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A new decade high for major insolvencies driven by services, retail and construction

In Summary

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- **Business insolvencies ended 2025 with an upside trend in most countries, despite already high levels.** The first final data available for 2025 confirm our expectations of a +6% increase in global business insolvencies, with Western Europe (+6%) remaining a key contributor to the global trend, several Asian countries posting double-digit rises (five out of nine) and most advanced economies noticeably exceeding pre-pandemic numbers.
- **We expect a prolonged high level of insolvencies in 2026-2027.** The global rise in insolvencies should continue for the fifth consecutive year in 2026, albeit at a slower pace of +3%, overshadowing ebbing insolvencies in most countries, before a more widespread but still limited downside trend in 2027 (-1%). The prolonged risk of non-payment (insolvencies of buyers) and supply-chain disruptions (insolvencies of suppliers) requires close monitoring of critical buyers and suppliers.
- **Importantly, large firms are not immune, with a record number of cases in the last quarter of 2025 (147) and for the full year (475, i.e. one case every 18 hours).** Western Europe also stands out in our internal reporting on insolvencies of major companies – those with a turnover exceeding EUR50mn – leading both the rebound and the global count in the number of cases (311 cases). However, the Americas and China still recorded the biggest cases, together accounting for 17 of the top 20 insolvencies for the year. While large firms are often more exposed to global issues – from fragmentation and shifting trade patterns to geopolitical tensions, the digital disruption and the structural transformations of various sectors – this also underscores the risk of a domino effect on suppliers and subcontractors.
- **Services, construction and retail lead the global count (44% of the total), but they mask more fragilities in industrial sectors such as machinery & equipment, automotive and chemicals, in particular in Europe.** In absolute terms, services (83) and retail (64) were the most affected sectors, particularly in Western Europe and North America, along with construction (62), especially in Western Europe and Asia. But this is partly because of business demographic factors as these sectors have more large-sized companies. In relative terms, retail looks overrepresented in the total number of large insolvencies, services is underrepresented and several other sectors are seeing large(r) increases and high(er) levels in comparison to historical standards and the existing stock of large firms. In Europe, this list now includes chemicals, metals, machinery & equipment, automotive, computers & telecom and electronics, as well as textiles.

Business insolvencies ended 2025 with a +6% increase globally

Globally, the upside trend in business insolvencies continues for most countries despite already high levels. Official figures for 2025 are not yet released for all countries but the data available so far confirm the trends highlighted in our recent Global Insolvency Report¹. Specifically, the global upward trend persists, despite some exceptions. De facto (see Figure 1), the latest official registrations in business insolvencies for December (33 countries) and previous months (11) indicate that 25 countries are still registering year-to-date increases, with a notable number experiencing double-digit rises (14). For Q4 2025, provisional figures indicate that Western Europe remains a key contributor to the global rebound for the nineteenth consecutive quarter (with a +9% y/y increase),

