezed by elevated costs, weak demand, and slow interest rate pass-through.

Business bankruptcies in the U.K. have remained broadly flat for the past three years, at between 24,000 and 25,000. While stable, this level of bankruptcies is high for the country; between 2013 and 2019, bankruptcies averaged 17,323, with a peak of 22,550 in 2013.

Businesses in the U.K. have faced a difficult 2025, with an increase in national insurance contributions and the national minimum wage from April contributing to financial stress. Further, at 24.9 pence per kWh, the U.K. had the highest industrial electricity prices of 23 major economies in 2024, according to the International Energy Association (IEA), due to a high reliance on imported gas to generate electricity and the marginal energy price system.

In 2025, half of all bankruptcies occurred in three sectors: business services, eating/drinking places, and construction. Despite the latter two sectors experiencing a decrease in bankruptcies in 2025, the level remains significantly greater than any year before the Covid pandemic.

The plateauing of bankruptcies in the U.K. comes at a time when the BoE has cut its bank rate 50bps in 2024 and 100bps in 2025. However, the pass-through to business interest rates has been slow, as patchy economic growth meant banks have acted cautiously and not lowered lending standards too quickly. The average interest rate on business loans was 5.9% in November 2025, 100bps below the peak in mid-2024 but significantly below the average 3.3% in 2019.

In Q4 2025, 5.2% of businesses in the U.K. were identified as at high risk of failure, according to Dun & Bradstreet's Financial Risk Solutions. This share is significantly greater in the eating/drinking place sector, with 17.0% of businesses identified as at high risk of failure. This sector is likely to face additional stress as consumers act with caution over spending in light of a shrinking pool of job opportunities in the U.K.

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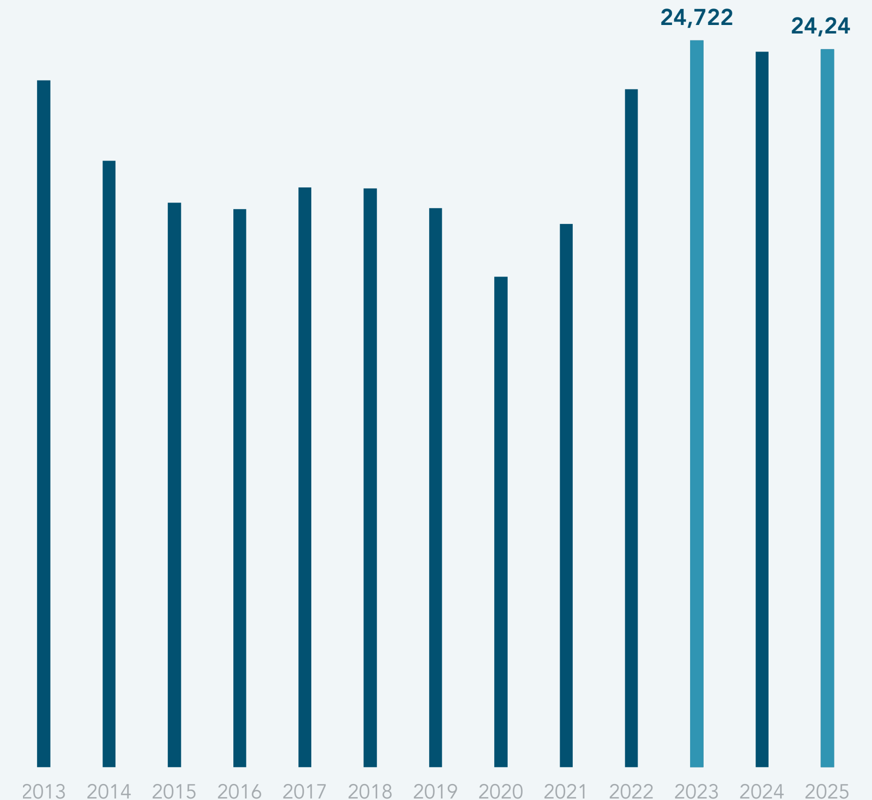
We expect U.K. economic growth to slow to 1.2% in 2026 from 1.4% in 2025. A mixture of high inflation, a weak labor market, and elevated interest rates will contribute to slowing consumer spending in the first half of the year.

The outlook for businesses is expected to be stronger, as they look to move on from tariff and policy uncertainty to start comprehensive investment and hiring planning in 2026. In Dun & Bradstreet's Q1 2026 GBOI report, the U.K. reported one of the largest gains in confidence globally — contributing to the first meaningful improvement in optimism since the end of 2024.

However, we remain cautious about interpreting this as a concrete turning point for the economy; if bankruptcies in the U.K. are to fall, they are unlikely to decrease substantially due to:

- The BoE's expected ongoing cautious approach to cutting interest rates; at 3.75% at the end of 2025, the BoE had the highest borrowing costs of any country in the G7.
- The U.K. government's revaluation of commercial properties for the first time since the Covid pandemic, which will result in a significant number of businesses experiencing an increase in business rate taxes from April 2026.
- The increase in the tariff rate applied on most U.K. exports to the U.S., which has risen to 10%.

BUSINESS BANKRUPTCIES IN THE U.K.



KEY DATA POINT

The number of bankruptcies in the U.K. in 2025 remained elevated at 24,242, 39.9% greater than the 2013-19 average.

The U.S.

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KEY TAKEAWAY

U.S. bankruptcies climbed 26% to 44,932 in 2025, with every quarter surpassing 2024 levels as higher interest costs, tighter credit, and tariff-inflated inputs strained firms with limited buffers. Business sentiment remained negative across all four quarters, underscoring entrenched financial stress. Conditions entering 2026 suggest bankruptcies rates will stay above pre-2023 norms.

U.S. business bankruptcies rose sharply in 2025, climbing from 35,640 cases in 2024 to 44,932, a jump of more than 26% that signals a broad deterioration in financial resilience. Quarterly filings, which had been relatively stable in 2024, ranging between 8,626 and 9,113, surged across every quarter of 2025, beginning with 10,777 cases in Q1 2025 (up 21.2% y/y). This early rise shows that many firms entered the year already weakened — carrying high debt burdens, compressed margins, or facing tighter access to finance. Sentiment data reinforced this deterioration — the Dun & Bradstreet U.S. Business Optimism Index fell sharply (-9.4%) in Q1 2025, its weakest reading of the year, indicating sharply rising pessimism around financial conditions, demand, and cost pressures even before bankruptcies began to accelerate. The reinstatement and expansion of U.S. tariffs in late 2024 and again in mid-2025 added to these pressures, raising input costs for manufacturers, wholesalers, and retailers concentrated in tariff-exposed supply chains. Firms that relied heavily on imported intermediate goods saw cost increases before they could adjust sourcing or pass on higher prices to customers.

The upward momentum continued in Q2, with filings rising to 11,173. While the U.S. Business Optimism Index decline moderated to -3.9% for this quarter, sentiment remained firmly negative, consistent with the still-challenging backdrop of financing constraints, softening demand, and persistent cost pressures. The intensification of bankruptcies in Q3 — when filings peaked at 11,835, diverging sharply from the 8,626 cases recorded a year earlier — reflects an escalation of financial strain likely driven by mid-year liquidity pressures. The U.S. Business Optimism Index fell again in Q3 (-5.8%), pointing to a renewed deterioration in business confidence as tariff-linked cost increases broadened and uncertainty around trade policy escalated. Q3 is also when operating costs typically rise before revenues — especially in consumer-facing sectors — benefit from U.S. holiday season spending. Firms with thin buffers were hit by simultaneously rising expenses and tightening credit.

