

Global Insolvencies Outlook 2028: Higher rates, higher energy bills, higher insolvencies



27 October 2026

Allianz Research

Content

Page 3-5

Executive Summary

Page 6-11

A fourth year of rising insolvencies in 2026

Page 12-15

2027-2028 outlook: A plateau at a high level

Page 16

AI adoption in Europe: Protective or disruptive ?

Page 17-24

Regional outlooks

Page 25

Appendix

Executive Summary



Ana Boata
Head of Economic Research
ana.boata@allianz-trade.com



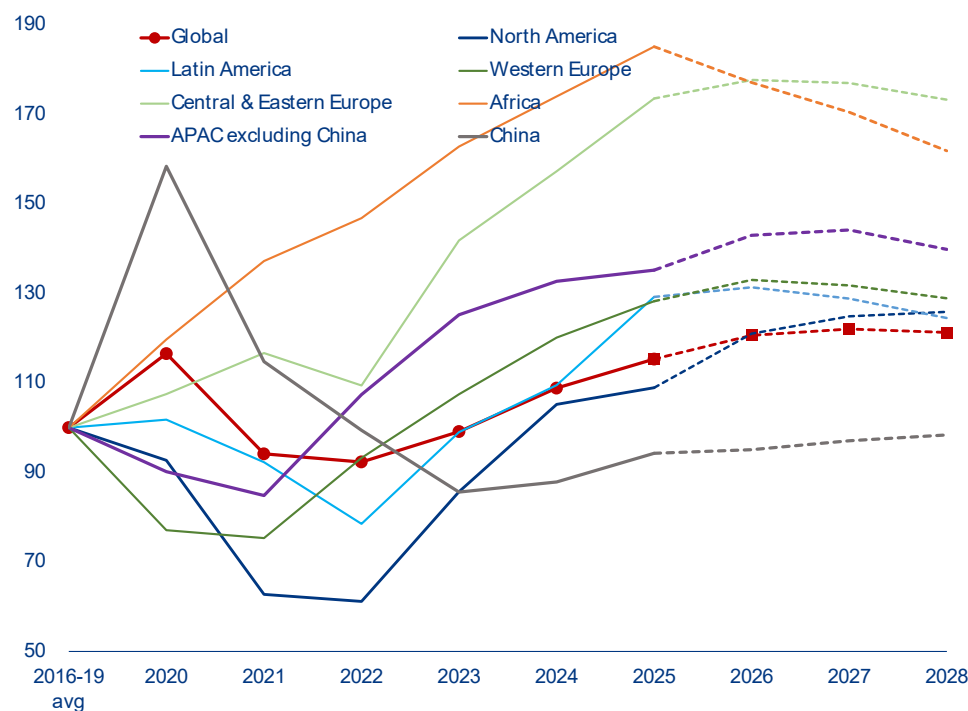
Maxime Lemerle
Lead Analyst for Insolvency Research
maxime.lemerle@allianz-trade.com



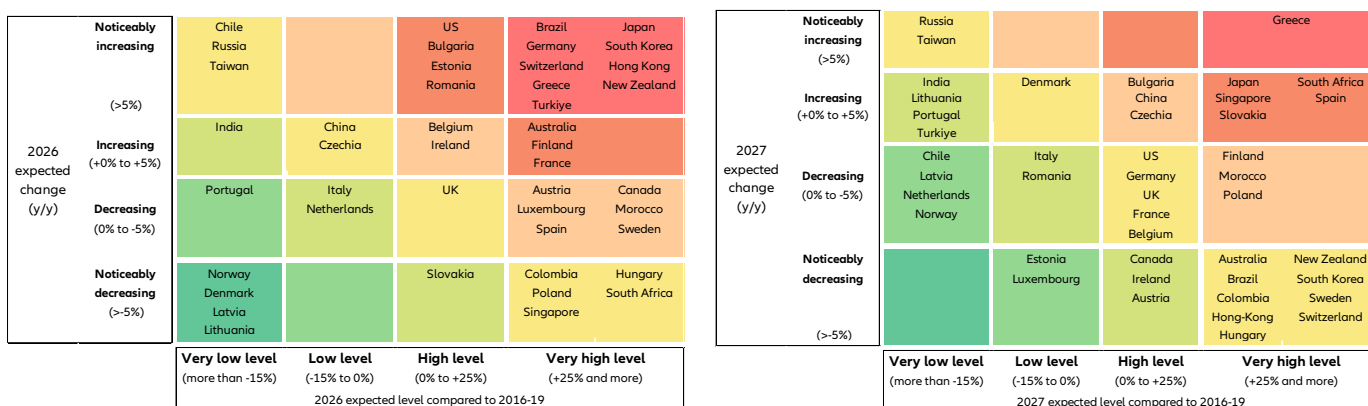
Ano Kuhanathan
Head of Corporate Research
ano.kuhanathan@allianz-trade.com

- 2026 marks the fourth consecutive year of rising global business insolvencies, with a moderately slowing pace.** Our Global Insolvency Index looks set to increase by +5% this year (broadly in line with our previous estimate), down from +6% in 2025 and +10% in 2024, leaving it 21% above its pre-pandemic average. North America and Asia-Pacific now drive 79% of the global increase. The US is the main engine, accelerating to +12% (from +7% last year), while Canada keeps declining (-3%). Asia-Pacific contributes 28% of the headline rise, driven by Taiwan (+36%), South Korea (+12%) and Japan (+6%), though China is near-stabilizing at +1%. Western Europe adds 15% to the global increase: +4% regionally, led by Germany (+8%) and France (+3%), with five countries - including France (about 71,000 cases), Switzerland (15,000) and Australia (11,850) - reaching their highest levels since 2000. Overall, 24 of 44 monitored countries see rising insolvencies, and 30 now exceed their pre-pandemic averages.
- Large companies keep on failing at a record rate.** Through the first three quarters of 2026, 376 firms with turnover above EUR50mn have gone insolvent, more than one every 18 hours. That's a record that surpasses the 2024 peak by 38 cases. Retail (69 cases), services (62) and construction (51) bear the brunt, accounting for nearly half of the total. Western Europe alone registers 229 major cases. Agrifood, automotive, transportation and energy show particularly sharp relative increases across the continent. Looking at companies of all sizes together, there are some signs of softening in Europe: Only 43% of 216 monitored sectors posted year-on-year rises in Q2, down from over 60% on average through 2024. But construction, transport and B2C services remain the most broadly affected.
- The jobs cost is significant: roughly 2.7mn jobs are directly at risk worldwide in each year over 2026-2027, up 180,000 from 2025 and a 13-year high in both Europe and North America.** This includes 2.3mn jobs at risk due to companies being liquidated in and 0.4mn due to restructuring. Europe accounts for 1.6mn, with France (about 268,000), Germany (239,000) and the UK (213,000) first in line, followed by North America at 650,000 and Asia at 305,000. To put this in perspective, the jobs at risk represent 8% of the unemployed in the US and 6% in Europe, but the picture varies enormously by country, from just 1% in Spain versus 10% in both France and the UK. Construction, retail and services are again the most exposed sectors.

- **We do not expect a meaningful decline in business insolvencies anytime soon.** Our headline index is forecast to edge up by +1% in 2027 (+1pp compared to our previous estimate) before dipping just -1% in 2028. 2028 will be mark the first year without a meaningful increase since 2022 but it is hardly a recovery. The index would still sit 22% above pre-pandemic norms, driven by several structural forces. With enduring tensions in the Middle East, global GDP growth is expected to underperform compared to the 2023-2025 period, while energy costs remain high and governments offer limited fiscal support. Moreover, the stock of active firms expanded by roughly 10% between 2021 and 2025, broadening the pool of companies exposed to failure – fewer than half of young companies survive five years in Europe. Construction, accounting for 15-20% of national insolvency counts, also continues to drag on the outlook. Regional trajectories will continue to diverge: the US (+4%) and Asia-Pacific (+2%) will continue climbing, while Western Europe edges down (-1%), with Germany flat at a high level (about 25,900 cases), France still inching up (+1%, 71,400 cases) and the UK declining by -3% (24,800 cases).
- **Higher-for-longer interest rates are choking the most vulnerable firms.** Persistent interest rates keep straining (re)financing issues for already fragile companies, notably SMEs and those in already high-risk sectors such as in Latin America and Western Europe. In the US, fewer than one in two SMEs is profitable; in Europe, small firms are more likely than large ones to report falling earnings. Relief will be scarce: 60% of countries will maintain higher policy rates in 2027 than in the prior 12 to 24 months, inflating funding costs and squeezing margins. Already, 16% of US sectors and 25% of European ones have an interest coverage ratio below 3 and a shock of 400bps in the US or 300bps in Europe would push the rest under. In Western Europe, a +100bps rise in bank lending rates adds between EUR6bn (Spain) and EUR10bn (Italy and France) in interest expenses, compressing margins by -0.3pp to -0.9pp of gross value added (-0.3pp in Germany, -0.5pp in the UK, -0.6pp in Spain and -0.7pp in France).
- **Higher-for-longer energy costs also maintain the pressure on margins.** The 60% rise in energy costs since January 2026 has hit transportation hardest, with net margins falling by about -17pps in air transport (US and Europe) and by -15 pps (US) and -10pps (Europe) in road transportation. Energy-intensive European industries would suffer more than their US peers, notably chemicals (-4pps vs. -2pps) and metals & mining (-3pps vs. -2pps). Other sectors, including agriculture, retail, pharma and construction, would see more limited losses of -1 to -3pps. These figures are an upper bound since firms will try to compensate by reviewing pricing strategies (selling prices, suppliers terms), implementing cost-cutting and/or optimizing internal operations to improve efficiency.
- **AI Darwinism is not yet a visible driver of insolvencies at the macro level, but there are some signals coming from smaller markets and early adopter sectors.** An initial analysis across eight EU economies and nine sectors finds very low correlation between AI adoption rates and insolvencies at this early stage. Macro and sector-specific fundamentals still dominate. However, AI adoption can accelerate business insolvencies in smaller and less diversified markets due to the competitive wedge it creates between early adopters and laggards. Belgium and Sweden, which have the highest average AI adoption (~35%), show a clear positive link between AI intensity and worsening insolvency trends. This suggests that in smaller and less diversified economies, AI could act as a competitive accelerator, reinforcing some firms positions while intensifying pressure for non-adopters. Information & communication, the most AI-intensive sector with 70% adoption, could be the canary in the coal mine: it shows worse insolvency performance than the national average in five of eight countries surveyed.

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

Source: Allianz Research

Figure 2: Insolvency heat map 2026 (left) and 2027 (right)

Source: Allianz Research



A fourth year of rising insolvencies in 2026

A decelerating but persistent global rise in 2026.

As expected¹, business insolvencies are set to rise for the fourth² consecutive year in 2026, with our Global Insolvency index³ increasing by +5% y/y, after +6% in 2025 and +10% in 2024. This outcome represents a small revision on the upside compared to our previous estimate (+0.3pp). Preliminary data available as of mid-October confirm the trajectory, showing a gradual slowdown of our headline indicator from +10% y/y in Q4 2025 to less than +6% y/y in Q3 and +6% year-to-date (excluding GCC countries and Israel due to the lack of official statistics on insolvency proceedings). At this stage, upside surprises in North America and parts of Asia-Pacific offset lower-than-expected figures in Latin America, Central and Eastern Europe and Africa. Overall, this continued but decelerating upside trend would bring our headline index slightly below its Great Financial Crisis (GFC) level and 21% above its pre-pandemic average (2016-2019).

North America and Asia-Pacific make up 79% of the global rise. Three dynamics are at play: a noticeable acceleration in North America, a persistent rise in Asia-Pacific and Western Europe and a deceleration in Latin America and Central & Eastern Europe. North America accounts for 51% of the global increase in 2026. This prominence stems partly from methodological reasons due to the region's significant share in global GDP (28%) and consequently in our headline indicator (33%). The

US rebound is set to accelerate to +12% (from +7% in 2025) while Canada is set to decline further (-3%). Asia-Pacific follows with 28% of the increase (+2.6% regionally). Australia (+1%), Japan (+6%), South Korea (+12%) and Taiwan (+36%) more than offset a near-stabilization in China (+1%) and a sharp drop in Singapore (-23%). Western Europe still contributes 15% (+4%), boosted by Germany (+8%) and France (+3%), while Latin America (+2%), Central and Eastern Europe (+2%) and Africa (-4%) are slowing sharply from their 2025 pace (+18%, +10% and +6%, respectively).

Overall, insolvencies would rise in 24 of the 44 countries we monitor, which account for 83% of our sample's GDP, but by a lower average of +11% (simple average), down from +18% in 2025. The largest relative increases are expected in Taiwan (+36%), Switzerland (+32%), Türkiye (+31%), Greece (+26%), Chile (+15%) and Russia (+14%). In absolute terms, the largest increases are in Switzerland (+3,660 cases), the US (+3,059), France (+2,312) and Germany (+1,836). The 20 countries with falling insolvencies post an average decrease of -9%. Double-digit drops occur in Slovakia, Singapore, Colombia, Hungary, Denmark, Norway and Lithuania, and Hungary (-3,088) and the UK (-1,145) see the largest absolute declines.