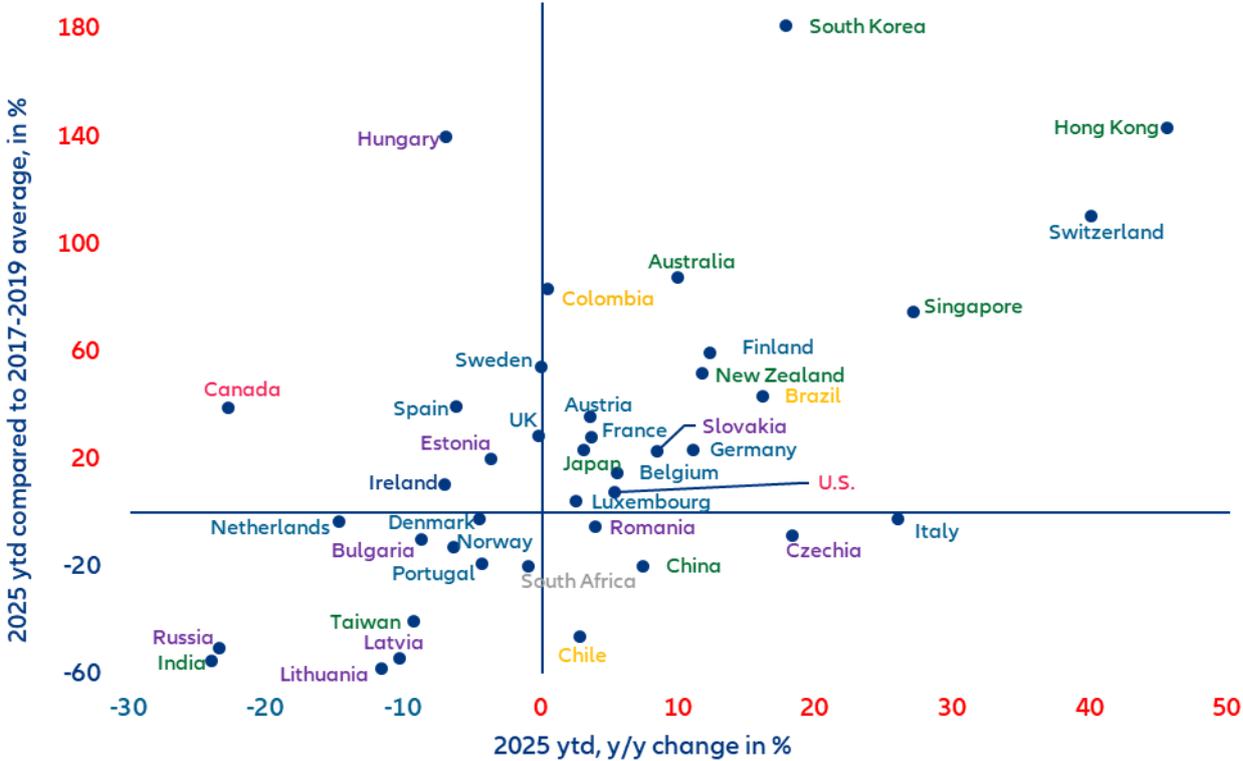
¹ [Global Insolvency Outlook 2026-27: Don't look down! | Allianz](#)

with Central and Eastern Europe, Latin America and APAC still posting noticeable momentum (+15%, +4% and +7%, respectively).

Overall, for the full year 2025, corporate insolvencies are set to have increased by +6% globally, with a potential revision of our headline indicator² due to lagging releases for one out of four countries, notably the US, Brazil and Germany. We expect the top five largest increases to be in Türkiye, Hong Kong, Greece, Switzerland and Singapore in relative terms (+57%, +45%, +40%, +40% and +27% year-on-year, respectively), and in Switzerland, Germany, Italy, France and the US in absolute terms (+3,400 cases, +2,500, +2,480, +2,330 and +1,800, respectively). The largest decreases are likely in India (-24%), Russia (-24%), Canada (-23%) and the Netherlands (-16%).

In this context, most advanced economies are (noticeably) exceeding pre-pandemic infra-annual levels of business insolvencies. These countries mainly belong to the advanced economies of Western Europe, with Switzerland leading the way, followed notably by Finland, Sweden and Spain. Several advanced economies of APAC are in the same situation, in particular South Korea, Hong Kong, Singapore and Australia, as well as Canada and the US in the Americas.