By Q4, filings eased slightly to 11,147 but remained far above the 9,011 recorded in Q4 2024. This modest softening suggests some temporary pressures, such as inventory imbalances, had passed. Even so, the quarter's still-elevated level underscores that structural financial stress persisted. The U.S. Business Optimism Index decline was smaller in Q4 (-1.5%), indicating some tentative stabilization in business sentiment. While some firms were able to raise prices to offset tariff-related cost increases, many could not, particularly in price-sensitive segments such as furniture, consumer electronics, and lower-end apparel — sectors heavily exposed to import duties. The Q3 to Q4 decline should be viewed as seasonal moderation rather than a shift away from an otherwise elevated bankruptcy environment.

The pattern across 2025 reflects four reinforcing macro-financial forces:

01

FIRST, INTEREST RATE PRESSURES CONTINUED TO DRIVE DISTRESS. Firms that had borrowed cheaply faced significantly higher refinancing costs as loans matured throughout 2025, particularly those whose debt structures relied heavily on short-term or floating rate financing. Many firms had already absorbed several quarters of rising interest expenses, but the cumulative effect became unsustainable as cash revenues thinned.

02

SECOND, CREDIT CONDITIONS TIGHTENED MEANINGFULLY THROUGHOUT THE FINANCIAL SECTOR AS LENDERS GREW MORE CAUTIOUS. Banks, non-bank lenders, and private-credit providers all became more selective, raising collateral requirements or reducing credit lines. For firms reliant on revolving credit to manage payroll, inventory, or supplier payments, even small contractions in available liquidity would have created severe operational challenges. The negative U.S. Financial and Investment Confidence Indices declined across most of 2025, reflect firms' worsening expectations for financing availability and investment conditions.

03

THIRD, COST STRUCTURES REMAINED ELEVATED DESPITE SOFTENING DEMAND. Wage and insurance costs stayed high, and although some input prices eased from pandemic peaks, they remained well above pre-2020 norms. New and expanded tariffs added an additional layer of cost pressure in 2025, particularly for firms dependent on imported machinery, metals, chemical inputs, and consumer goods. These tariff-driven increases were especially damaging for firms that could not easily reconfigure supply chains. For firms with limited pricing power, margin pressure accumulated until bankruptcy became unavoidable.

04

FOURTH, TARIFFS CONTRIBUTED TO SECTOR-SPECIFIC STRESS. Industries with high import penetration — such as electronics, automotive components, home goods, and specialty machinery — were disproportionately affected. Some firms frontloaded imports in late 2024 to avoid tariff exposure, but once inventories ran down, replacement costs surged. Tariff volatility also complicated planning: firms did not know whether further rounds were coming, leaving them unable to commit to forward contracts or alternative sourcing.

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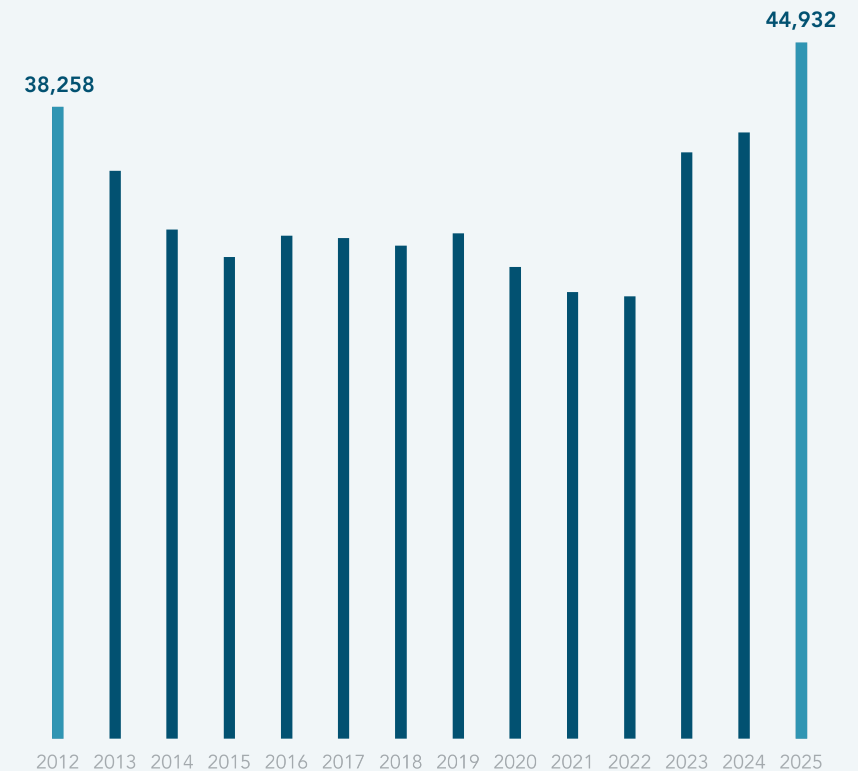
Even with the slight easing in Q4, 2025's profile highlights the fragility of the business sector. Many firms appear to have delayed bankruptcy during earlier periods of uncertainty but were ultimately unable to withstand the 2025 financial environment. That each quarter exceeded its 2024 equivalent shows how broad-based the deterioration was, cutting across industries. Tariffs were not the primary driver of bankruptcies, but they acted as an amplifying force, pushing already-marginal firms past their break-even thresholds just as financing conditions tightened. The persistent, multi-quarter run of negative GBOI readings aligns closely with the pattern of elevated bankruptcies, indicating that sentiment never regained enough momentum to provide relief.

The surge in 2025 bankruptcies suggests that 2026 will begin with a still-elevated bankruptcy rate. Even if monetary and credit conditions improve, the effects will be slow to filter through because many firms refinanced at higher rates in 2025 and will carry those costs forward. Firms that narrowly avoided bankruptcy in 2025 remain vulnerable, and even modest shocks to revenue, input costs, or credit access could trigger bankruptcy. Tariff exposure will continue to be a key differentiator: firms with flexible supply chains and stronger pricing power may adjust, while those reliant on high-tariff inputs or single-source suppliers will remain at heightened risk. Absent a material loosening of credit, a sustained easing in tariff burdens, or a meaningful uplift in revenue, U.S. business bankruptcies in 2026 will likely remain above pre-2023 norms.

BUSINESS BANKRUPTCIES IN THE U.S.



KEY DATA POINT

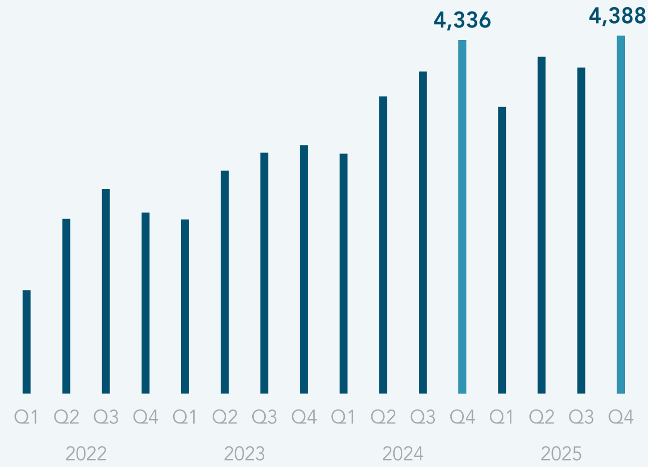
U.S. bankruptcies jumped 26% to 44,932 in 2025, reinforced by persistently negative business sentiment and sustained cost pressures, highlighting the depth of financial strain facing firms amid tighter credit, elevated rates, and tariff-driven input costs.