¹ See our previous insolvency report [Global Insolvency Outlook: Brace for Middle East spillovers](#) and our latest view in insolvencies [Economic outlook 2026-28: It got worse before it may get better](#)

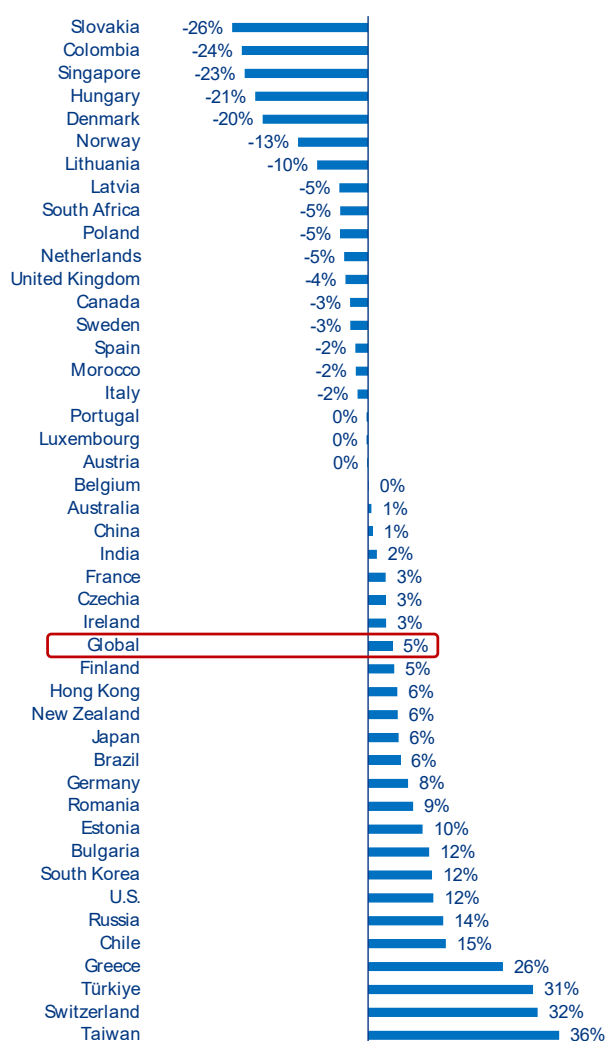
² Revisions in past insolvencies and changes in GDP weightings changed our Global Insolvency Index for 2022 from a limited rebound to a small decrease.

³ The Allianz Trade Global (or Regional) Insolvency Index is the weighted sum of national indices, each country being weighted by the share of its GDP within the countries used in the sample, using a base of 100 in year 2015 (44 countries representing 86% of global GDP in 2025). National indices are based upon our monitoring of absolute and non-seasonally adjusted numbers of insolvencies.

Figure 3: Business insolvencies – Latest available figures as of mid-October 2026

Country	Latest point	y/y change in %				Year to date		Country	Latest point	y/y change in %				Year to date	
		1 month	3 months	6 months	12 months	vs 2025	vs 2016/19			1 month	3 months	6 months	12 months	vs 2025	vs 2016/19
U.S.	2026 Q3	-	2%	9%	13%	13%	19%	Russia	06-26	21%	21%	11%	-8%	11%	-44%
Canada	08-26	4%	3%	1%	-7%	-2%	29%	Türkiye	09-26	-5%	-10%	11%	38%	21%	na
Brazil	05-26	-15%	8%	4%	16%	5%	42%	Poland	08-26	-5%	-1%	-3%	-3%	-8%	na
Chile	09-26	46%	15%	10%	12%	24%	-25%	Romania	09-26	253%	11%	11%	19%	12%	-8%
Colombia	2026 Q3	-	-10%	-20%	-17%	-18%	94%	Czechia	2026 Q3	-	-7%	-2%	3%	0%	-9%
Germany	07-26	7%	7%	7%	7%	7%	28%	Hungary	09-26	-15%	-18%	-19%	-20%	-20%	101%
United Kingdom	09-26	0%	-4%	-4%	-3%	-4%	26%	Slovakia	08-26	-33%	-40%	-39%	-17%	-33%	-3%
France	09-26	5%	1%	3%	4%	4%	28%	Bulgaria	09-26	5%	12%	13%	14%	16%	4%
Italy	08-26	59%	5%	-6%	-1%	-5%	-11%	Lithuania	2026 Q2	-	-9%	-12%	-14%	-12%	-56%
Spain	09-26	58%	22%	8%	-6%	-5%	33%	Latvia	09-26	-35%	-28%	-20%	-9%	-6%	-56%
Netherlands	09-26	17%	-1%	-7%	-9%	-4%	-13%	Estonia	09-26	200%	75%	47%	1%	8%	51%
Switzerland	09-26	22%	30%	34%	50%	46%	175%	China	09-26	11%	1%	2%	2%	1%	4%
Sweden	09-26	8%	5%	-1%	0%	-2%	52%	Japan	09-26	-5%	2%	4%	5%	5%	29%
Belgium	09-26	-13%	-8%	-3%	3%	0%	18%	India	2026 Q2	-	-6%	-1%	-4%	-1%	-43%
Ireland	2026 Q3	-	-4%	1%	-2%	2%	5%	South Korea	09-26	-2%	2%	7%	15%	12%	219%
Norway	09-26	-7%	-14%	-16%	-17%	-18%	-26%	Australia	09-26	6%	-1%	-6%	-5%	-6%	68%
Austria	2026 Q3	-	4%	2%	0%	1%	35%	Taiwan	08-26	27%	11%	48%	43%	56%	-19%
Denmark	09-26	-16%	-25%	-24%	-16%	-22%	-24%	Singapore	09-26	-26%	-36%	-27%	-22%	-27%	48%
Finland	09-26	19%	8%	4%	8%	6%	63%	Hong Kong	09-26	87%	57%	30%	20%	12%	152%
Portugal	08-26	-28%	-5%	2%	2%	0%	-30%	New Zealand	09-26	9%	11%	7%	17%	10%	49%
Greece	2026 Q2	-	44%	42%	66%	42%	na	South Africa	08-26	-15%	-14%	-5%	-2%	-6%	76%
Luxembourg	06-26	-8%	4%	-2%	-3%	-2%	1%								

Source: Allianz Research

Figure 4: 2026 business insolvencies, forecasts, annual changes in %

Source: Allianz Research

In that context, sector-level insolvency dynamics tend to display more divergence from national trends. The country-wide situation used to set the trend for most sectors, in particular during the post-Covid catching-up phase, but this is less the case since 2025, with more sectors showing differences in intensity and timing. In the Americas, Canada saw 11 out of 20 sectors reporting a noticeable decrease in insolvencies in the first part of the year, often larger than -10% y/y, but with manufacturing, transport/storage, B2B services and hospitality as exceptions on the upside. Simultaneously in the US⁴, the UBS Corporate Bankruptcy Monitor saw less than half of their sectors recording a rise in insolvencies in the first three quarter of 2026, with the largest increases in healthcare and chemicals – and still numerous cases in particular in real estate, construction, retail and hospitality. In Asia, Japan sees eight out of 10 sectors contributing to the national rise, but with manufacturing (-36 cases year-to-date to 830 as of Q3), real estate (-8 to 243) and finance (stable) as exceptions.

At the regional level, all sectors in the 28 countries⁵ we monitor in Europe still recorded a rise in the first half of 2026 compared to the first half 2025, but with more signs of softening and divergences. The slowing momentum gained traction across European sectors, with 43% (i.e. 93 out of the 216 sectors monitored) posting a year-on-year rise in Q2, compared to 48% and 53% in Q1 and Q4 2025, respectively – and more than 60% on average in 2024. The

H1 2026 picture also hides slightly wider disparities. Half of the countries report insolvencies either on the upside in all sectors (Belgium, Finland, France, Italy and Romania), or in almost all of them (Germany, Greece, Sweden) or mostly on the decrease (the Netherlands, Hungary, Spain, the UK). The other half of countries report the opposite trend in insolvencies across sectors, notably the Netherlands, Austria and Norway. Overall, construction, transport/storage and B2C services stood out in H1 2026, with a prolonged strong and broad-based rise, while information/communication, hospitality and industry recorded much slower increases at regional level, with more countries posting less insolvencies compared to H1 2025. In that context, Western European countries still record the largest numbers of sectors above pre-pandemic levels of business insolvencies, notably Germany, France, the UK, Spain, Sweden and Austria, with Italy, Portugal, the Netherlands and Denmark as the main exceptions on the opposite side of the spectrum.

Figure 5: H1 2026 number of insolvencies, y/y change in % and comparison with 2016-19 average level*, selected countries (Western Europe)

	Industry	Construction	Trade	Transport & storage	Accommod. & food service activities	Information & communic.	Finance, insurance, real estate, B2B activities	Education, human health & social work activities	ALL SECTORS
Belgium	12	3	1	15	7	21	6	20	7
Denmark	-8	-16	-29	-29	-26	-32	-24	-11	-22
Germany	-1	2	6	8	14	7	4	7	5
Spain	0	0	-11	2	-4	1	-5	12	-3
France	3	6	7	6	13	12	13	15	9
Italy	8	0	7	8	7	4	4	10	2
Luxembourg	-76	5	-4	17	-30	49	-2	11	-3
Netherlands	4	7	-12	23	-26	-20	-2	20	-2
Austria	-11	2	-3	-3	10	3	-1	1	0
Portugal	2	6	10	-18	14	12	20	-12	6
Finland	10	11	9	26	8	8	19	11	13
Sweden	9	12	3	16	-6	19	5	-7	4
Norway	-17	1	-20	32	12	1	-6	-12	-4
UK	-5	0	-11	-9	-5	-11	0	-3	-4

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

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

⁴ UBS Evidence Lab Corporate Bankruptcy Monitor tracks: US chapter 7, 11 and 15 bankruptcy filings.

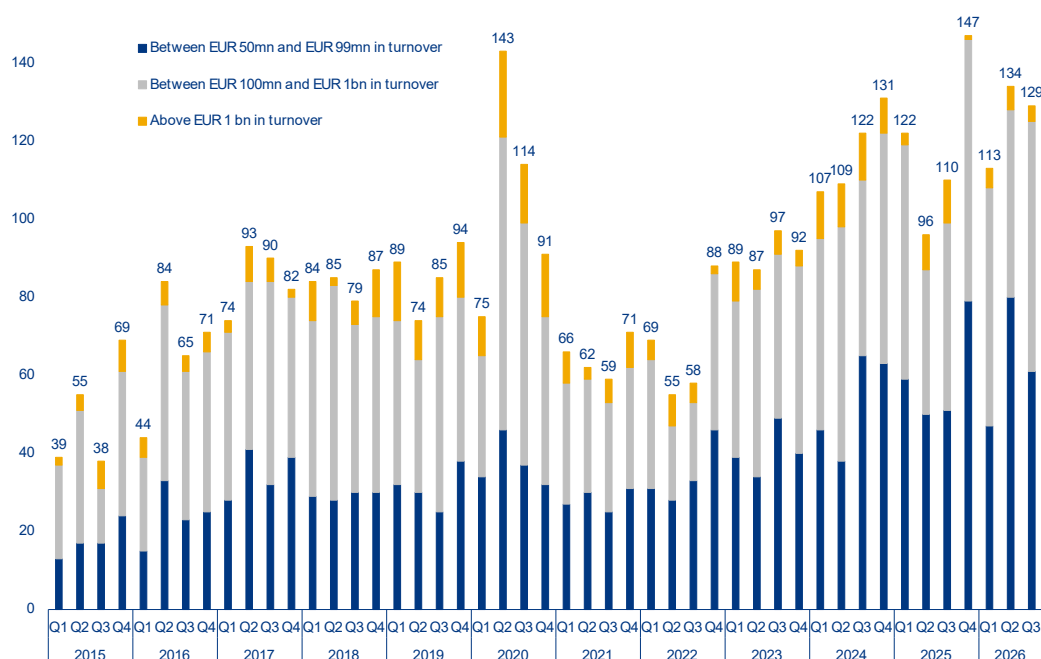
⁵ Based on Eurostat (25 countries) and the national releases for the UK, Sweden and Denmark.

Importantly, large firms are not immune, with another high number of major insolvencies in Q3 2026 (129), contributing to a year-to-date record (376 cases, i.e. +38 compared to the previous high recorded in 2024). Our

internal reporting on insolvencies of major companies – those with a turnover exceeding EUR50mn – translates to more than one case per day (one case every 18 hours), underscoring the risk of a domino effect on their extensive networks of suppliers and subcontractors, potentially boosting insolvencies among smaller firms. In absolute terms, retail (69 cases year-to-date, +21) and services (62,+9) remain the most affected sectors, particularly in Western Europe and North America, along with construction (51,+5), especially in Western Europe and Asia. This is not a surprise since these sectors have more large-sized companies. In Europe, for example, these three sectors account for 58% of companies with 50 or more employees, while accounting for 47% of the number of major insolvencies in the region in 2026. However, these business demographic factors mask other fragilities. In relative terms, several sectors are seeing large(r) increases or high(er) levels in comparison to historical standards or the existing stock of large firms. In Europe, this list includes agrifood, automotive, energy and, to a lesser extent,

transportation and paper. Overall, Western Europe is leading both the rebound (+21 cases, followed by Central and Eastern Europe with +19 cases) and the global count in the number of cases (229 cases, followed by Asia with 51 cases) while the Americas and China still record the biggest cases, together accounting for 17 of the top 20 insolvencies for the first three quarters of the year.