Figure 1: 2025 business insolvencies, most recent figures, selected countries*



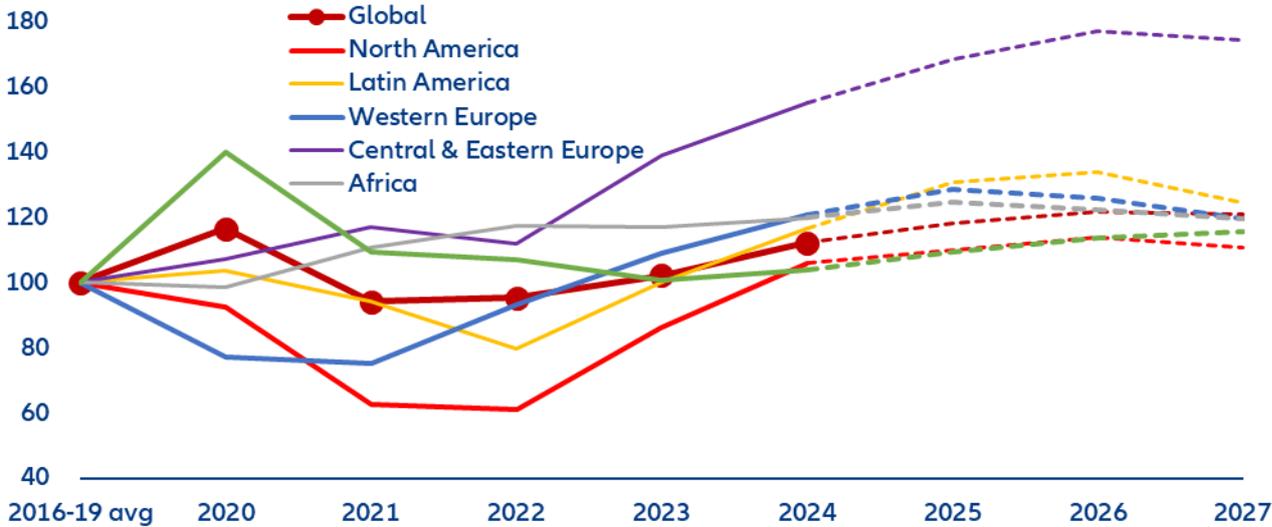
(* Excluding Greece, Morocco, Poland and Türkiye
Sources: national data provider, Allianz Research

Looking ahead to 2026 (see Figure 2), the global rise in insolvencies is expected to continue for the fifth consecutive year, albeit at a slower pace of +3%, driven primarily by North America (+4%) and APAC (+4%). Western Europe would be an exception on the downside (-2%) with most countries within the -5%/0 range, still indicating a prolonged high number of cases. Our forecasts for 2027 anticipate a more widespread downside trend, with all regions contributing to the dynamic except APAC, which could still be boosted by China (+4% with China, -4% excluding China). Regional decreases would be moderate, with three out of four countries to record a lower number of insolvencies. Our headline index would however remain +22% above its 2016-2019 average in 2027, with lower levels in North America (+14%) and APAC (+14%), prolonging (i) the risk of non-payment (insolvencies of

² The Allianz Trade Global (or Regional) Insolvency Index is the weighted sum of national indices, each country being weighted by the share of its GDP within the countries used in the sample, using a base of 100 in year 2015 (44 countries representing 84.6% of global GDP in 2024). National indices are based upon our monitoring of absolute and non-seasonally adjusted numbers of insolvencies.

buyers) as well as the risk of supply-chain disruptions (insolvencies of suppliers), and (ii) the necessity to monitor key and critical buyers and suppliers and potentially to prepare alternatives against some dependencies.

Figure 2: Global and regional insolvency indices, yearly level, basis 100: 2016-2019 average