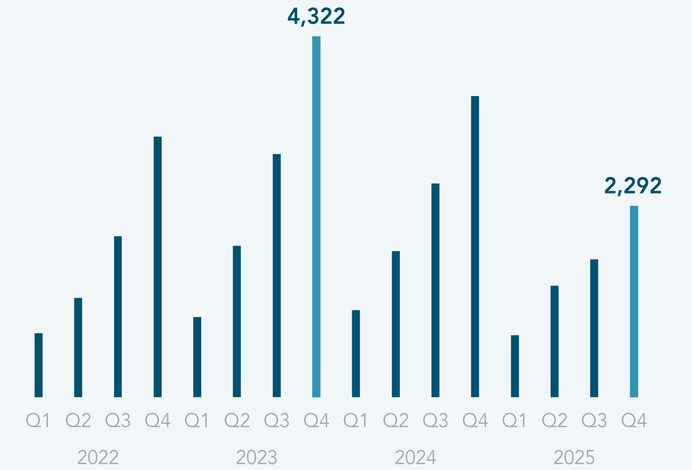
Trends of Business Failures

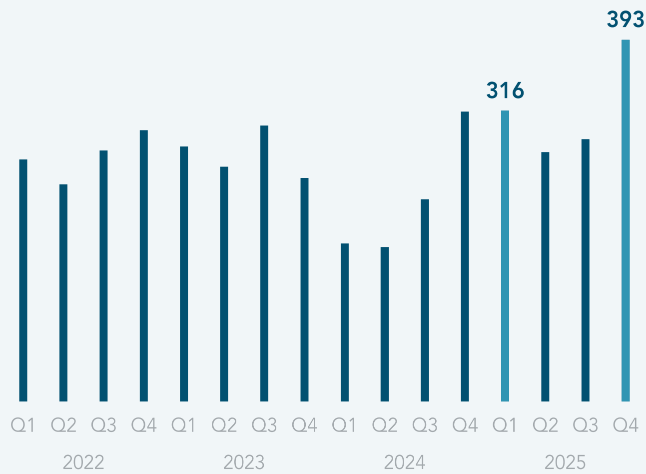
TRENDS OF BUSINESS FAILURES

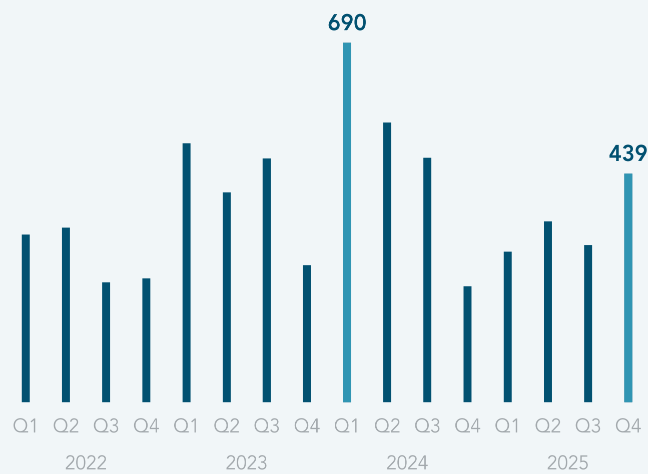
Asia & Oceania

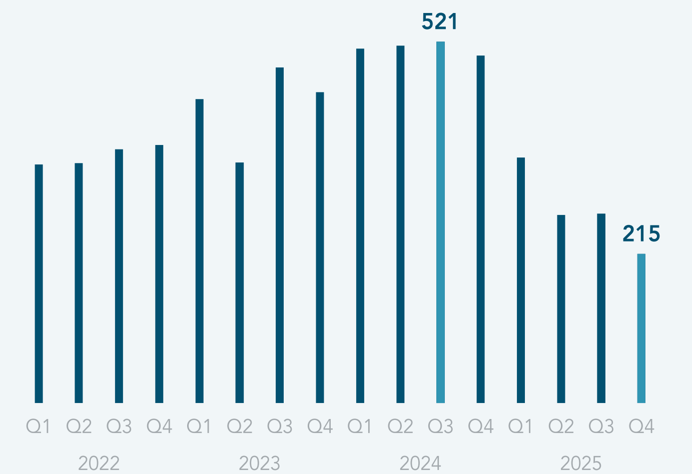
The charts present the trend of business failures in each economy, highlighting the latest and previous high figures during the past years.

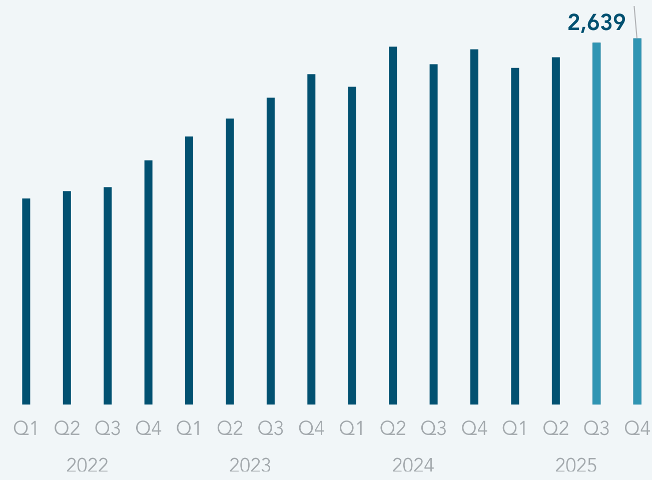








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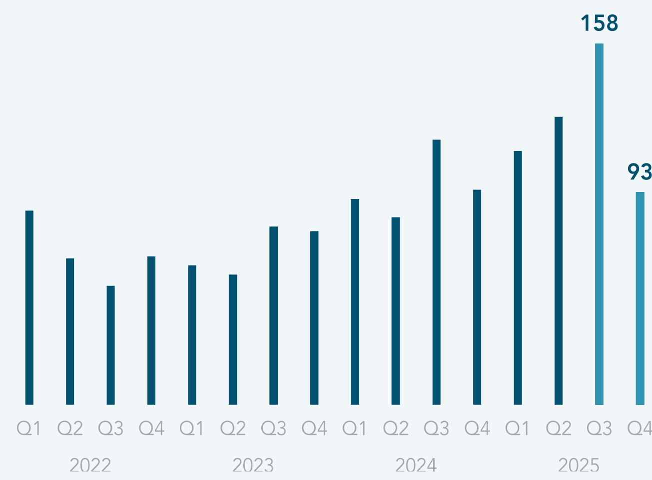
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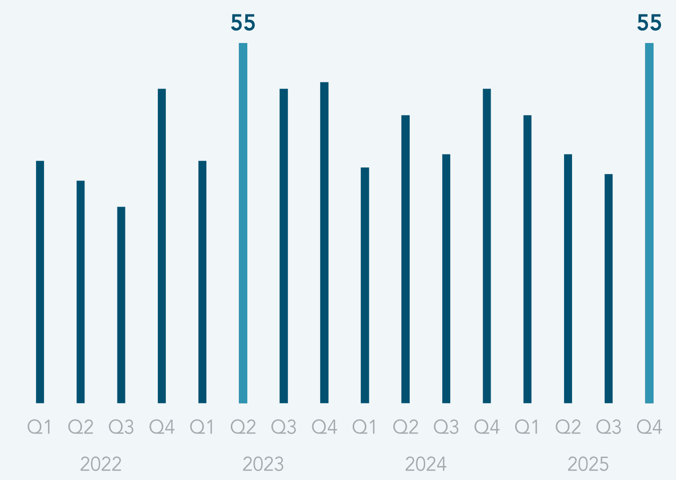
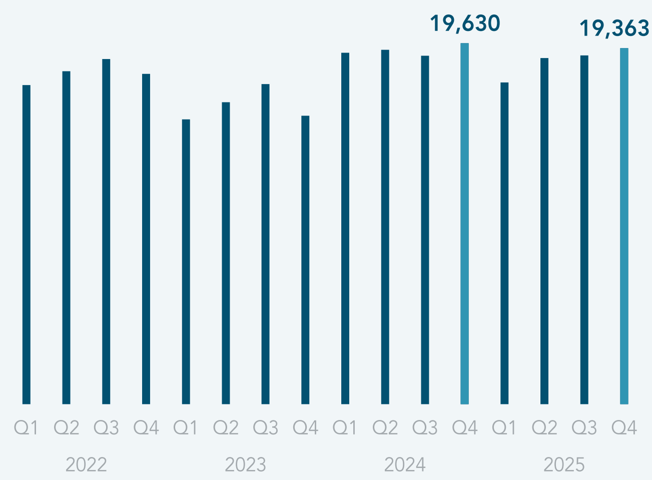
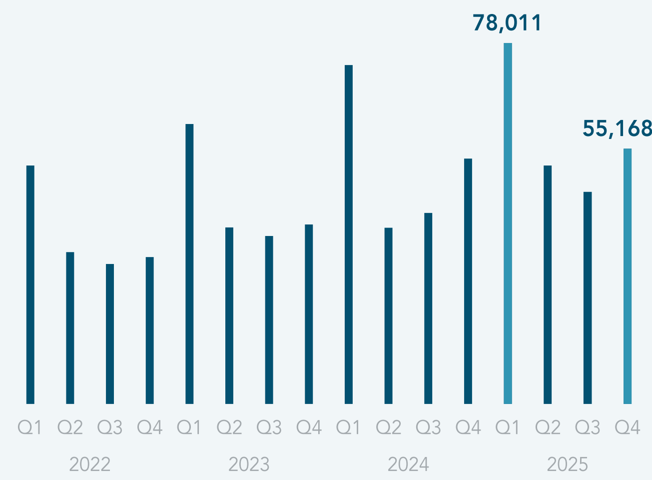
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022 2023 2024 2025