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



Source: Allianz Trade

Figure 7: Major insolvencies by sector and by region, year to date 2026 (Q1-Q2-Q3)

	YTD 2026						FY 2025 for memo	FY 2024 for memo
	Africa/Middle East and Latin America	North America	Central & Eastern Europe	Asia Pacific	Western Europe	Total		
Transport equipment	-	-	-	-	2	2	1	4
Pharmaceuticals	-	-	1	-	2	3	6	7
Computers & Telecom	-	-	-	1	3	4	12	8
Electronics	-	-	-	2	4	6	12	4
Paper	-	1	-	-	6	7	6	8
Textile	-	1	2	1	3	7	20	14
Household equipment	-	-	1	2	6	9	12	22
Commodities	-	4	1	3	3	11	10	10
Chemicals	-	2	-	2	8	12	27	15
Machinery/Equipment	1	-	1	-	16	18	31	21
Transportation	1	1	3	1	12	18	11	23
Automotive	-	1	-	-	19	20	34	29
Metals	1	3	3	5	9	21	40	40
Energy	2	3	3	5	9	22	16	22
Agrifood	1	3	9	6	15	34	29	34
Construction	3	1	5	8	34	51	63	64
Services	-	13	2	5	42	62	82	83
Retail	5	15	3	10	36	69	63	61
Total	14	48	34	51	229	376	475	469
FY 2025 for memo	13	64	23	64	311	475		
FY 2024 for memo	4	75	20	70	300	469		

Source: Allianz Trade

In this context, record highs continue to multiply, with more than two-thirds of countries above pre-pandemic levels, and more than half above GFC levels. In 2026, 30 out of 44 countries will exceed their 2016-2019 averages (up from 29 in 2025) while 24 out of 44 will surpass their 2008-2010 averages. At the global level, the headline index will stand 21% above its pre-pandemic average and only -4% below its GFC average. Several countries will reach their highest level of insolvencies since 2000, notably France (71,000 cases), Switzerland (15,000), Australia (11,850), Finland (4,100) and South Korea (2,560), while the US and Germany will reach their highest levels since 2013, and Japan since 2012. The surplus over the pre-pandemic reference is largest in South Korea (+222%), Hong Kong (+143%) and Australia (+87%) in APAC, and Switzerland (+177%) in Western Europe, while Brazil (+52%) and the US (+20%) stand out in the Americas. The largest cluster belongs to Western Europe, with Finland (+68%), Sweden

(+54%), Spain, Belgium, Austria, France and Germany all well above their benchmarks. At this stage, however, less than half of West European countries have more than compensated for the 'missing' insolvencies of the overall Covid-19 period and the shockwaves from the war in Ukraine⁶. This includes the UK, Spain, Sweden, Denmark and Finland. Germany, France, Italy, Ireland and Belgium are still to fully clear the backlog. In this context, half of the countries have exceeded GFC thresholds, while a minority of ten countries would remain below both references in 2026, including the Netherlands, Norway, Denmark and Portugal in Western Europe.

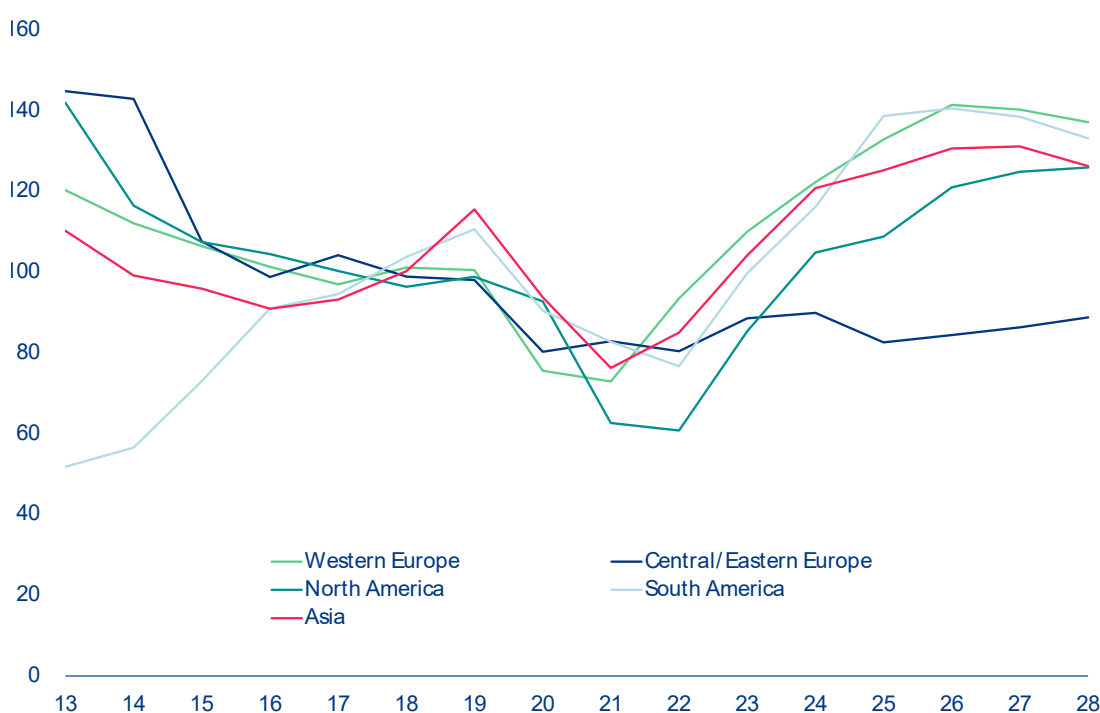
⁶ Between 2020 and 2022, exceptional support measures postponed a substantial share of insolvencies, sparing the equivalent of more than three-quarters of typical insolvency cases in countries such as the US (86%), Austria (86%), Portugal (78%) and Germany (77%), and the equivalent of more than one year of insolvencies usually reported in the Netherlands (125%), France (114%), Ireland (114%), Australia (112%), and Italy (102%).

In our baseline scenario, the ongoing rise in business insolvencies will put 2.7mn jobs directly at risk⁷ globally each year over 2026-2027.

This represents a +180,000 increase compared with 2025, and a +700,000 increase compared with 2023, the first year of the post-Covid rebound in global insolvencies, notably in construction, retail and services. This includes 2.3mn jobs at risk due to companies being liquidated and 0.4mn jobs at risk due to restructuring. In 2026, Europe (1.6mn) would lead this global count, notably Western Europe (1.3mn), ahead of North America (650k), both recording a 13-year high, with the largest numbers seen in the US (590k), France (268k), Germany (239k) and the UK (213k). Central and Eastern Europe (311k) and Asia (305k including 188k in Japan) would follow with a moderately increasing annual number since 2022 (+1% and +9% in CAGR, respectively) compared to North America (+15% CAGR). This is equivalent to 8% and 6% of the number of unemployed people in the US and Europe, respectively, but with significant differences across

countries (1% in Spain, 4% in Italy, 8% in Germany, 10% in France and the UK).

Figure 8: Jobs at risk due to business insolvencies, basis 100: 2016-2019 average



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

⁷ We calculate this based on the average number of employees per firm, the share of companies that go into a liquidation phase immediately (72% on average) and the share of people laid off in a restructuring phase (32% on average).



2027-2028 outlook: A plateau at a high level

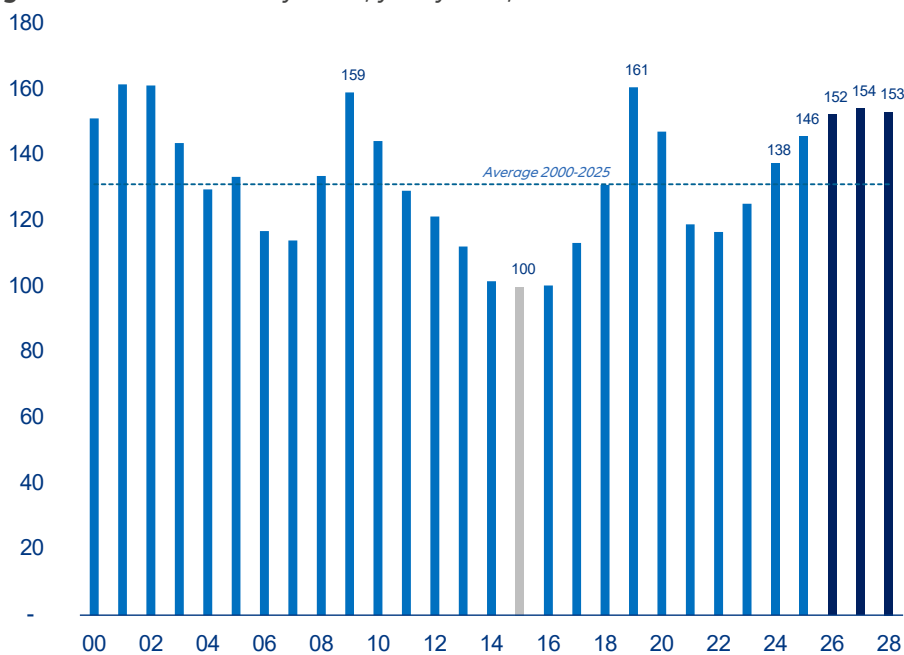
Navigating a prolonged higher insolvency environment.

Looking ahead, we have raised our forecasts for insolvencies for 2027 as a result of the cumulative and structural toll of the spillovers from the Middle East energy shock, higher-for-longer interest rates, trade fragmentation driven by tariffs and geopolitical conflict, permanent industrial reallocation away from energy-disadvantaged regions and the deepening bifurcation between AI-linked corporate winners and traditional cyclical losers. The latter are facing sustained competition, and limited pricing power and revenue growth, which keeps up the pressure on profitability.

On the cyclical front, the lack of non-AI related momentum in GDP and high interest-rate levels are to remain major headwinds.

Despite regaining traction in one out of two countries, real GDP growth is expected to remain below the 2023-2025 average, reflecting the fading of the post-pandemic recovery boost across both advanced and emerging markets. More importantly, sectors and firms not benefiting from the AI boom are facing worse trajectories. Our estimate of the share of AI in GDP ranges from 15% in Eurozone to 33% in the US, with China (20%) lagging the rest of the region (25%) and the global average standing at 19%.

Figure 9: Global Insolvency Index, yearly level, basis 100: 2015



Source: Allianz Research

Higher-for-longer interest rates will make refinancing even harder for already vulnerable companies, limiting access to the liquidity firms need to navigate challenges effectively.

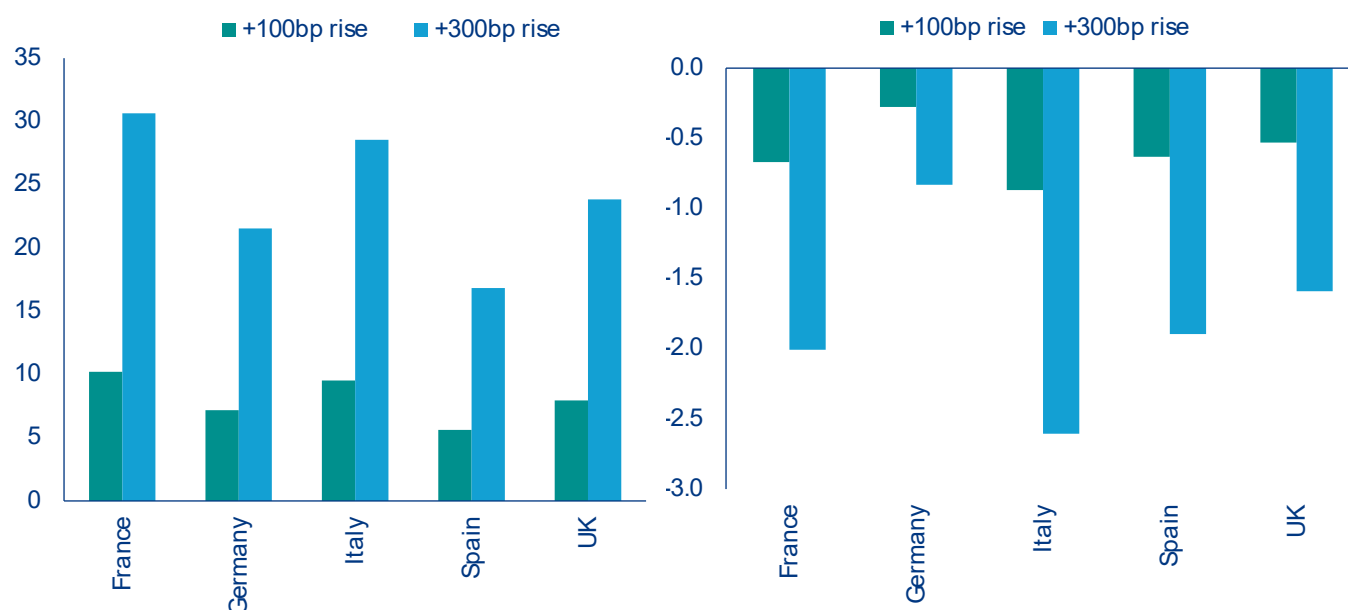
This is especially the case for SMEs and companies in already high-risk sectors that are more numerous in Latin America and Western Europe. At this stage, fewer than one SME in two is profitable in the US, even though total profits are rising, while in Europe, more small firms than large ones report falling profits. In most countries, firms still have to absorb the lasting effects of the multiple rounds of tightening recorded in 2026, while at best benefiting from a limited relief from monetary policies in 2027. In 2027, 60% of countries will maintain higher policy rates than in the prior 12 to 24 months, inflating funding costs and squeezing margins. In the US, 16% of sectors (13 out of 81) already have an interest coverage ratio below 3 compared with 25% (21 out of 84) in Europe. Sectors currently above the threshold are not immune either: An interest rate shock of 400bps in the US, and of 300bps in Europe, would be enough to push them below 3. In Western Europe, a +100bps rise in bank lending rates is adding between EUR6bn and EUR10bn in interest expenses (+6 in Spain to EUR43bn, +7 in Germany to 77, +8 in the UK to 70 and +10 in Italy and France to 46 and 149,

respectively), compressing margins by -0.3pp to -0.9pp of gross value added (-0.3 in Germany, -0.5 in the UK, -0.6 in Spain and -0.7 in France).