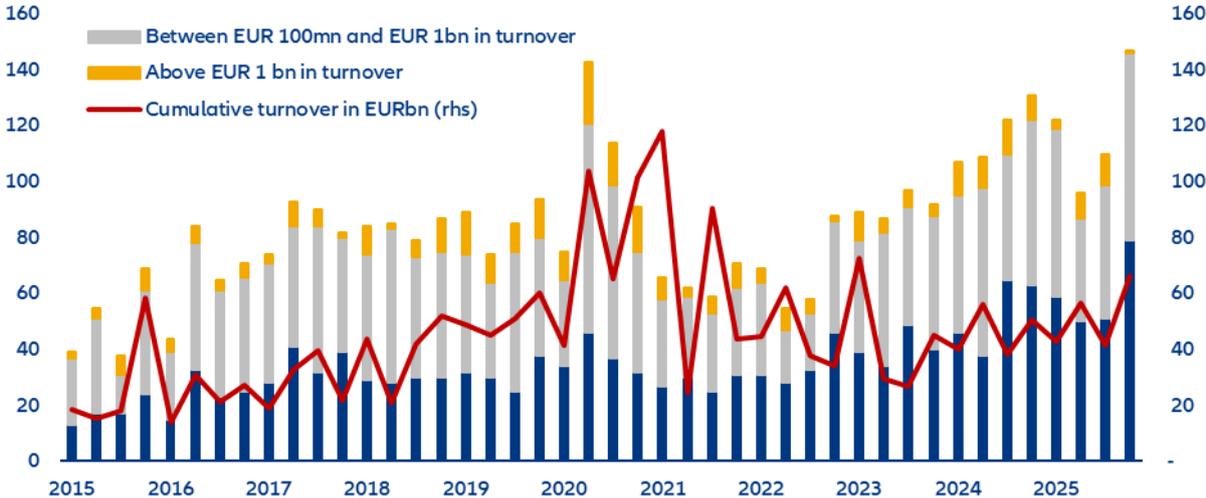


Sources: national data providers, Allianz Research

Large firms are not immune, with a record number of insolvencies in 2025

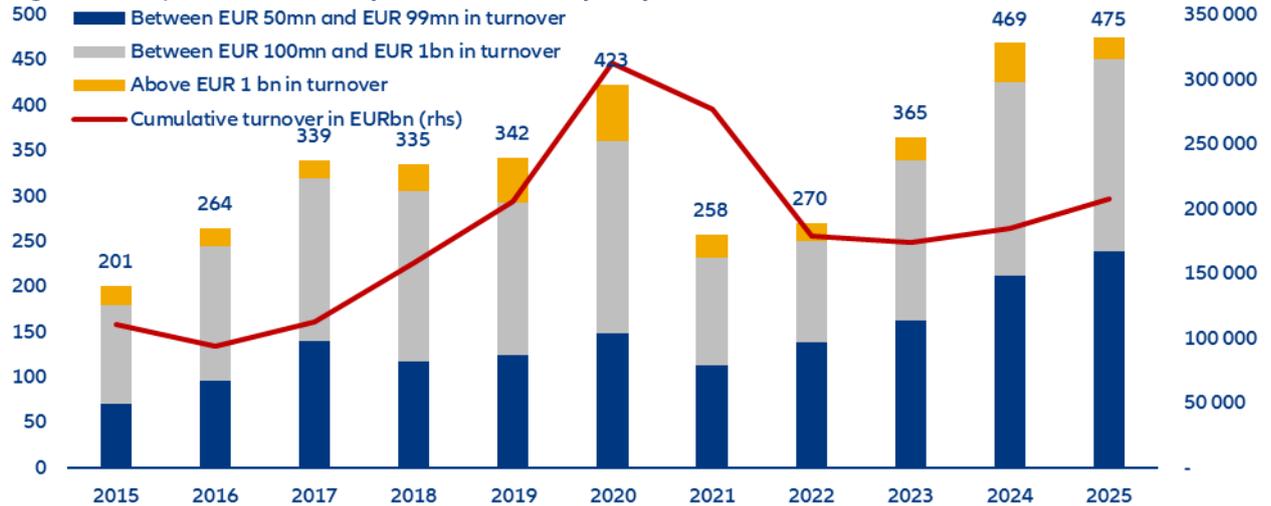
Globally, major insolvencies reached a new high number of cases in Q4 2025, marking the largest quarterly and annual total since the start of our monitoring in 2015. Our internal reporting on insolvencies of major companies – defined as those with a turnover exceeding EUR50mn – indicates 147 cases for the last quarter of 2025 (see Figure 3), which is a noticeable increase of +37 and +16 cases compared to the previous quarter and Q4 2024, respectively, and +63 cases compared to the quarterly average of 84 cases posted since the start of our monitoring in 2015. In other words, this marks the largest quarterly total since we began monitoring in 2015. The annual count is also a new record high, with 475 cases, i.e. +6 and +52 cases compared to 2024 and 2020, the two previous highs. This translates to more than one case per day (one case every 18 hours). In addition, the combined turnover of insolvent major companies increased by +31% year-on-year in Q4, reaching EUR66bn from EUR51bn, and reinforcing the trend observed in the previous quarters. This led to an annual increase of +12% to EUR208bn, with the average turnover totaling slightly below EUR440mn, compared to EUR463mn for the 2015-2019 period. Overall, these large insolvencies are fuelling the risk of a domino effect due to their extensive supplier networks, potentially boosting insolvencies among smaller firms.