South Korea
55
55
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022 2023 2024 2025

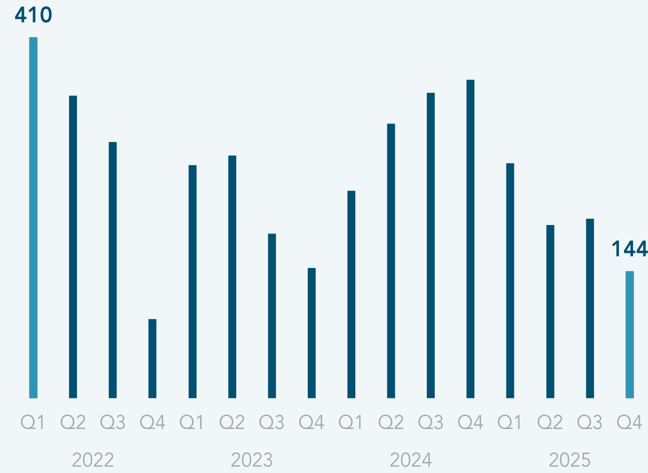

Taiwan Region
19,630
19,363
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022 2023 2024 2025

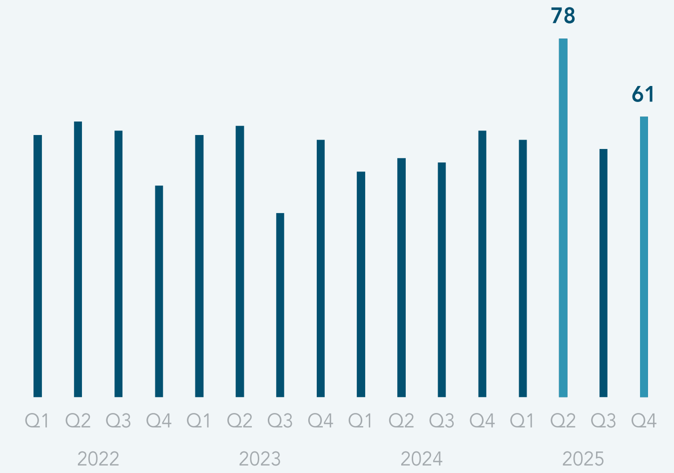

Vietnam
78,011
55,168
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022 2023 2024 2025

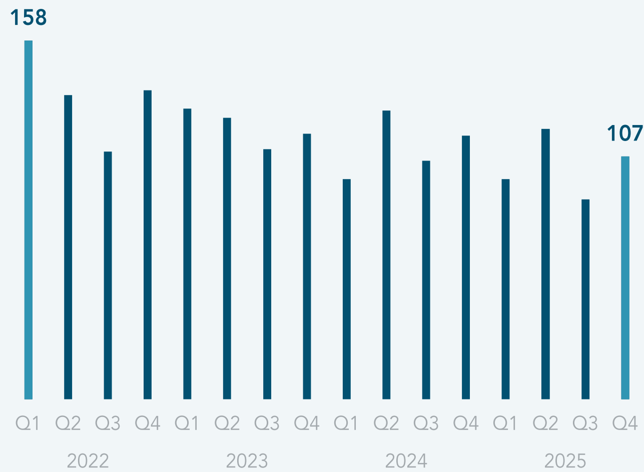
TRENDS OF BUSINESS FAILURES

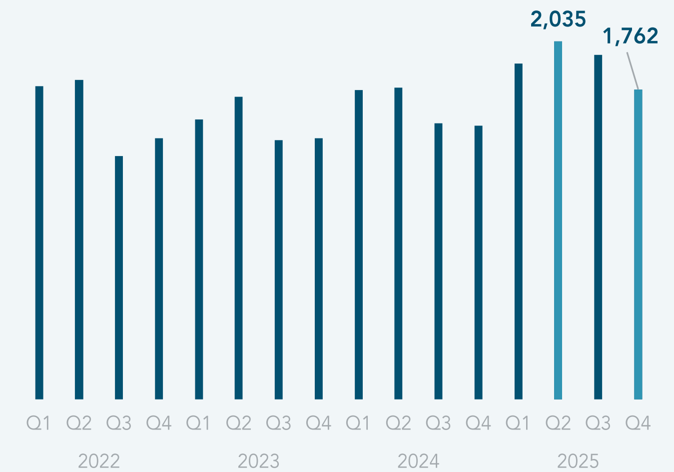
Eastern Europe & Central Asia

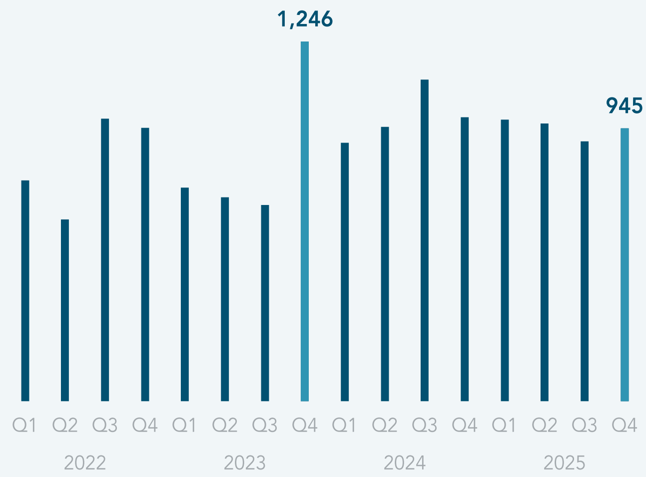
The charts present the trend of business failures in each economy, highlighting the latest and previous high figures during the past years.

