PRESS RELEASE

Insolvencies are on the rise again against a backdrop of a deteriorating economic climate

Paris, 11 June 2026 – The global business climate is deteriorating at an accelerating pace: business insolvencies surged by 12% in early 2026, driven by North America (+22%). Against a backdrop of geopolitical tensions and mounting cost pressures, Coface now forecasts a 6% rise in insolvencies worldwide for 2026.

Key points:

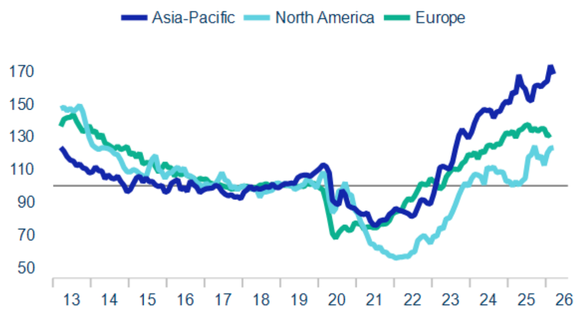
- **+12%:** rise in global insolvencies in early 2026, signaling a rapid deterioration in the business climate
- **+22%:** sharp rise in insolvencies in North America, the main driver of the global increase
- **+6%:** insolvencies are now expected to rise by 6% in 2026, more than double the initial forecast

The economic downturn is now evident in the figures

The global business environment has weakened noticeably in recent months as the economic consequences of the Iran conflict have begun to feed through to activity.

The **12%** rise in insolvencies recorded in early 2026, including a **22%** increase in North America, illustrates the scale of the current shock and the rapid deterioration in the situation facing businesses.
This trend is fueled by recent geopolitical tensions, notably in the Middle East, the repercussions of which are beginning to manifest themselves in rising supply costs, increased volatility in energy prices and greater uncertainty weighing on investment decisions.

Chart 1: Regional Corporate Insolvencies Indices
(Average of same month in 2017-19 = 100, 3-month rolling average)



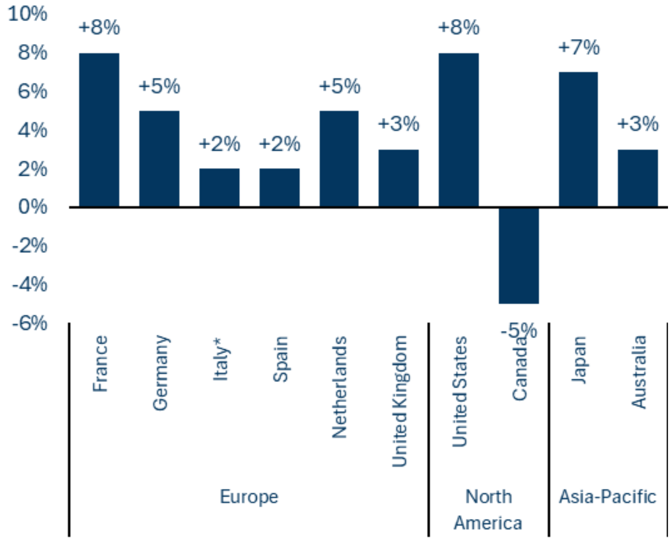
Note: Americas (Brazil, Canada and USA), Europe (Belgium, France, Germany, Italy, Netherlands, Spain, Sweden, Switzerland, and UK), and APAC (Australia, Hong Kong, Japan, Korea Rep., New Zealand, Singapore, and Taiwan). Sources: National sources, Macrobond, Coface

Forecasts revised upwards for 2026

Against this backdrop, Coface is significantly revising its insolvency forecasts for 2026. Global insolvencies are now expected to rise by around **6%,** more than double the increase anticipated at the start of the year.

Significant increases are expected in the United States **(+8%)**, France **(+8%)** and Japan **(+7%)**, whilst Germany and the Netherlands are expected to see rises of around 5%. More moderate increases, ranging between **2%** and **3%,** are expected in Spain, Italy and the United Kingdom.

Chart 2: Insolvency forecast in key advanced economies (Percent)



Note: Italy's forecast excludes an uptick in certain procedings in 2025. If included, insolvencies should fall by 20%. Source: National sources, Macrobond, Coface

Interest rates exacerbate an already fragile situation

Against this already fragile backdrop, financing conditions continue to weigh heavily on businesses. Despite the start of a easing cycle, interest rates remain at high levels following several years of monetary tightening, which is making the cost of credit persistently expensive.

This constraint is all the more significant given that businesses are entering this phase with historically high levels of debt. Consequently, even small changes in financing conditions can have a disproportionate impact: a rise of just **25 basis points** in borrowing rates would be enough to accelerate global defaults once again and bring their growth closer to the levels observed in 2025. The persistence of high interest rates thus acts as an aggravating factor in an already deteriorating environment, limiting companies' ability to refinance their debt and absorb further shocks.

Cyclical sectors on the front line

Pressures remain particularly acute in the sectors most sensitive to economic cycles and financing conditions. Construction, chemicals and textiles continue to be the most vulnerable sectors, due to their high exposure to production costs and demand.

In several major economies, these vulnerabilities are already having a tangible impact:

- **United States**: the industrial and construction sectors are being hit by rising financing costs and slowing demand.
- **Germany**: industry, particularly the chemical and construction sectors, remains under pressure due to high energy costs and still-weak activity.
- **France**: the construction sector is suffering from high interest rates, industry remains weakened by energy costs, and the retail sector is suffering from constrained purchasing power.
- **Japan**: the most indebted sectors are weakened by financing conditions that have become persistently tighter.

In these sectors, the combination of high production costs, squeezed margins and tighter access to finance significantly reduces companies' ability to adjust.
This vulnerability is even more pronounced for SMEs, which are often less diversified and more exposed to cash flow fluctuations. As a result, in several regions, these sectors are among the main contributors to the rise in insolvencies observed since 2025, confirming the now structural nature of the pressures at play.

Government intervention unlikely to provide the same buffer

The relatively subdued level of insolvencies between 2020 and 2023 was largely attributable to extensive government support in response to the Covid-19 pandemic and the consequences of the Ukraine war. While support measures are being reintroduced in some countries, they remain significantly more limited in scale. In major European economies – including France, Germany, Italy, Spain and the UK – fiscal support in 2022–2023 amounted to approximately 2–4% of GDP. By contrast, current measures are far smaller, with the largest program observed in Spain at around 0.3% of GDP. Moreover, recent interventions are more targeted in nature. While this should help the most vulnerable sectors and firms, it is unlikely to provide the broad-based cushion seen during previous crises. As a result, the capacity of public policy to contain a rise in insolvencies appears more limited.

COFACE PRESS OFFICE
Adrien Billet: +33 6 59 46 59 15
adrien.billet@coface.com

HAVAS
Alice Bastard: +33 7 72 10 95 14
Lucie Bolelli: +33 6 42 18 30 82
coface@havas.com