Figure 3: Major insolvencies, by size of turnover, quarterly



Sources: Allianz Trade, Allianz Research

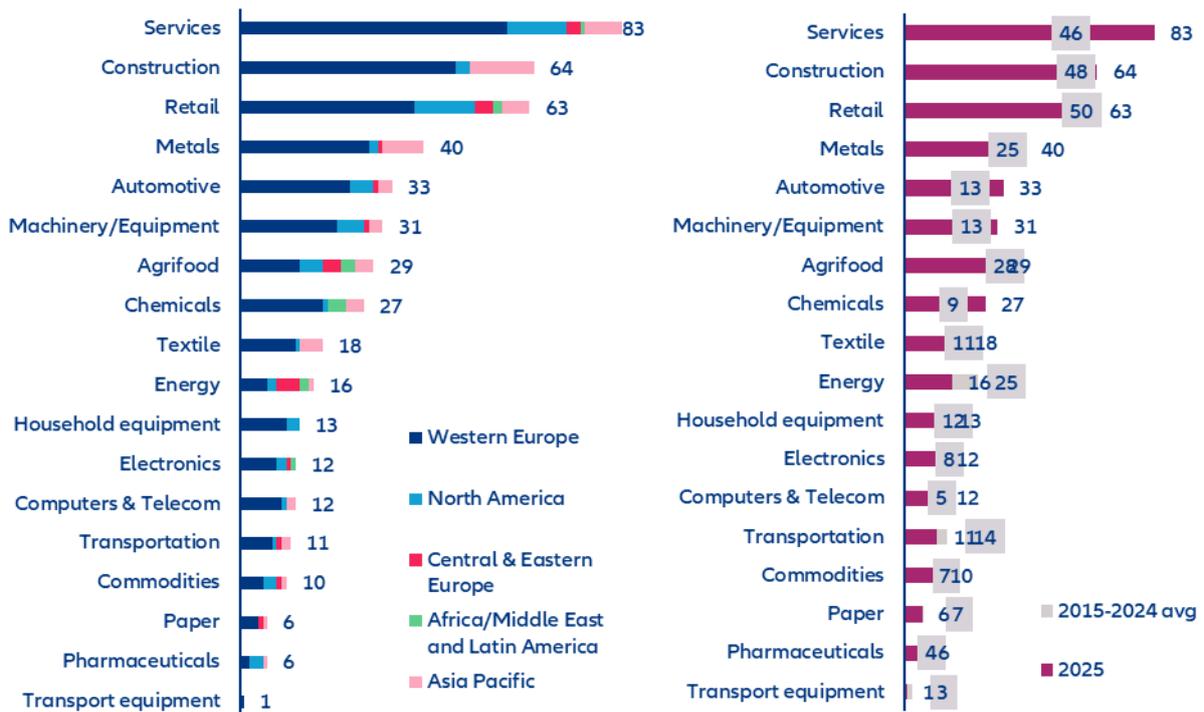
Figure 4: Major insolvencies, by size of turnover, yearly



Sources: Allianz Trade, Allianz Research

Western Europe continues to lead in the rebound in the number of cases, with the biggest cases still occurring in the Americas and China. In Q4 2025, Western Europe again played a key role in the global count of major insolvencies in year-on-year terms (+17 cases to 103), well ahead of Asia (+2 cases to 19) and North America (+4 cases to 15). Looking at the full year (see Figure 5), the picture remains broadly the same, with Western Europe leading ahead of North America and Asia (311, 64 and 64 cases, respectively). However, North America and Asia both experienced declines (-11 and -6, respectively), unlike Western Europe, Central and Eastern Europe and Latin America (+11, +3 and +9, respectively). Western Europe accounted for 65% of the annual total, compared to 64% in 2024, followed by North America and Asia (13%), with 311 out of the 475 cases reported over the year (94 in Germany, 65 in Italy, 56 in the UK and 49 in France). Notably, the US remains at the forefront with the highest number of 'top' insolvencies, with four out of the top 10 insolvencies in Q4 2025 and 11 out of the top 20 insolvencies of the year, ahead of China (6).