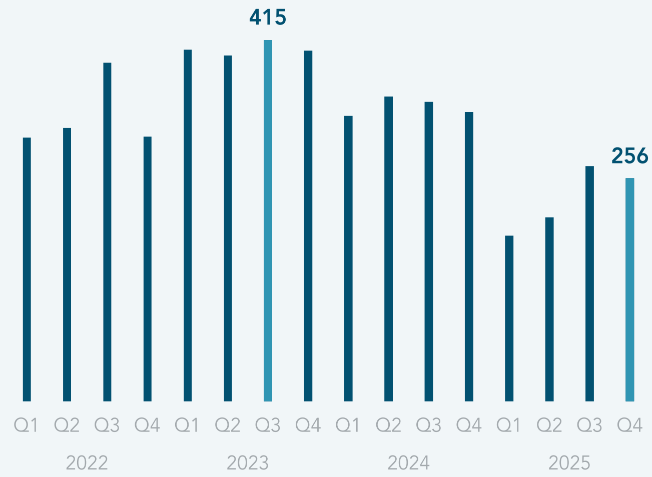


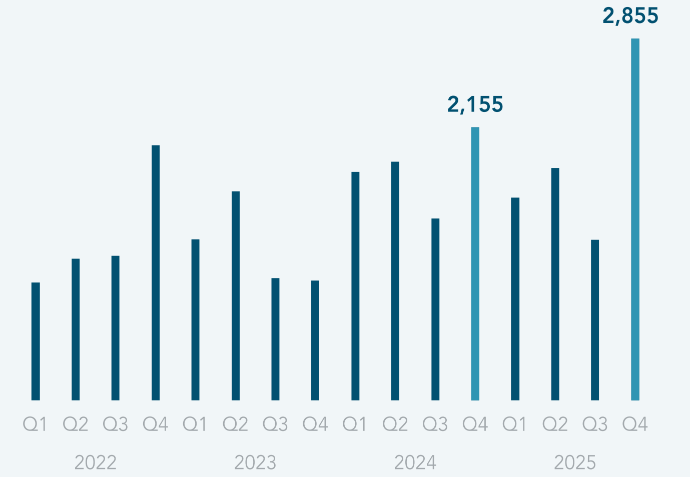


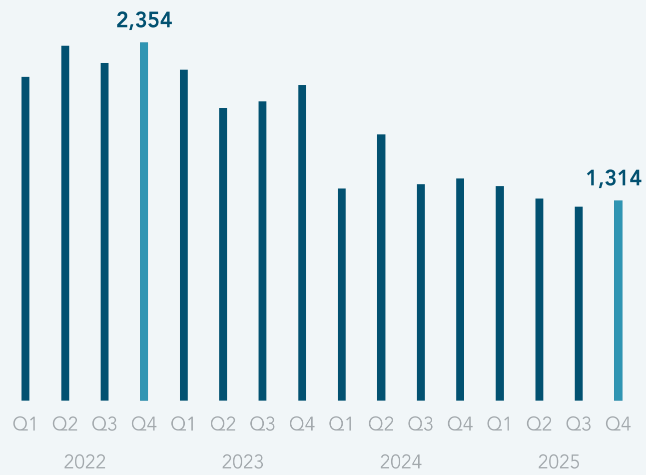


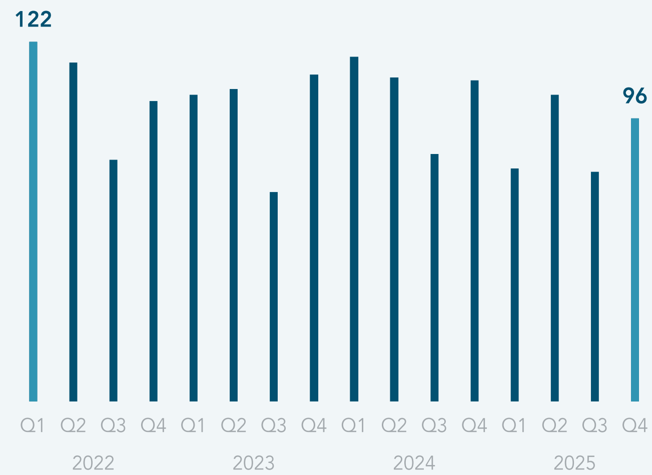


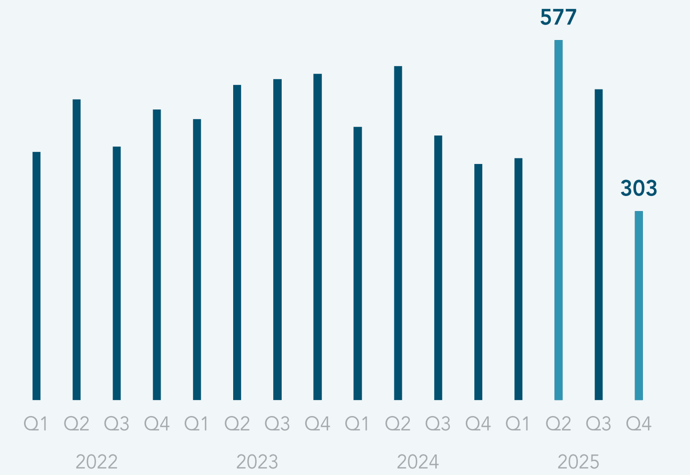

Hungary
1,246
945
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022 2023 2024 2025

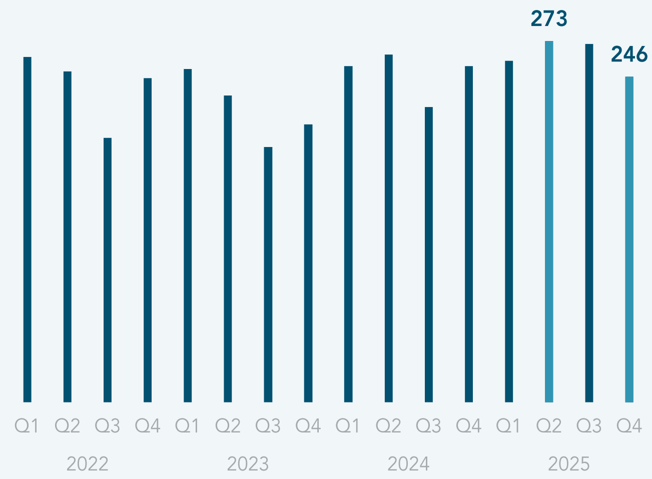

Kazakhstan
415
256
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022 2023 2024 2025

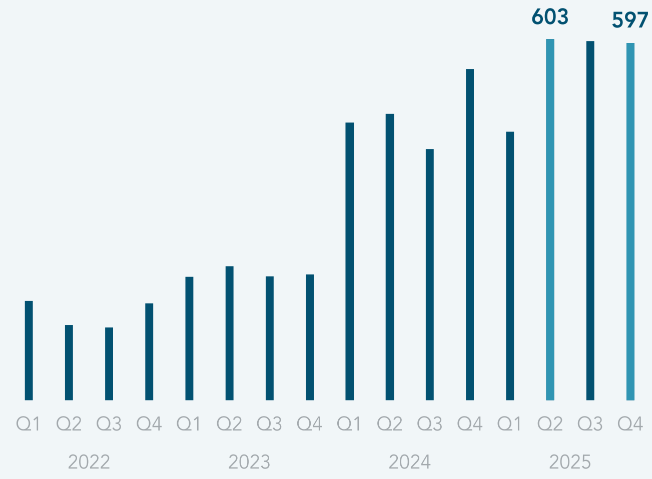

Romania
2,155
2,855
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022 2023 2024 2025


Russia
2,354
1,314
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022 2023 2024 2025


Serbia
122
96
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022 2023 2024 2025


Slovakia
577
303
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022 2023 2024 2025