At the same time, higher-for-longer energy costs will add to the pressure on margins. The 60% rise in energy costs since January 2026 has hit transportation hardest, with net margins falling by about -17pps in air transport (US and Europe) and by -15pps (US) and -10pps (Europe) in road transportation. Energy-intensive European industries would suffer more than their US peers, notably chemicals (-4pps vs. -2pps) and metals & mining (-3pps vs. -2pps). Other sectors, including agriculture, retail, pharma and construction, would see more limited losses of -1 to -3pp. These figures are an upper bound, since firms will try to compensate by reviewing pricing strategies (selling prices, suppliers terms), implementing cost-cutting and/or optimizing internal operations to improve efficiency.

On the structural side, the growing stock of firms and the widespread vulnerability of the construction sector, and to a lesser extent of the B2C sectors, will keep business insolvencies high – even in the absence of a cyclical shock. The post-pandemic business creation boom – fuelled by remote work, e-commerce, tech and

Figure 10: Rise in interest rates: Impact on interest expenses (left, in bn LCU) and margins (right, in pp of gross value added of NFC), selected European countries



Source: Allianz Research

⁸ See [Allianz Trade sector risk ratings as of Q3 2026](#).

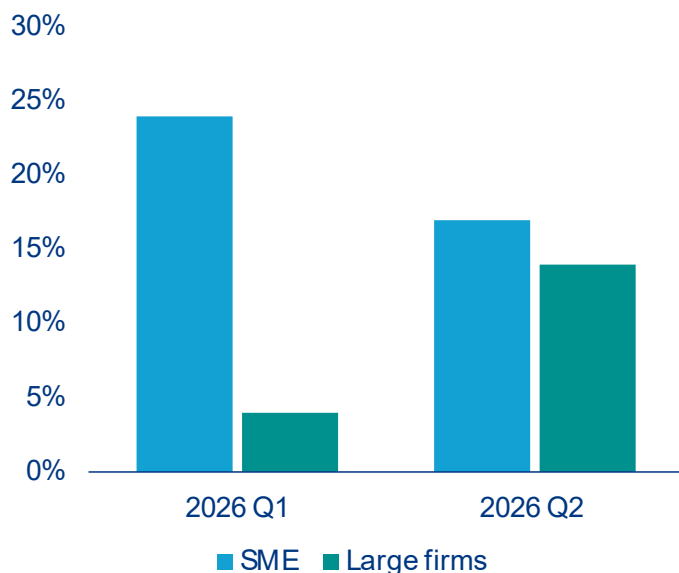
⁹ A ICR of 3 is widely used as a prudential threshold, because below that level operating income leaves only a thin cushion to absorb an earnings shock while still covering taxes, capex, working capital needs and principal repayment. In rating agency frameworks and in synthetic rating models (such as Aswath Damodaran's), this threshold is often the boundary between investment grade and speculative grade for a non-financial company – noting that below that level, observed default probabilities rise sharply.

AI – combined with the accumulation of firms kept alive during the pandemic through public support measures, has mechanically enlarged the stock of active firms worldwide. We estimated the latter by roughly +10% between 2021–22 and 2025, with double-digit increases in Asia and varied dynamics across Europe and the US. This expanded corporate base includes both young, financially fragile entrants (less than half survive beyond five years in Europe) and older firms whose exit was artificially delayed, creating a larger reservoir of potential insolvencies. We also expect the construction weakness to remain as the sector sits at the intersection of cyclical headwinds (high interest rates, weak household demand) and major structural vulnerabilities (firm fragmentation, working capital intensity, skill shortages, regulatory costs); the sector would continue to account for 15% to 20% of national insolvency counts across major economies, in line with its share in national business demographic. For the same cyclical reasons, B2C sectors will face prolonged challenges ahead, while they represent the large number of firms in most countries, averaging 45% in Europe.

Overall we expect a global plateau in 2027, ahead of a (moderate) turning point in 2028. Under our baseline scenario, we expect our Global Insolvency Index to rise by +1% in 2027, (+1pp compared to our previous estimate), before edging down by -1% in 2028, which would mark the first year without a meaningful increase since 2022. Our headline index would then stand 22% above its 2016-2019 average and -3% below its GFC level – a historically elevated plateau implying an extended risk of non-payment (insolvencies of buyers) and supply-chain disruptions (insolvencies of suppliers), and the necessity to monitor key and critical buyers and suppliers across most economies.

Asia-Pacific and the Americas still rising, Western Europe barely softening. Asia-Pacific (+2%) would remain a key contributor to the global rise in 2027, driven by China (+2%), Japan (+2%) and continued structural pressures across many smaller markets, with Australia as exception. North America (+3%) is to stay on an upside trajectory, entirely due to the US (+4% to 28,800 cases),

Figure 11: Firms reporting deteriorating profits (% net balance), Eurozone



Sources: ECB SAFE survey, Allianz Research

10 See more details in our previous insolvency report [Global Insolvency Outlook: Brace for Middle East spillovers](#)

11 See our [Economic outlook 2026-28: It got worse before it may get better](#).

Figure 12: Insolvency underlying drivers, 2027 heatmap*

Country	CYCLICAL FACTORS						STRUCTURAL FACTORS							EXCEPTIONAL FACTORS		
	GDP moment um 2027 vs 2026	GDP moment um 2023-25 2027 vs 2026	Rates moment um 2027 vs 2026	Rates Level 2027 vs 2025	High- Risk Sectors	State Support Capacity	Business Dynamic s	Stock of firms vs Pre- Covid	Construc- tion (rating Allianz)	B2C Sectors (Avg Rating)	CV Insolven- cy Levels	σ Insolven- cy Growth Rates	Procedu- re Usage Rate	Avoided Insolven- cies (Covid)	Catch- up by end 2026	Regulat- ory Reform
U.S.	3	4	4	4	2	4	3	4	2	4	3	4	3	5	4	3
Canada	1	4	4	4	3	2	3	4	2	4	3	3	2	4	1	2
Brazil	3	4	1	3	5	5	4	4	4	5	3	4	1	5	1	2
Chile	1	2	3	2	3	2	4	4	5	4	5	5	1	1	3	3
Colombia	4	3	5	5	5	4	4	4	5	4	5	4	1	1	1	3
Germany	3	2	4	4	5	2	3	3	4	4	2	2	3	4	2	2
United Kingdom	3	3	4	4	5	3	3	3	5	4	1	2	4	3	1	2
France	2	4	4	4	4	3	5	5	4	5	1	2	5	5	3	2
Italy	3	4	4	4	3	3	3	4	4	4	2	3	2	5	5	2
Spain	4	5	4	4	3	2	3	4	4	4	4	5	1	1	1	2
Netherlands	3	3	4	4	5	1	5	5	4	4	3	4	2	5	4	2
Switzerland	4	3	3	3	3	1	4	4	2	4	3	2	5	1	1	5
Sweden	4	2	4	3	3	1	3	3	4	4	1	2	4	1	1	3
Belgium	2	4	4	4	5	3	4	5	4	4	1	1	5	4	2	2
Ireland	1	2	4	4	4	1	4	5	4	4	4	5	2	5	4	2
Norway	2	3	4	3	3	1	3	5	4	4	1	3	4	4	4	3
Austria	2	2	4	4	4	3	4	5	4	4	1	1	4	5	1	2
Denmark	5	4	4	3	2	1	3	4	4	3	1	3	3	1	1	2
Finland	4	2	4	4	3	3	4	5	4	4	1	2	4	1	1	3
Portugal	4	4	4	4	3	3	5	5	4	5	4	4	2	4	5	2
Greece	4	4	4	4	3	3	4	4	4	3	4	5	1	4	1	2
Luxembourg	2	2	4	4	4	1	3	4	4	3	2	2	5	1	2	2
Russia	1	5	1	1	na	2	3	1	na	na	5	5	2	4	5	3
Türkiye	1	4	1	1	5	3	3	5	5	4	4	5	1	1	2	3
Poland	5	3	3	2	5	4	3	4	5	4	5	4	1	1	1	3
Romania	1	3	3	3	4	4	3	5	5	4	4	4	5	4	4	3
Czechia	3	3	4	3	3	2	4	4	4	3	5	4	3	3	4	3
Hungary	2	1	1	2	4	4	2	4	4	4	4	5	5	2	1	3
Slovakia	2	4	4	4	5	4	4	5	5	4	4	5	2	1	1	3
Bulgaria	3	4	4	4	4	2	4	4	4	4	2	3	1	1	1	3
Lithuania	5	3	4	4	3	2	5	5	2	4	4	5	4	5	5	3
Latvia	3	2	4	4	3	3	4	4	2	4	5	5	3	5	5	3
Estonia	2	1	4	4	1	2	5	5	2	3	4	5	1	4	2	3
China	3	4	3	3	2	4	5	5	5	3	4	4	1	1	1	4
Japan	3	3	4	4	2	2	3	2	4	3	2	2	2	4	1	3
India	4	4	4	4	2	4	4	4	2	3	4	5	1	4	4	3
South Korea	5	3	4	4	2	2	3	4	4	3	4	4	1	1	1	3
Australia	4	4	3	4	1	1	4	4	4	3	2	3	3	5	1	3
Taiwan	5	4	3	3	1	na	3	4	2	3	5	4	1	2	4	3
Singapore	5	4	4	2	1	2	4	5	4	3	4	4	1	2	1	3
Hong Kong	5	4	4	3	2	2	4	4	4	3	3	4	1	1	1	3
New Zealand	2	1	4	2	1	1	5	5	5	3	2	3	3	4	1	3
South Africa	3	3	4	3	4	4	3	4	5	4	3	4	2	1	1	3
Morocco	2	4	3	3	2	3	5	5	4	3	5	2	5	1	1	2

(*) see the appendix page 26 for detailed explanations

Source: Allianz Research

while Canada continues to decline (-7%). In contrast, Western Europe could record a modest decline (-1%), with a majority of countries in the -3%/+3% range – indicating an extended high level after several consecutive years of rising insolvencies rather than a genuine downtrend. This is the case for Germany (+0% to 25,900 in 2027), France (+1% to 71,400), Belgium (-2% to 11,500) and the UK (-3% to 24,800). Latin America (-2%), Central & Eastern Europe (-0.4%) and Africa (-4%) would all see mild declines. Previous forecasts have been notably revised for North America (from -4% to +3%) and Latin America (from -7% to -2%). Overall, our Global Insolvency Outlook for 2027 would be driven by a smaller number of countries (18, from

24 in 2026) recording rising insolvencies and accounting for a significant share of global GDP (63%) and thus of our headline indicator (86%) – despite a reduced average increase (at +4% y/y in simple average for the countries concerned, after +11% in 2026). In relative terms, the largest increases are expected in Russia, Lithuania and Greece (+14% y/y, +9%, and +6%, respectively). Conversely, decreases would be moderate on average (-5%, after -9% in 2026) despite some outliers mostly concentrated in countries that recorded the highest levels in 2024-2025 (Australia, Canada, Colombia, Hungary, New Zealand).

AI adoption in Europe: Protective or disruptive ?