Figure 5: 2025 major insolvencies, by sector and region (left) and compared to past decade average (right)

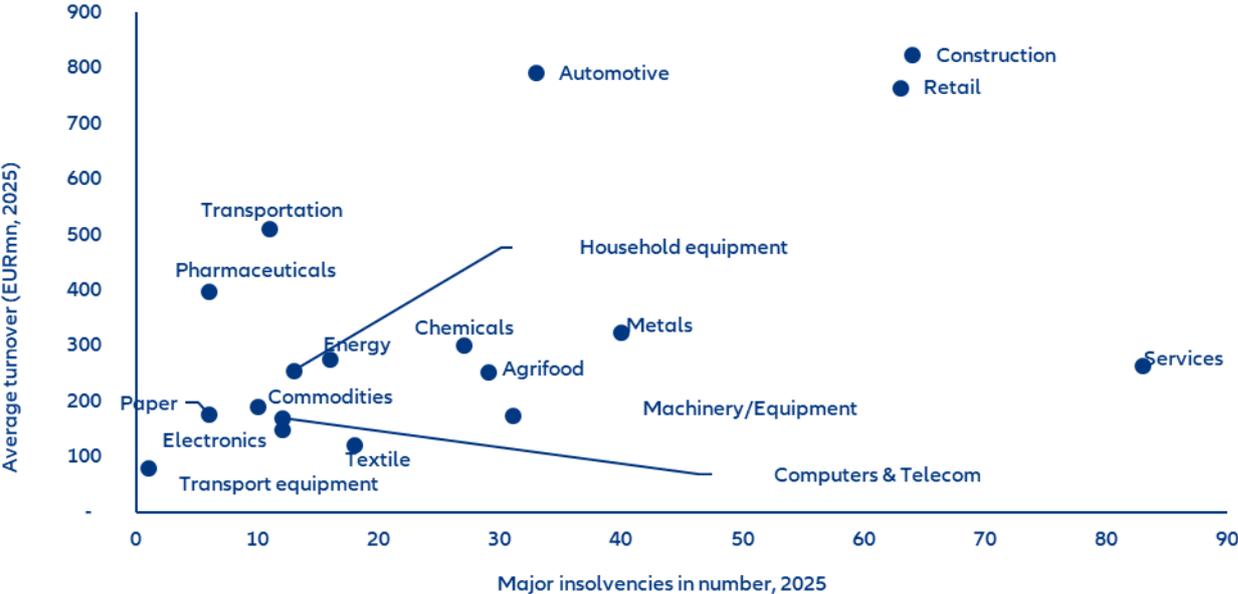


Sources: Allianz Trade, Allianz Research

Services, construction and retail lead the global count, but mask more fragilities in industrial sectors, such as machinery & equipment, automotive and chemicals, in particular in Europe

Services and retail, particularly in Western Europe and North America, and construction, especially in Western Europe and Asia, are the most affected sectors. In the last quarter of 2025, the sectors contributing the most to the global count were all in Western Europe: services (19 cases), construction (12), metals (11), and retail (10). Asia experienced its largest number of cases in services (5) and construction (4), while the US saw large insolvencies in services (3). For the full year 2025, services, construction and retail remain the top affected sectors, with 83, 64 and 63 cases recorded globally. All three sectors recorded more cases than observed historically, with +37, +16 and +13 cases, respectively, compared to the annual average seen over the past decade (2015-2024). The construction sector stood out with the largest severity in terms of turnover (EUR824mn on average for 64 cases), due to large cases in China, followed by automotive (EUR792mn for 33 cases), retail (EUR765mn for 63 cases) and transportation (EUR512mn for 11 cases). The average size of major insolvencies (see Figure 6) remained more limited in the services sector (EUR264mn, compared with the global average of EU 437mn), but it displayed the highest frequency (83 cases).