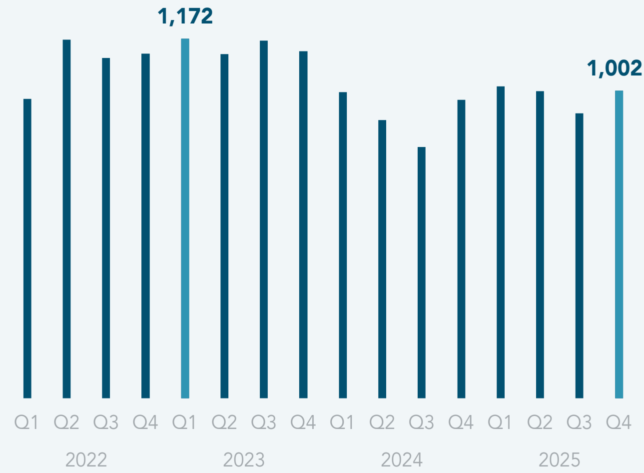

Slovenia
273
246
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022
2023
2024
2025

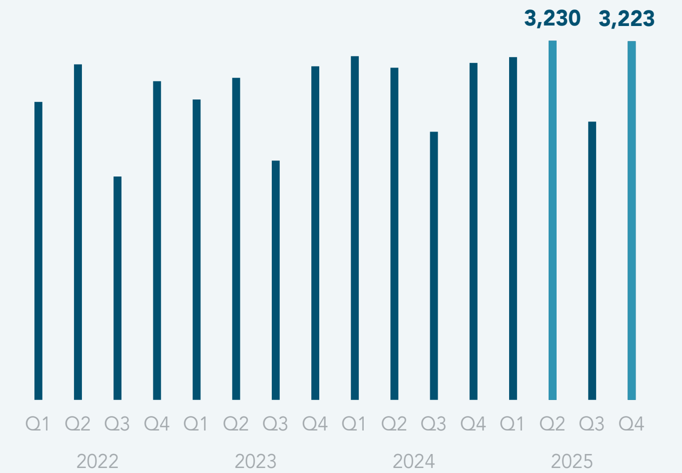

Ukraine
603
597
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022
2023
2024
2025

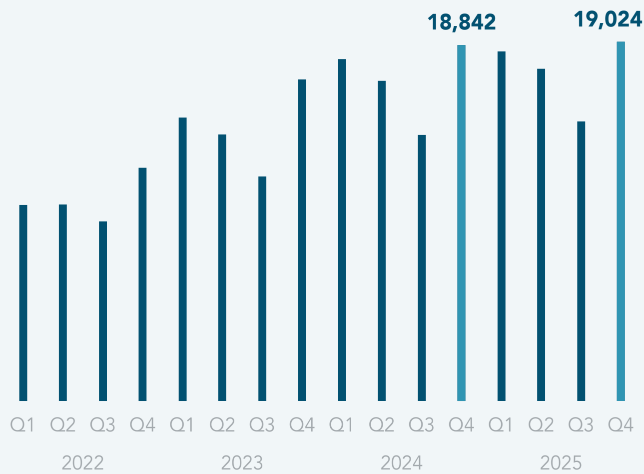
TRENDS OF BUSINESS FAILURES

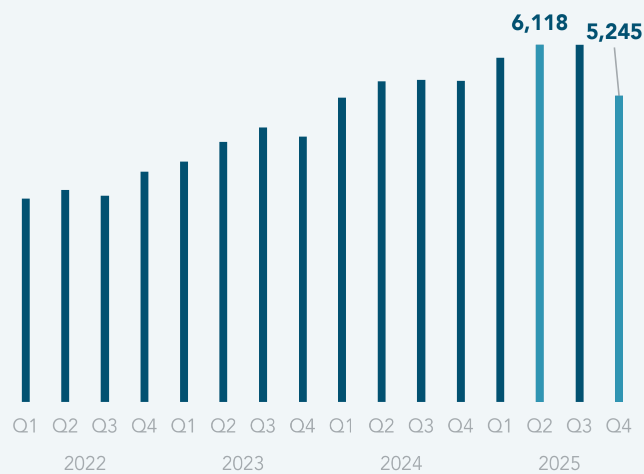
Western & Central Europe

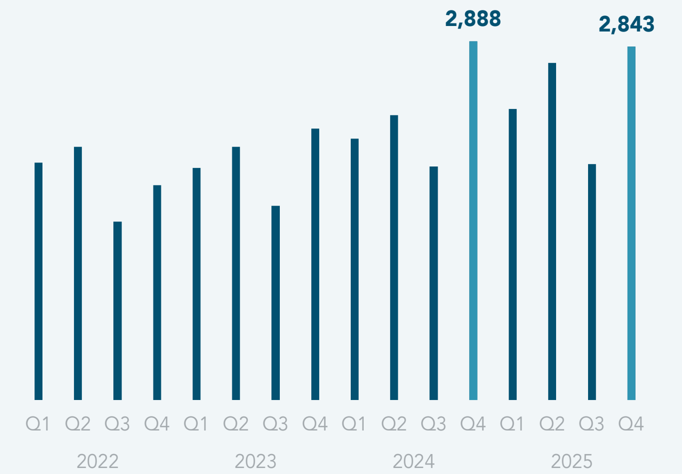
The charts present the trend of business failures in each economy, highlighting the latest and previous high figures during the past years.