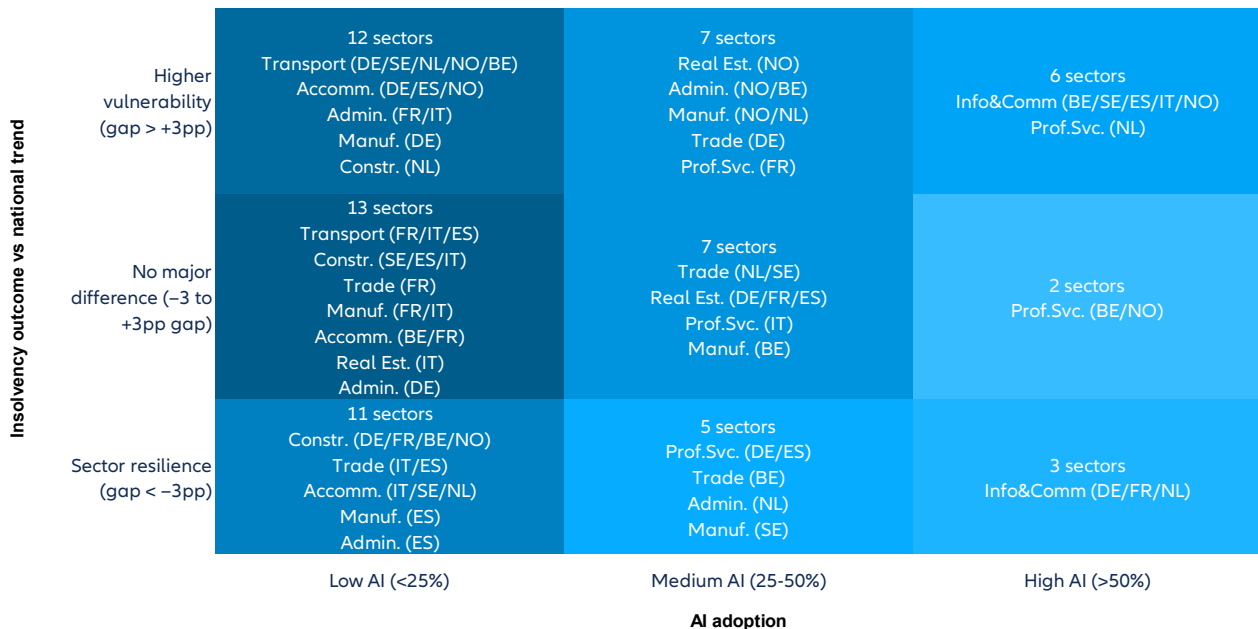
At this stage, AI adoption and business insolvencies are uncorrelated at the aggregate level. The pooled correlation between AI adoption rates and insolvency gaps across 66 sector-country observations spanning eight European economies and nine sectors is essentially zero. Macroeconomic conditions and structural sector-specific drivers – not technology – remain the dominant determinants of business insolvencies.

However, the most AI intensive information and communication sector is showing signs of higher insolvencies, implying that non-adopters of AI are starting to pay the price. Trade (24% average adoption) underperforms the national insolvency trend in six of seven countries (mean gap: –2.8pps), with Germany as exception, while professional and scientific activities (48% adoption) underperform in five of seven (mean gap: –0.6pp) and construction (15%) in five out of eight (mean gap: –1.9pps). At the opposite end of the spectrum, information and communication, the most AI-intensive sector (70% adoption), actually outperforms in five of eight countries. The Belgium-Sweden exception suggests that high AI adoption can accelerate business insolvencies in smaller

markets. The two countries with the highest average AI adoption rates in the panel (Sweden and Belgium, 35%) both display strong positive correlations ($r \approx +0.55$) between AI adoption and relative insolvency deterioration, meaning their most digitized sectors are also their worst performers on insolvencies. This suggests AI functions as a Darwinian selection accelerator (i.e. reinforcing established firms in large and mature ecosystems such as Germany and the Netherlands but intensifying competition and eliminating fragile players in smaller markets such as Belgium and Sweden).

A collapse in the current AI-driven economic boom could mirror the dot-com bubble burst. Should this downside scenario emerge at the end of 2026, we calculate it would lead to an additional +9,300 insolvencies in the US and Western Europe in 2027, boosting the baseline count by +4,000 and +5,300 cases, respectively.

Figure 13: AI adoption versus business insolvencies, selected European countries*



*AI adoption: Enterprises using at least one of the AI technologies, 2025 (10 persons employed or more); Insolvencies: last 4Q figures as of early October 2026

Sources: Eurostat, Allianz Research

¹² Germany (DE), France (FR), Italy (IT), Spain (ES), Belgium (BE), the Netherlands (NL), Sweden (SE), and Norway (NO).

¹³ Based on Eurostat nomenclature: Manufacturing (C), Construction (F), Trade (G), Transportation and storage (H), Accommodation and food services (I), Information and communication (J), Real estate (L), Professional services (M) and Administrative and support services (N).

Regional Outlooks

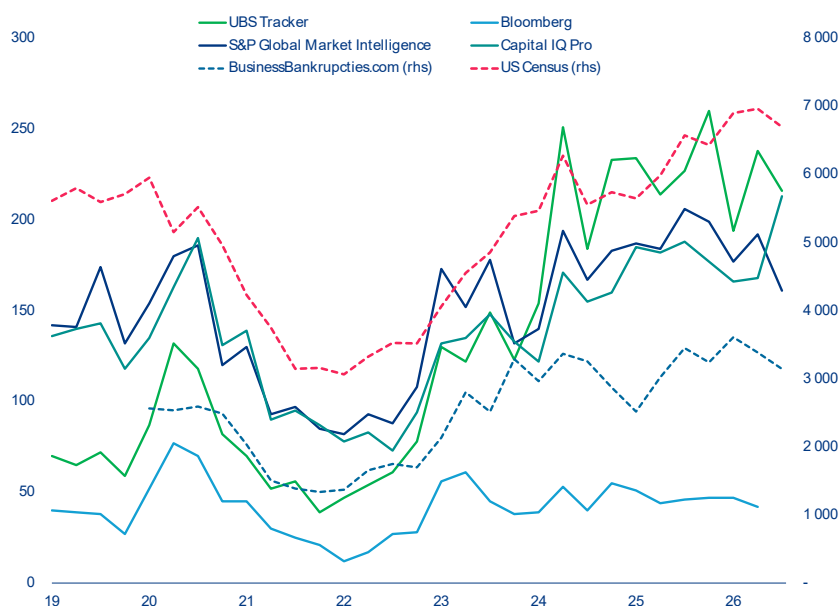
North America: A prolonged rise, again with opposite dynamics

North America is to post the sharpest acceleration of any region in 2026, with the regional index now expected to rise +11% y/y – above the +4% in 2025 and our prior forecast of +7%. The revision is almost entirely driven by the **US**, which accounts for 93% of the regional total, where the official figures from US Courts for the first half of 2026 revealed a clear upside (+19% y/y). The macroeconomic and financial outlook should confirm this trajectory, driven by the restrictive-for-longer monetary stance, the multi-speed GDP dynamics (booming ICT versus weak residential investment and softening consumption), the elevated input costs and limited pricing power outside tech, particularly in consumer-facing B2C sectors and for SMEs that have used up the buffers accumulated during the strong post-Covid recovery. US insolvencies are projected at 27,700 cases in 2026 (+12%, up from +9% expected), rising further to 28,800 in 2027 (+4%, versus a previously anticipated -3% decline) and 29,200 in 2028. This would place the US approximately 25% above its pre-

pandemic average (23,500), at the highest level since 2011, though still well below the 2000–2019 average of 34,650.

Canada follows an opposite path: After a -23% drop in 2025, insolvencies are expected to fall -3% to 4,630 in 2026, -7% to 4,320 in 2027 and -8% in 2028. This correction reflects in particular the ‘normalization’ expected after the sharp surge of 2022-2024 (+35% annually) induced by the end of pandemic-related government financial support such as the Canada Emergency Business Account (CEBA), but also the increase of out-of-court restructurings. We expect high debt-service and energy costs, as well as the drag from trade policies, to constrain the economic momentum, keeping insolvencies at a high level in comparison to the recent past. The 2027 level would still sit roughly 17% above the 2016–2019 average (3,680).

Figure 14: US insolvencies, quarterly number, by data provider



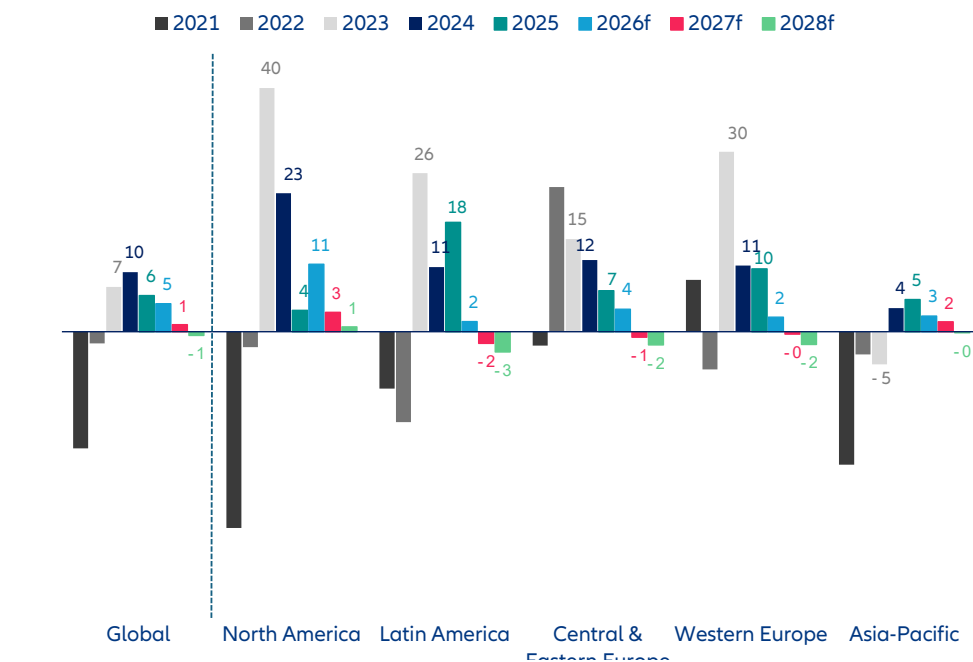
Sources: S&P CapitalIQ, Bloomberg, UBS, Allianz Research

Latin America: Stabilization after a steep climb, but structural vulnerabilities linger

Latin America's regional insolvency index is expected to nearly stabilize in 2026 (+2% y/y), a sharp deceleration from the +18% surge recorded in 2025, before shifting into a modest decline in 2027 (-2%) and 2028 (-3%), though the overall level would remain close to 30% above its pre-pandemic average. Brazil, the region's largest market, would see insolvencies rise by +6% in 2026 to approximately 4,220 cases – the highest level since 2003 – before plateauing in 2027 and declining by -5% in 2028. By 2027, Brazil's insolvency level would stand

roughly 52% above its pre-pandemic average. This upward revision reflects the broad based economic slowdown, the persistence of high-risk sector exposure – notably the retail sector impacted by weak domestic consumer spending and high operational costs – and the challenging financial environment, with high interest rates in real terms

Figure 15: Global and regional insolvency indices, yearly change in %



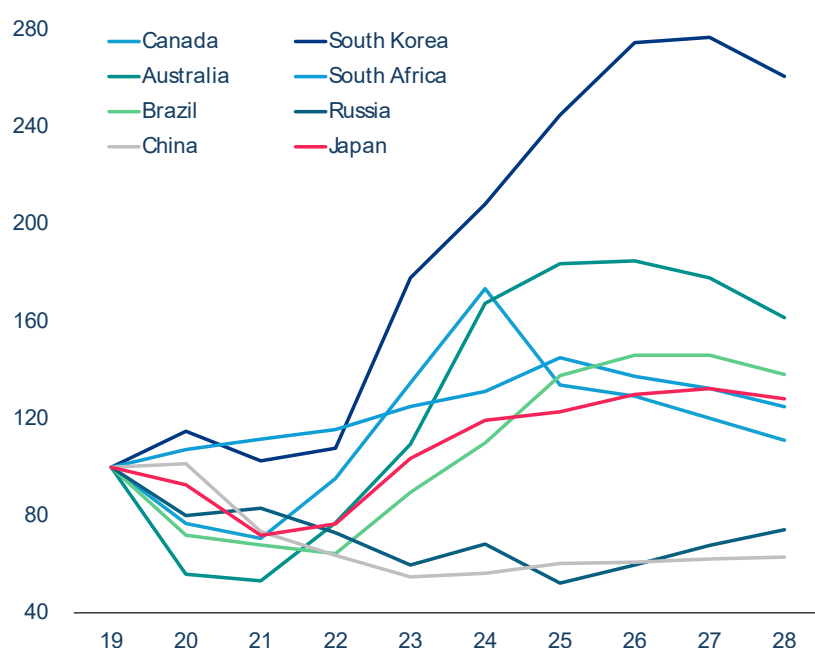
Sources: S&P CapitalIQ, Bloomberg, UBS, Allianz Research