Figure 6: 2025 major insolvencies by sector, number of cases (x axis) and average turnover (y axis, EURmn)

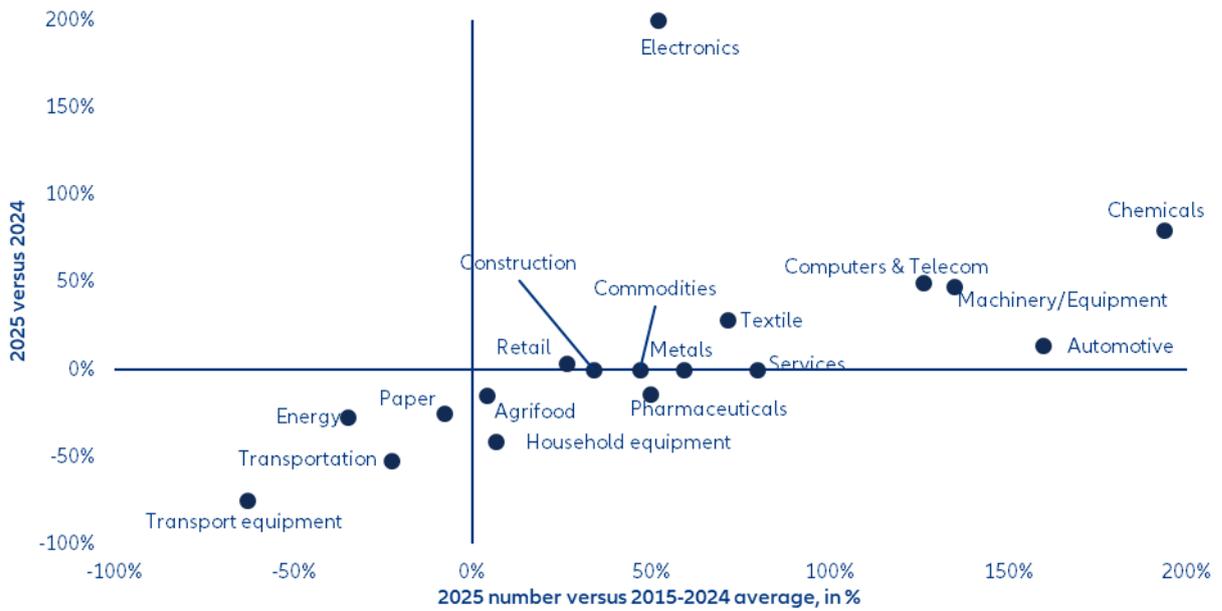


Sources: Allianz Trade , Allianz Research

However, business demographic factors play a role. In Europe, for example (see Figure 8), these three sectors account for 58% of companies with 50 or more employees, while accounting for 45% of the number of major insolvencies in the region in 2025. However, while construction retail holds the same relative importance in the total number of large insolvencies and in the number of large companies (14%), this is not the case for retail and services. The former is overrepresented in the total number of large insolvencies (13% versus 7%), while the latter is underrepresented (18% versus 37%) despite a slowly increasing share over the past years.