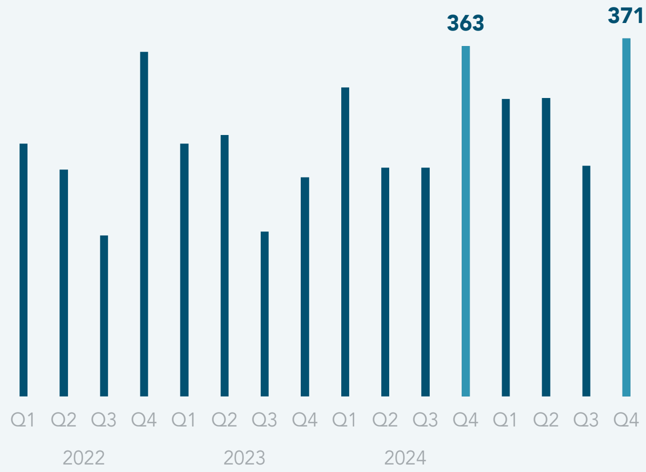


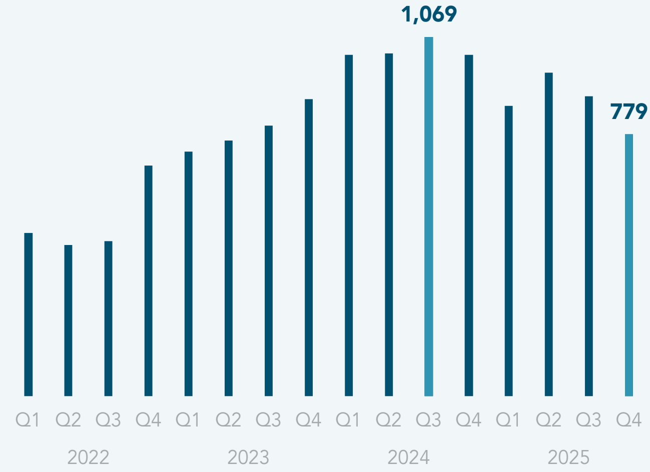


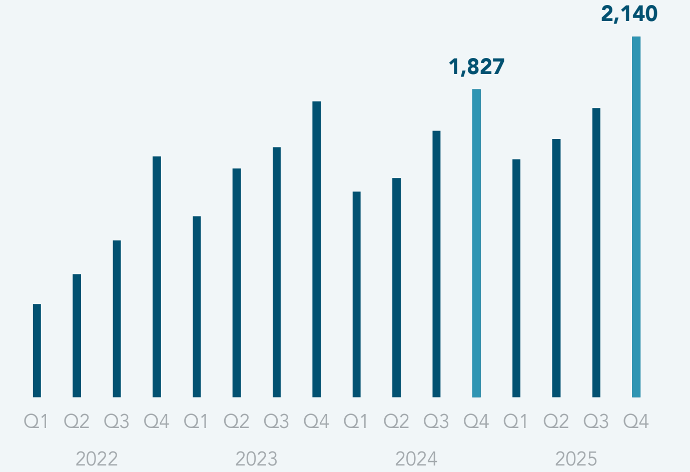


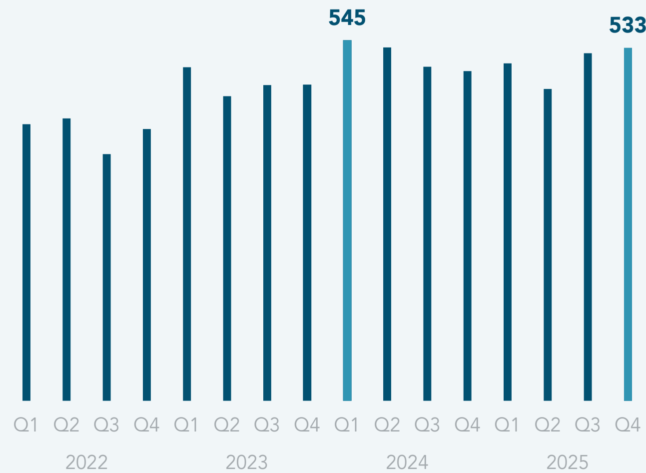


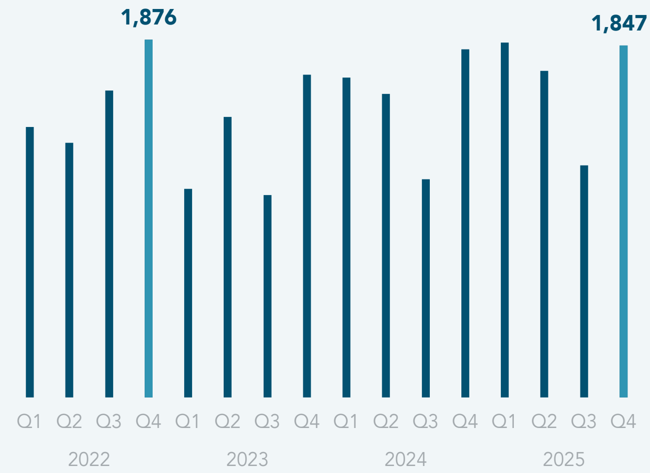



Luxembourg
363
371
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022
2023
2024

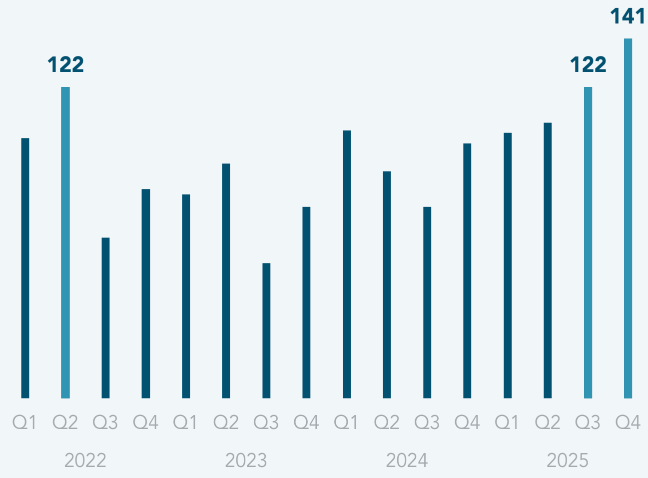

Netherlands
1,069
779
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022
2023
2024
2025


Poland
1,827
2,140
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022
2023
2024
2025

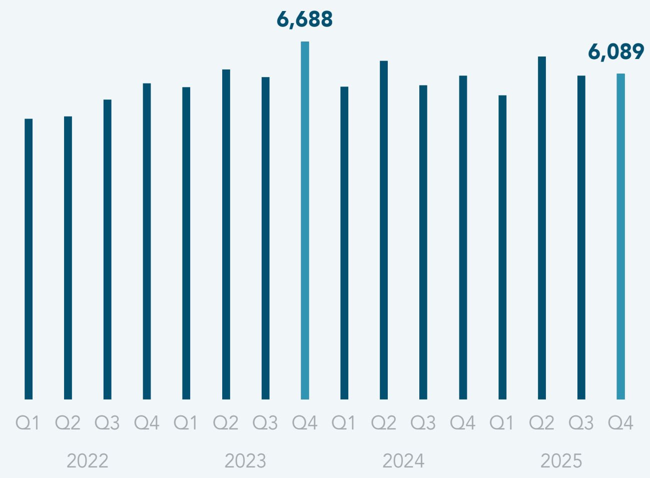

Portugal
545
533
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022
2023
2024
2025


Spain
1,876
1,847
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022
2023
2024
2025

Switzerland
3,264
3,887
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022
2023
2024
2025



Türkiye
122
122
141
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022
2023
2024
2025

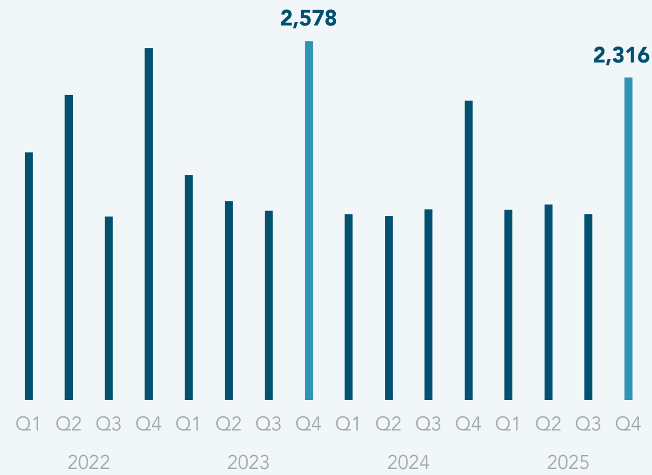


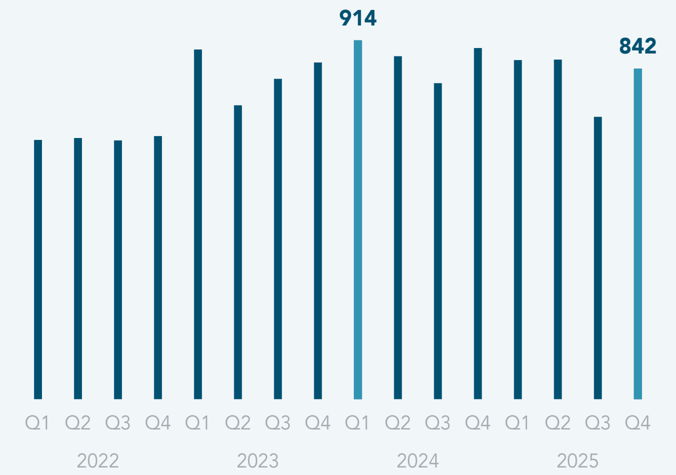
United Kingdom
6,688
6,089
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2022
2023
2024
2025