Asia-Pacific: China and Japan are driving the upside trend

Asia-Pacific will continue to be a key driver of global insolvency growth in 2026–2027, with the regional index rising by an estimated +3% in 2026 and +2% in 2027 before stabilizing in 2028. This upward trend would rely notably from the less favorable short-term GDP momentum, including for the Asian tigers, and tightening or elevated monetary conditions (Japan, India, South Korea, Singapore and New Zealand). By 2027, the regional insolvency level would stand approximately 14% above its pre-pandemic benchmark. The upward momentum will be principally driven by China, which accounts for roughly 58% of the regional index, and Japan. In **China**, we expect a soft increase with insolvencies to rise by +1% to approximately 7,200 cases in 2026 and a further +2% to around 7,350 in 2027. Cyclical and structural headwinds should persist, notably (i) the weakness in household confidence that is supporting the preference for savings and limiting private consumption and real estate, (ii) overcapacities in specific sectors (such as solar energy) and (iii) credit constraints. The changes made in the insolvency framework, under the updated Enterprise Bankruptcy Law, may also support more insolvencies, as they aim to make it more accessible and standardized for unviable enterprises to enter judicial reorganization or liquidation. In **Japan**, we expect economic momentum to remain modest, despite the supportive role of AI-linked exports and investments and some fiscal relief, but the inflationary pressures and financing costs will keep the pressure on firms' margins, notably in B2C sectors. Japan is set to post a sixth consecutive annual increase in insolvencies, with a

projected +6% rise to approximately 10,900 cases in 2026, followed by +2% in 2027 to around 11,100 – the highest level since 2012. After multi-year surges that brought both countries to record or near-record highs, **Australia** and **New Zealand** are expected to begin diverging paths. Australia would reach a record of approximately 11,850 cases in 2026 (+1%) before entering a declining phase (-4% in 2027, then -9% in 2028). New Zealand would see a +6% rise in 2026 before declining by -9% in 2027. South Korea is expected to reach a record of approximately 2,560 cases in 2026 (+12%) before stabilizing at +1% in 2027, following its significant surge in recent years. Hong Kong would see insolvencies rise +6% in 2026 and +4% in 2027 to approximately 710 cases – the highest level since 2005. While **South Korea** and **Hong Kong's** economies face the weakest GDP growth, their insolvency trajectories illustrate the challenges facing the Asian tigers: a combination of structural maturation and cyclical headwinds that keeps insolvency levels at or near multi-year records. Taiwan (+36% in 2026, then +3% in 2027) and Singapore (-23% in 2026, then +3% in 2027) display highly volatile and opposite trajectories, primarily linked to small-base effects rather than fundamental regime shifts.

Figure 16: 2026-2028 expected number of insolvencies, selected economies, basis 100: year 2019



Source: Allianz Research

Western Europe: A record plateau with no quick normalization in sight.

In Western Europe, most countries look set for a prolonged high number of insolvencies, well above their pre-pandemic levels, despite some downside trend reversals. This comes from the persistence in cyclical and structural headwinds, including low economic momentum, elevated interest rates, high energy and input costs squeezing margins and exposure to high-risk sectors, such as construction and B2C sectors. Overall, the regional insolvency index is expected to rise by +4% in 2026, bringing it to its GFC peak and 33% above pre-pandemic averages. However, there will be diverging national trajectories. Switzerland will continue its 'remarkable' surge (+32% to a record 15,000 cases) and Germany will post another year of increase (+8% to 25,900), while the UK (-4% to 25,600) and the Netherlands (-5% to 3,470) reverse course after several years of consecutive rises. France, the region's largest contributor to insolvency volumes, should reach an all-time high of approximately 71,000 cases (+3%). Looking ahead, the regional outlook for 2027 points to a marginal decline of roughly -1%, followed by -2% in 2028, with a large majority of countries (12 of 17) falling within the -3%/+3% range – reflecting a sustained elevated plateau rather than a true downturn. Most European countries would continue to largely surpass their pre-pandemic numbers of insolvencies. In 2027, the top cases would notably be in Finland (66% above the 2016-2019 average) and Sweden (33%), followed by Germany, France, Spain and Austria (30%).

In **Germany**, business insolvencies are expected to continue their upward trajectory in 2026, with a +8% increase to 25,900 cases – the highest level since 2013, though still well below the peaks recorded during the GFC. The ongoing rise reflects continued economic fragility, with geopolitical uncertainties and structural challenges maintaining pressure on firms across sectors, in particular those experiencing stagnation, labor shortages and high(er) operational costs. This includes transport and storage, hospitality and food services, construction and large-scale manufacturing (automotive and mechanical engineering). At this stage, a stabilization is projected for 2027 at approximately 25,900 cases, before a more meaningful decline of -5% in 2028 as cyclical headwinds gradually ease and fiscal stimulus measures gain traction.

In **France**, business insolvencies are likely to reach an all-time record of approximately 71,000 cases in 2026 (+3%), cementing the country's position as the region's largest contributor to insolvency volumes. Part of this prolonged rise comes from the boom in business creation in past years and a high utilization rate of insolvency procedures in difficult times. Yet it is also caused by the pipeline of deferred insolvencies from the pandemic era and, importantly, the mix of sluggish economic growth, external headwinds, sustained high interest rates and higher inflation sapping private consumption – to the detriment of consumer-facing sectors (hospitality, small retailers, local services). As a consequence, we have revised up our expectations for 2027 as well, with an additional increase of +1% to around 71,400 cases.

In the **UK**, we expect business insolvencies to continue their gradual stabilisation. Insolvencies should reverse their five-year upward trend in 2026 with a -4% decline to 25,600 cases, followed by a further -3% decrease to approximately 24,800 in 2027. Despite these projected declines, insolvencies would remain above the levels observed before the succession of shocks and challenges that have impacted firms since Brexit. The economy will remain constrained by tighter financial conditions, high inflation and a weak supply side, keeping the pressure notably on the sectors that already proved in 2026 to be large contributors to the total count of business insolvencies (construction, real estate, trade, hospitality and accommodation). Business insolvencies would remain 21% above pre-pandemic averages in 2027.

In **Italy**, the acceleration in business insolvencies observed over recent years is giving way to a more moderate and stabilized trajectory, with a -2% decrease projected for 2026 followed by a slight +1% uptick to around 12,000 cases in 2027. While Italy's activity resilience surprised on the upside in 2026, partly supported by the large inflow of NGEU funds, several sectors already posted a downside trend in the first part of the year notably the top four contributors to the national count (two of three insolvencies in 2025), namely trade (-6% ytd as of August), construction (-10%), manufacturing (-5%) and hospitality (-11%). We expect a delayed impact of high(er) interest rates and a modest expansion ahead that would add again pressure on firms and lead to a stable number of

insolvencies. Italy would remain one of the few Western European countries where insolvency levels continue to stand below their pre-pandemic benchmarks – while changes in insolvency framework, with the Codice della Crisi d'Impresa e dell'Insolvenza, have clearly pushed for more out-of-court solutions.

In **Benelux**, the great divide is not over between the Netherlands and Belgium. In **Belgium**, insolvencies are expected to remain broadly stable in 2026, close to their (almost) all-time record before a modest -2% decline to approximately 11,500 cases in 2027 – still near the peak reached in 2013 after six consecutive years in the rise. The prolonged high level reflects slow economic momentum amid the ECB's tighter cycle, elevated borrowing costs and automatic wage indexation with inflation, which will continue to weigh on business conditions.

In the **Netherlands**, business insolvencies remain well below the past records of 2013 and 2009, ending 2026 with a -5% correction to 3,470 cases, following a substantial decline in 2025. However, the downside trend already proved to be less broad-based than in 2025, with some key sectors posting a rebound, notably construction (+8% ytd as of August), transport and storage (+11%), and professional services (+16%), leading to a noticeable deceleration of the national trend in the recent period. We expect the impact of higher interest rates and the soft economic outlook to lead a slight rebound of +3% in business insolvencies in 2027, with the national level remaining well below the pre-pandemic average.

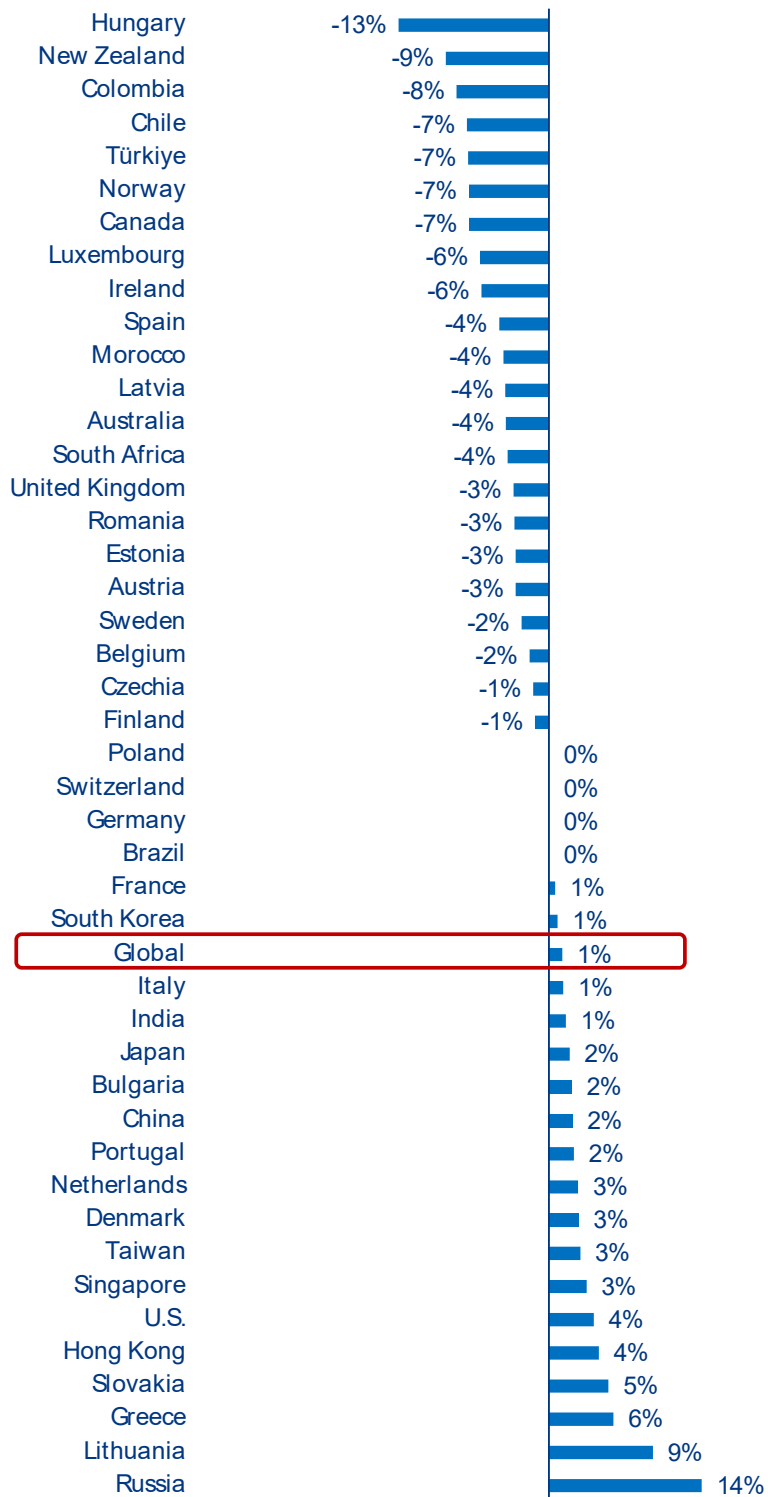
In **Spain**, the decrease in insolvencies recorded in 2025 (-6%) already lost traction in 2026, with a second quarter pointing to a deterioration in some sectors, particularly construction and services, where insolvencies are set to catch up by roughly +7/+8% after -10% in 2025. Despite Spain's relatively better economic outperformance compared to regional peers, insolvencies are likely to see only a mild improvement for the full year (-2% to 5,470 cases in 2026). We expect the solid but softer momentum in activity and renewed pressures on margins (financing costs, energy prices, labor costs) to maintain a high number of insolvencies in 2027-2028, potentially within a range of 5,200-5,400 cases, which is still well above pre-pandemic levels (averaging 4,000 cases for the 2016-2019 period).

Portugal looks set to remain one of the few outliers compared to regional peers, with a prolonged low number of insolvencies. Yet, Portugal is likely to end 2026 with a roughly stable number of cases (2,250) despite prolonged disparities across sectors. The first eight months of the year suggest a rebound in construction, an extended increase in services, a prolonged decrease in retail and textiles and a downside trend reversal in transportation. As Portugal's growth momentum is likely to show relative resilience, we expect the various challenges on the business front, notably regarding financing costs and input costs, to lead to a moderate rebound in business insolvencies to 2,300 cases in 2027 (+2%).

Switzerland will record a new historic peak in 2026, with a sixth consecutive increase to 15,000 cases, i.e. twice more than recorded in 2022 and roughly three times more than averaged prior to the pandemic. But this unprecedented wave of insolvencies is only partly due to macroeconomic and financial challenges, including a two-speed economy with domestic-demand-dependent sector, pharmaceutical and chemicals on one side, and Eurozone-dependent exporters and traditional manufacturing on the other. The primary factor at play is the new insolvency framework¹⁴ in place since 2025 as it is mechanically pushing up the number of firms pursued through bankruptcy proceedings. At this stage, we anticipate a 'normalisation' around this new high level in 2027-2028.