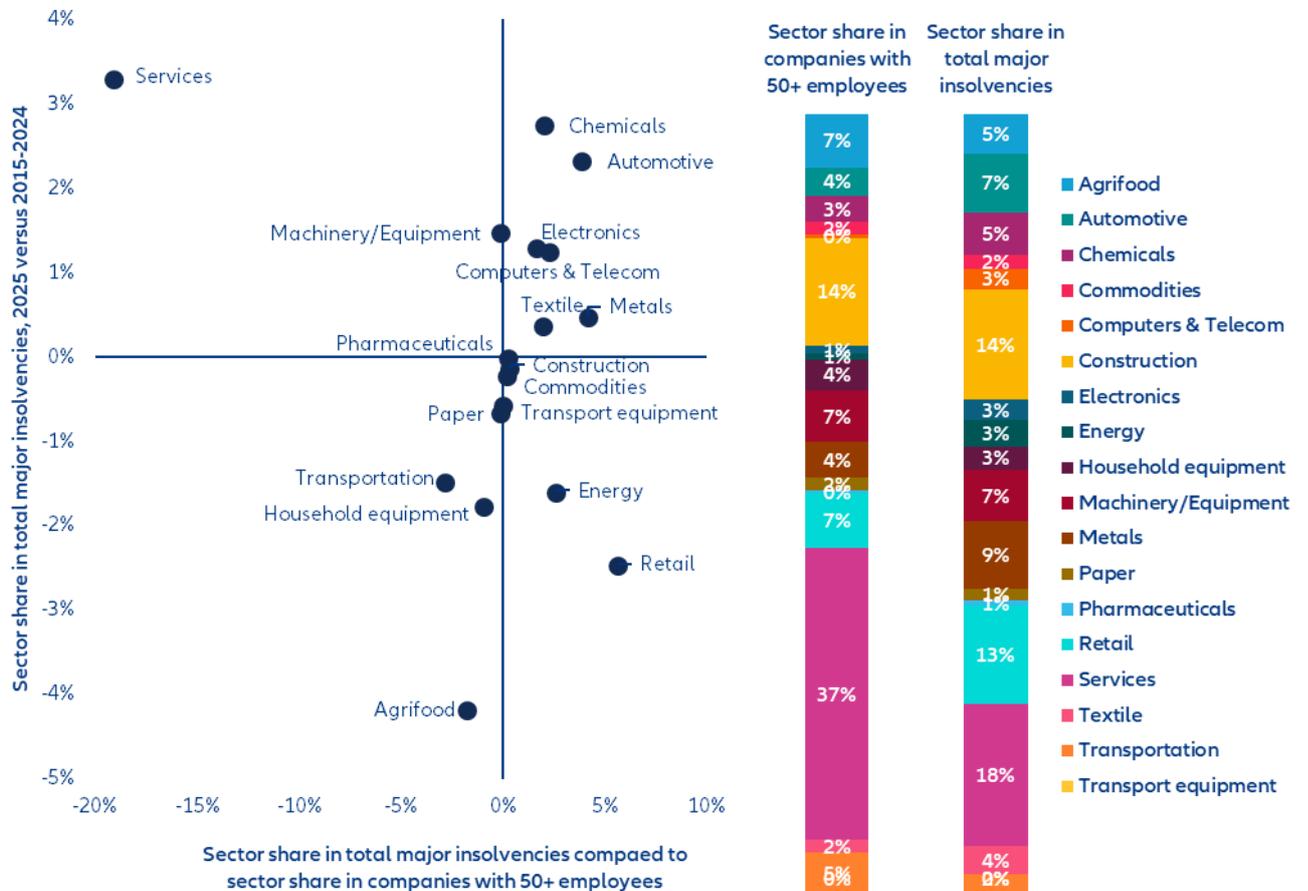
In relative terms, the most affected sectors were chemicals, automotive, machinery & equipment, computers & telecom and electronics, in addition to metals and textile in Europe. Figure 7 shows that chemicals, machinery & equipment and computers & telecoms saw a large increase compared to 2024 and a high number of cases in comparison to the past decade’s average, followed to a lesser extent by automotive, textile and electronics. This suggests that these sectors are facing more difficulties or rising weaknesses and may require more attention globally. The same sectors are on the watch list in Europe, but chemicals and to a lesser extent electronics stand out with large increases in the number of cases in comparison to 2024 (+11 and +8, i.e. +157% and +800%, respectively) and to historical standards (+13 and +6, i.e. +230% and +200%, respectively). This led both to be overrepresented in terms of large insolvencies in comparison to their share in the stock of large companies (companies with 50 or more employees), and to join the various sectors already in this situation in Europe, in particular textiles (4% versus 2%), computers & telecom (3% versus 0.5%), automotive (7% versus 4%) and metals (9% versus 4%).

Figure 7: 2025 major insolvencies by sector, compared to 2015-2024 average (x axis) and to 2024 (y axis), globally



Sources: Allianz Trade , Allianz Research

Figure 8: Focus Europe: Sector share in total major insolvencies and in stock of companies with 50+ employees



Sources: Eurostat, Allianz Trade , Allianz Research

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