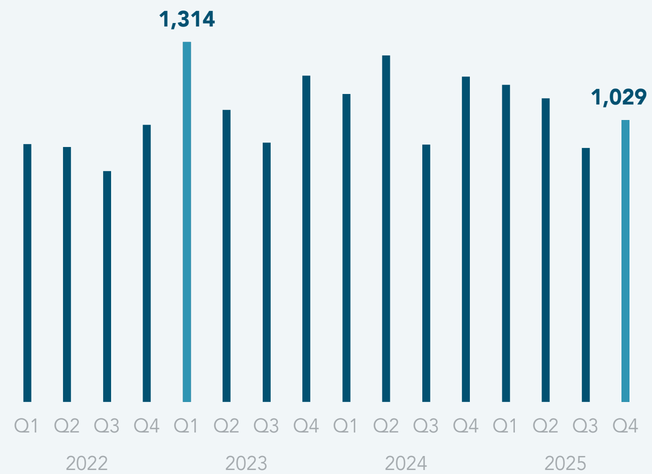
TRENDS OF BUSINESS FAILURES

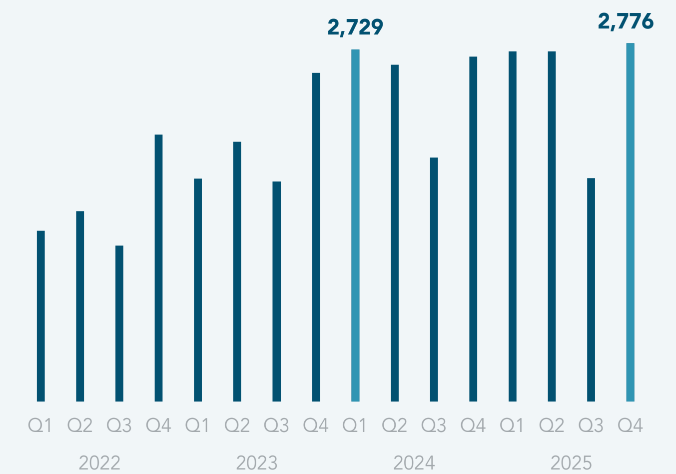
Nordics

The charts present the trend of business failures in each economy, highlighting the latest and previous high figures during the past years.





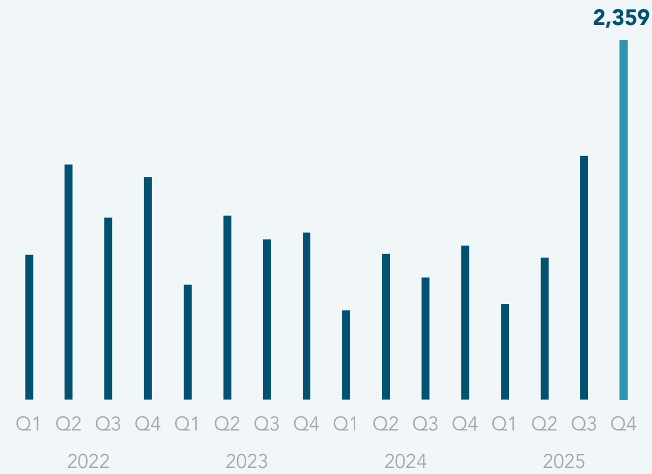


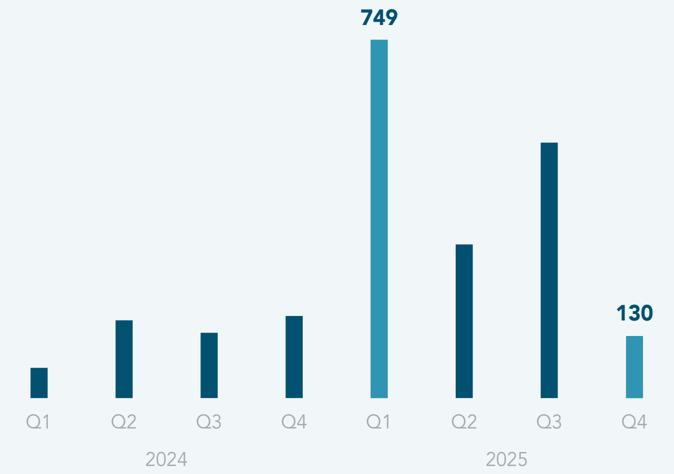


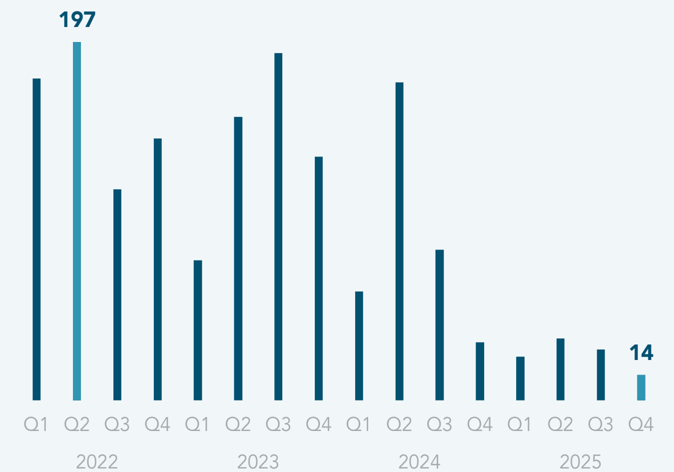
TRENDS OF BUSINESS FAILURES

Latin America

The charts present the trend of business failures in each economy, highlighting the latest and previous high figures during the past years.



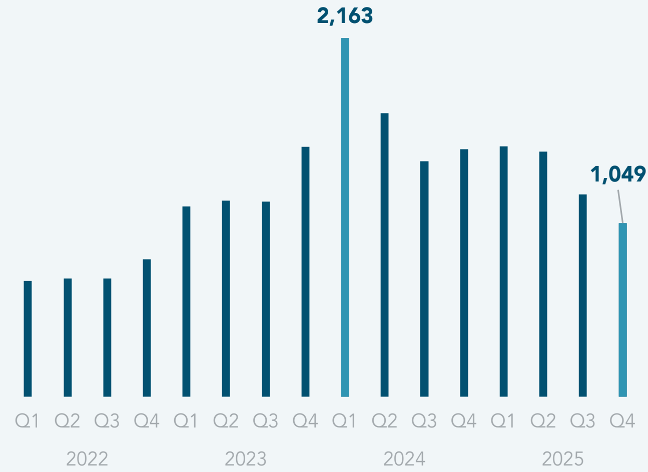


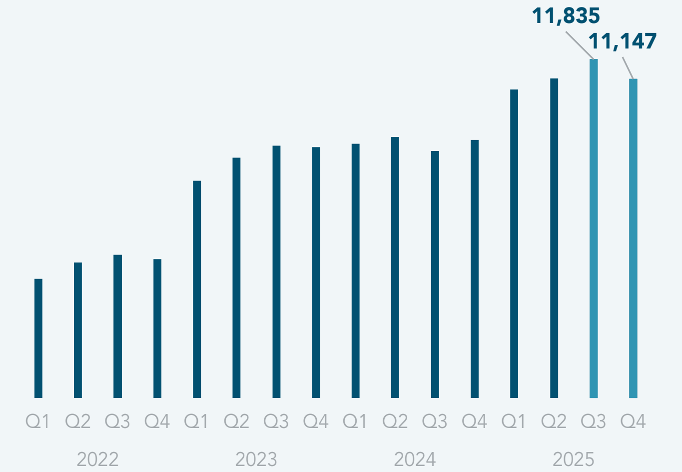


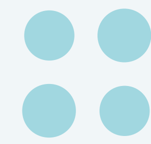
TRENDS OF BUSINESS FAILURES

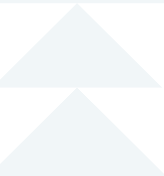
North America

The charts present the trend of business failures in each economy, highlighting the latest and previous high figures during the past years.









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