The other countries would see mixed trends. The Nordics would mostly improve with Sweden (-3% in 2026, then -2% in 2027) remaining approximately 50% above pre-pandemic levels, **Norway** (-13%, then -7%) and **Denmark** (-20%, then +3%) posting sharper decreases, but **Finland** reaching a new record of 4,100 cases in 2026 (+5%) before a marginal -1% decline in 2027. **Austria** (0%, then -3%) would stay close to its high as the weakness of Germany – Austria's most important trading partner – would maintain the pressure on industrial competitiveness and manufacturing. **Greece** would prolong its rebound from historically low levels (+26% and +6% in 2026 and 2027, respectively) though absolute numbers remain modest. **Ireland** (+3%, then -6%) and **Luxembourg** (0%, then -6%) would complete the picture.

¹⁴ Since 1 January 2025, Switzerland has transformed its debt-collection system by repealing paragraphs 1 and 1bis of Article 43 of the Federal Law on Debt Collection and Bankruptcy. Public law debts (VAT, taxes, social contributions) can now directly lead to bankruptcy for companies registered in the commercial register, replacing the previous seizure process. This reform affects all registered businesses, aiming to increase financial accountability and combat unfair competition from delayed tax payments.

Figure 17: 2027 business insolvencies, annual changes in %

Source: Allianz Research

Central and Eastern Europe: A wide dispersion behind the regional softening.

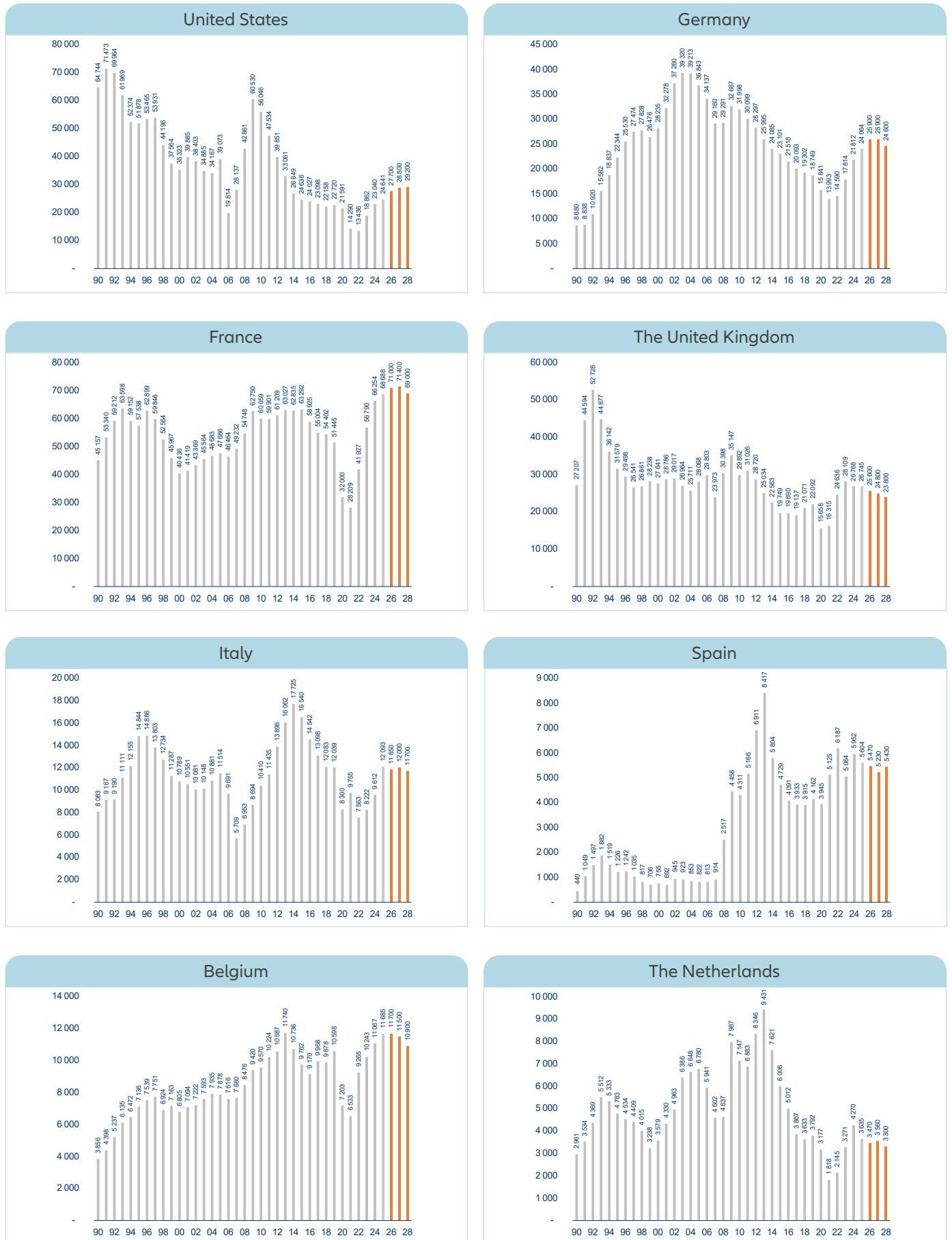
In Central and Eastern Europe, our regional insolvency index is projected to gradually soften, rising moderately in 2026 (+2%) and edging down marginally in 2028 (-1%).

However, this marked deceleration from the increases recorded in the previous three years (+30%, +11% and +10% in 2023, 2024 and 2025, respectively) still indicates a high level, with the regional index standing well above its pre-pandemic average (78%) and its GFC level (84%). The softening would result from a gradual switch from a majority of countries posting more insolvencies in 2026 (six out of 10) to a majority of countries posting less insolvencies in 2027 (seven out of 10) and 2028, but this would still hide a wide range of uneven dynamics. On one hand, countries that should record a continuous rise in insolvencies by 2027: These include **Russia** (from +14% in 2026 to +14% expected in 2027) and **Bulgaria** (+12% and +2%, respectively). Then, countries that should experience a (more or less important) downside trend reversal by 2027, with **Romania** (+9% in 2026 and -3% expected in 2027), **Czechia** (+3% , then -1%), **Estonia** (+10%, then -3%) and **Türkiye**. Following a massive pickup in H1 (+44%), Türkiye is set for a stronger-than-expected surge in business insolvencies for the full year 2026 (+31% to 2,800 cases, the highest since 2020) in a context of marked economic slowdown, persistently high inflation and squeezed corporate margins. Looking ahead, we expect more contained insolvencies, with a moderate easing in 2027-2028 (-7% and -2%, respectively) that would be supported by a declining inflation trend and greater economic stability that would allow some easing in the monetary policy. Yet, the absolute number of insolvencies would remain above 2,500 cases annually by 2028. In **Poland**, business insolvencies proved to be fewer at the national level in the first part of 2026 than in 2025, while the economy demonstrated resilience. But this downside trend remained limited and uneven across sectors, with transport and manufacturing posting larger decreases than trade and services, and construction as an exception on the upside. Overall, we expect the full-year decline to be larger than previously expected (-5% to around 5,200 cases in 2026). The structural weakness of Polish SMEs will, however, prevent a larger improvement in insolvencies amid the challenging context of higher energy prices, persistent inflation and wage pressures. At this stage, we expect a plateau in insolvencies for 2027

at approximately 5,200 cases, i.e. still a very high level from a historical perspective, before a more meaningful decline of -5% in 2028. **Hungary** stands out with a massive decline in insolvencies: -21% in 2026 (to around 11,300 cases) and a further -13% in 2027 (to 9,800), unwinding the extraordinary +146% spike accumulated in 2024-2025, which was temporarily boosted due to proceedings relating to firms with nil/limited turnover and dormant companies. The **Baltics** continue to record highly volatile trajectories primarily linked to small-base effects rather than fundamental regime shifts.

In Africa, we expect business insolvencies in Morocco and South Africa to move downward in sync from high levels. We expect **Morocco** to continue displaying a gradual decline in insolvencies after years of very strong increases that pushed them from approximately 5,000 cases in 2015 to over 15,600 in 2024. At this stage, the downside trend relies less on the on the economic context and outlook and more on the delayed but tangible changes in payment behaviors in B2B transactions induced by the legal system introduced in 2023 and expanded to very small in 2025 – the latter having increased the cost of paying late. The structural fragilities and high fragmentation of the businesses will, however, limit this trend in the short and medium term. **South Africa** looks on track for a clear drop in business insolvencies in 2026 (at least -5% to 2,750 cases), while this trend gradually gained traction over the year. This will mark a clear move after ten consecutive years of rising insolvencies that pushed them to more than since 2016 – partly driven by a dynamic business creation. Recent structural reforms have supported resilience, but the level of insolvency risk remains high in several sectors, notably construction and most consumer-facing sectors. We expect a more moderate decline by -4% in 2027 to 2,650.

Figure 18: 2026-2028 expected number of insolvencies, selected advanced economies



Source: Allianz Research

Appendix 1 – National figures and regional indices, 2025 to 2028

	% of World GDP **	% of Global Index	Business insolvencies level				Business insolvencies growth				Comparison with 2016-2019 average			
			2025	2026f	2027f	2028f	2025	2026f	2027f	2028f	2025	2026f	2027f	2028f
GLOBAL INDEX *	86.0	100	146	152	154	153	6%	5%	1%	-1%	15%	21%	22%	21%
North America Index *	28.1	32.6	101	113	116	117	4%	11%	3%	1%	9%	21%	25%	26%
U.S.	26.1	30.3	24 641	27 700	28 800	29 200	7%	12%	4%	1%	7%	20%	25%	27%
Canada	2.0	2.3	4 774	4 630	4 320	3 990	-23%	-3%	-7%	-8%	30%	26%	17%	8%
Latin America Index *	2.6	3.0	189	192	188	182	18%	2%	-2%	-3%	29%	31%	29%	25%
Brazil	1.9	2.2	3 976	4 220	4 220	3 990	25%	6%	0%	-5%	44%	52%	52%	44%
Chile	0.3	0.4	723	830	770	790	0%	15%	-7%	3%	-41%	-32%	-37%	-35%
Colombia	0.4	0.5	1 776	1 350	1 240	1 290	5%	-24%	-8%	4%	73%	31%	21%	25%
Europe Index *	26.1	30.3	115	120	119	117	10%	4%	0%	-2%	43%	49%	49%	46%
EU27+UK+Norway Index *	21.6	25.2	135	134	132	128	7%	-1%	-1%	-3%	49%	48%	46%	42%
EU27 Index *	17.8	20.7	136	136	135	131	9%	0%	0%	-3%	55%	55%	54%	49%
Euro zone Index *	14.9	17.4	103	106	106	103	7%	3%	0%	-3%	21%	25%	24%	21%
Western Europe Index *	20.3	23.6	116	120	119	116	7%	4%	-1%	-2%	28%	33%	32%	29%
Germany	4.3	5.0	24 064	25 900	25 900	24 600	10%	8%	0%	-5%	21%	30%	30%	24%
United Kingdom	3.4	3.9	26 745	25 600	24 800	23 800	0%	-4%	-3%	-4%	30%	25%	21%	16%
France	2.9	3.3	68 688	71 000	71 400	69 000	4%	3%	1%	-3%	25%	29%	30%	26%
Italy	2.2	2.5	12 093	11 850	12 000	11 700	26%	-2%	1%	-3%	-7%	-8%	-7%	-10%
Spain	1.6	1.9	5 604	5 470	5 230	5 430	-6%	-2%	-4%	4%	39%	36%	30%	35%
Netherlands	1.1	1.3	3 635	3 470	3 560	3 300	-15%	-5%	3%	-7%	-11%	-15%	-13%	-19%
Switzerland	0.9	1.0	11 340	15 000	15 000	15 300	35%	32%	0%	2%	110%	177%	177%	183%
Sweden	0.6	0.7	10 711	10 350	10 100	10 500	0%	-3%	-2%	4%	59%	54%	50%	56%
Belgium	0.6	0.7	11 685	11 700	11 500	10 900	6%	0%	-2%	-5%	18%	18%	16%	10%
Ireland	0.6	0.7	812	840	790	750	-7%	3%	-6%	-5%	0%	4%	-2%	-7%
Norway	0.5	0.5	4 245	3 680	3 420	3 420	-7%	-13%	-7%	0%	-11%	-23%	-28%	-28%
Austria	0.5	0.6	6 810	6 800	6 600	6 000	3%	0%	-3%	-9%	34%	34%	30%	18%
Denmark	0.4	0.5	2 376	1 900	1 950	2 080	-5%	-20%	3%	7%	-2%	-21%	-19%	-14%
Finland	0.3	0.3	3 906	4 100	4 050	3 950	12%	5%	-1%	-2%	60%	68%	66%	62%
Portugal	0.3	0.3	2 256	2 250	2 300	2 350	-4%	0%	2%	2%	-25%	-26%	-24%	-22%
Greece	0.2	0.3	557	700	740	760	83%	26%	6%	3%	502%	657%	700%	722%
Luxembourg	0.1	0.1	1 153	1 150	1 080	1 020	-1%	0%	-6%	-6%	4%	4%	-3%	-8%
Central & Eastern Europe Index *	5.7	6.7	191	195	194	190	10%	2%	0%	-2%	74%	78%	77%	74%
Russia	2.2	2.6	6 474	7 400	8 400	9 200	-24%	14%	14%	10%	-50%	-43%	-35%	-29%
Türkiye	1.4	1.6	2 131	2 800	2 600	2 550	57%	31%	-7%	-2%	3%	35%	25%	23%
Poland	0.9	1.0	5 492	5 200	5 200	4 950	13%	-5%	0%	-5%	499%	467%	467%	440%
Romania	0.4	0.4	7 553	8 200	7 950	7 680	4%	9%	-3%	-3%	-6%	2%	-2%	-5%
Czechia	0.3	0.4	6 964	7 200	7 100	7 250	18%	3%	-1%	2%	-7%	-4%	-5%	-3%
Hungary	0.2	0.2	14 388	11 300	9 800	9 100	-7%	-21%	-13%	-7%	126%	77%	54%	43%
Slovakia	0.1	0.2	2 077	1 540	1 621	1 550	10%	-26%	5%	-4%	44%	7%	12%	7%
Bulgaria	0.1	0.1	439	490	500	500	-9%	12%	2%	0%	-5%	6%	8%	8%
Lithuania	0.1	0.1	963	870	950	900	-12%	-10%	9%	-5%	-59%	-63%	-60%	-62%
Latvia	0.0	0.0	275	260	250	250	-7%	-5%	-4%	0%	-55%	-58%	-59%	-59%
Estonia	0.0	0.0	154	170	165	155	-4%	10%	-3%	-6%	8%	20%	16%	9%
Africa Index *	0.5	0.6	233	223	215	204	6%	-4%	-4%	-5%	85%	77%	71%	62%
South Africa	0.4	0.4	2 904	2 750	2 650	2 500	11%	-5%	-4%	-6%	81%	72%	65%	56%
Morocco	0.2	0.2	15 307	14 950	14 350	13 800	-2%	-2%	-4%	-4%	91%	86%	79%	72%
Asia-Pacific Index *	28.8	33.4	196	201	204	204	5%	3%	2%	0%	9%	12%	14%	13%
China	16.6	19.3	7 138	7 200	7 350	7 450	7%	1%	2%	1%	-6%	-5%	-3%	-2%
Japan	3.8	4.4	10 300	10 900	11 100	10 750	3%	6%	2%	-3%	23%	30%	33%	28%
India	3.3	3.9	659	670	680	700	-23%	2%	1%	3%	-43%	-42%	-41%	-39%
South Korea	1.6	1.8	2 282	2 560	2 580	2 430	18%	12%	1%	-6%	187%	222%	225%	206%
Australia	1.6	1.8	11 774	11 850	11 400	10 350	10%	1%	-4%	-9%	85%	87%	80%	63%
Taiwan	0.8	0.9	132	180	185	195	-5%	36%	3%	5%	-38%	-15%	-13%	-8%
Singapore	0.5	0.6	392	300	310	320	29%	-23%	3%	3%	85%	41%	46%	51%
Hong Kong	0.4	0.4	644	680	710	670	45%	6%	4%	-6%	130%	143%	154%	139%
New Zealand	0.2	0.3	3 123	3 300	3 000	2 750	13%	6%	-9%	-8%	49%	58%	44%	32%

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

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

Appendix 2 – Underlying factors driving business insolvencies: Heatmap methodology

- The heatmap is designed as an analytical tool for identifying patterns, clusters and outliers rather than as a predictive model.
- 44 countries scored on 16 factors across 3 categories. Each factor is rated from 1 (very favorable, downward pressure on insolvencies) to 5 (very unfavorable, upward pressure), with 3 = neutral.
- No composite score is computed as individual factor weightings are country-specific.
- Each factor is assessed using a consistent scoring grid, with predefined quantitative thresholds or qualitative criteria determining the assignment of scores from 1 to 5, and ensuring that the same score carries the same meaning and intensity of risk signal regardless of the country which it is applied. This uniform calibration guarantees cross-country comparability, with thresholds set to distribute countries across the full 1-to-5 range for each factor while preserving meaningful differentiation between downward, neutral and upward conditions.

Cyclical factors	-GDP momentum (YoY): Whether real GDP growth in 2027 is accelerating or decelerating relative to 2026
	-GDP momentum (vs. 2023–25): Whether 2027 real GDP growth exceeds or falls short of the average pace over the preceding years
	-Rate momentum (YoY): Whether the monetary policy stance is easing, stable or tightening relative to 2026
	-Rate level (vs. 2025): Whether the cumulative level of interest rates remains elevated compared to the 2025 benchmark
	-High-risk sectors: The breadth of sectors carrying elevated risk ratings within each country's economy, based on Allianz Trade ratings
	-State support capacity: The fiscal room and policy willingness of governments to backstop the corporate sector
Structural factors	-Business dynamics: The intensity of firm creation and churn, with a higher score indicating a larger cohort of young, fragile firms
	-Stock of firms vs. pre-Covid: How much the active business population has grown beyond its 2019 level, capturing the post-pandemic firm creation overshoot
	-Construction risk: The stress level in the construction sector, one of the most insolvency-intensive industries globally, based on Allianz Trade ratings
	-B2C sectors risk: The average risk across consumer-facing sectors such as retail, hospitality and personal services, based on Allianz Trade ratings
	-CV insolvency levels: Whether current insolvency levels are near their historical norm or at an unusually extreme point
	-Insolvency growth rates: The historical volatility of year-on-year insolvency changes, reflecting the predictability of the insolvency trajectory
	-Procedure usage rate: The degree to which formal insolvency procedures are used relative to total business distress, with low scores indicating that statistics understate true failures
Exceptional factors	-Avoided insolvencies (Covid): The estimated stock of insolvencies deferred during 2020–22 by pandemic-era support measures and still feeding into the pipeline
	-Catch-up by end Y-1: How far the normalization of deferred insolvencies has progressed by end-2026, with 1 meaning the backlog is fully absorbed
	-Regulatory reform: Whether legislative changes to insolvency frameworks are expected to materially raise or lower recorded insolvency counts

A photograph showing a group of diverse hands of various skin tones stacked on top of each other, resting on a thick, textured tree branch. The background is a lush green forest with sunlight filtering through the leaves. The text "Our team" is overlaid on the image, with "Our" in white and "team" in yellow.

Our team

Chief Investment Officer
& Chief Economist
Allianz Investment Management SE



Ludovic Subran
ludovic.subran@allianz.com

Head of Economic Research
Allianz Trade



Ana Boata
ana.boata@allianz-trade.com

Head of Macroeconomic & Capital
Markets Research
Allianz Investment Management SE



Bjoern Griesbach
bjoern.griesbach@allianz.com

Head of Outreach
Allianz Investment Management SE



Arne Holzhausen
arne.holzhausen@allianz.com

Head of Corporate Research
Allianz Trade



Ano Kuhanathan
ano.kuhanathan@allianz-trade.com

Head of Thematic & Policy Research
Allianz Investment Management SE



Katharina Utermoehl
katharina.uterhoehl@allianz.com

Macroeconomic Research



Lluís Dalmau Taules
Economist for Africa & Middle East
lluís.dalmau@allianz-trade.com



Maxime Darmet Cucchiarini
Senior Economist for UK, US & France
maxime.darmet@allianz-trade.com



Françoise Huang
Senior Economist for Asia Pacific
francoise.huang@allianz-trade.com



Maddalena Martini
Senior Economist for Southern Europe & Benelux
maddalena.martini@allianz.com

Outreach



Luca Moneta
Senior Economist for Emerging Markets
luca.moneta@allianz-trade.com



Giovanni Scarpato
Economist for Central & Eastern Europe
giovanni.scarpato@allianz.com



Heike Baehr
Content Manager
heike.baehr@allianz.com



Melissa Eddy
Content Manager
melissa.eddy@allianz.com



Maria Thomas
Content Manager and Editor
maria.thomas@allianz-trade.com

Corporate Research



Jeanne Buée
Sector Advisor
jeanne.buee@allianz-trade.com



Guillaume Dejean
Senior Sector Advisor
guillaume.dejean@allianz-trade.com



Maria Latorre
Sector Advisor, B2B
maria.latorre@allianz-trade.com



Maxime Lemerle
Lead Advisor, Insolvency Research
maxime.lemerle@allianz-trade.com



Pierre Lebard
Public Affairs Officer
pierre.lebard@allianz-trade.com

Thematic and Policy Research



Michaela Grimm
Senior Economist,
Demography & Social Protection
michaela.grimm@allianz.com



Patrick Hoffmann
Economist, ESG & AI
patrick.hoffmann@allianz.com



Simon Krause
Economist, ESG & Insurance
simon.krause@allianz.com



Hazem Krichene
Senior Economist, Climate
hazem.krichene@allianz.com



Kathrin Stoffel
Economist, Insurance & Wealth
kathrin.stoffel@allianz.com



Markus Zimmer
Senior Economist, ESG
markus.zimmer@allianz.com

Recent Publications

09/10/2026 | [Toasted, not burnt: France's bond sell-off and the road to the 2027 election](#)
08/10/2026 | [From legacy capital to smart bets : Europe's path to a competitive auto industry](#)
29/09/2026 | [A double-edged code – How AI is reshaping the global wealth landscape](#)
28/09/2026 | [Economic outlook 2026-28: It got worse before it may get better](#)
24/09/2026 | [Allianz Climate Economics Report 2026: A year of escalating costs](#)
17/09/2026 | [Central Bank Credibility as a risk: Why the ECB leads, the BoJ lags and the Fed and BoE are scrutinized](#)
16/09/2026 | [Ten top-of-mind questions on the bond market rout](#)
10/09/2026 | [Central Bank Credibility as a risk: Why the ECB leads, the BoJ lags and the Fed and BoE are scrutinized](#)
07/09/2026 | [Ten top-of-mind questions on the bond market rout](#)
02/09/2026 | [Central Bank Credibility as a risk: Why the ECB leads, the BoJ lags and the Fed and BoE are scrutinized](#)
01/09/2026 | [Ten top-of-mind questions on the bond market rout](#)
02/09/2026 | [Central Bank Credibility as a risk: Why the ECB leads, the BoJ lags and the Fed and BoE are scrutinized](#)
01/09/2026 | [Ten top-of-mind questions on the bond market rout](#)
29/07/2026 | [Cracking finance: Why the quantum threat could arrive before the reward](#)
28/07/2026 | [When bonds stop hedging equities: rethinking portfolio diversification](#)
23/07/2026 | [The price of political fragility](#)
22/07/2026 | [Trade war 3.0: A new, lasting tariff wall](#)
16/07/2026 | [Cash at risk: Inventories are driving a new cycle of working capital strain](#)
15/07/2026 | [Super El Niño risk: more inflation in Asia, oversupply in Latin America yet little disruption in financial markets](#)
09/07/2026 | [Europe under water: The macroeconomic cost of flooding and the economic case for adaptation](#)
08/07/2026 | [Half-Time Outlook 2026-27: AI holds the score, growth slows to +2.5%](#)
02/07/2026 | [Credit risk relocated, not removed: Newton's cradle transmitting risk across BBB, HY, and private credit](#)
01/07/2026 | [Low earth, high stakes: The LEO satellite race between AI demand and geopolitical fragmentation](#)
25/06/2026 | [Pension Reform Survey 2026: Everyone knows reform is needed, few expect it to happen](#)
25/06/2026 | [The semiconductor premium: EM equity and the concentration risk within](#)
22/06/2026 | [Ten Years After Brexit: Resilience Without Revival](#)
18/06/2026 | [Public vs. private equity: The widest equity return gap in two decades](#)
17/06/2026 | [Southern Europe won the last decade. The next one is less obvious](#)
16/06/2026 | [US-Iran Deal: Markets price peace, economies still pay for war](#)
10/06/2026 | [From kickoff to cash flow – Taking the 2026 Football World Championship on tour](#)
08/06/2026 | [Emerging markets in a fragmented world: From geography to resilience - the 4Rs framework](#)
03/06/2026 | [Weed out the laggards: Sustainability as a credit filter](#)
02/06/2026 | [Matryoshka market: Nested convictions in equities](#)
28/05/2026 | [Too hot to grow: The economic costs of extreme heat](#)
28/05/2026 | [Allianz Global Insurance Report 2026: The Future of Insurance in a Fragmenting World](#)

Discover all our publications on our websites: [Allianz Research](#) and [Allianz Trade Economic Research](#)

Director of Publications

Ludovic Subran, Chief Economist
Allianz Research
Phone +49 89 3800 7859

Allianz Group Economic Research

https://www.allianz.com/en/economic_research
<http://www.allianz-trade.com/economic-research>
Königinstraße 28 | 80802 Munich | Germany
allianz.research@allianz.com

 @allianz

 allianz

Allianz Trade Economic Research

<http://www.allianz-trade.com/economic-research>
1 Place des Saisons | 92048 Paris-La-Défense Cedex | France
research@allianz-trade.com

 @allianz-trade

 allianz-trade

About Allianz Research

Allianz Research encompasses Allianz Group Economic Research and the Economic Research department of Allianz Trade.

Forward looking statements

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements. Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the EUR/USD exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update

The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.