PRESS RELEASE

Business insolvencies are expected to increase by 2.8% worldwide in 2026

Japan, 27th Jan 2026: In 2026, business insolvencies are expected to rise slightly again, against a backdrop of gradually easing financing costs. Behind this apparent stabilisation lies a still high level of fragility, particularly in the construction, chemical and textile industries. A rise of just 25 basis points in interest rates on business loans would be enough to upset an easing trend.

Key figures:

- **+2.8%:** expected increase in insolvencies worldwide in 2026.
- **+2%:** estimated increase in France (in line with business start-ups creation), and in the United Kingdom.
- **+4%:** expected increase in the United States due to sectors vulnerable to recent polices, such as customs duties absorbed by American companies.
- **+1%:** forecast in Germany, marked by weak private activity in spite of generous government stimulus.
- **–2%:** estimated decline in insolvencies in Italy, due to the falling number of active companies in the country.
- **–3%:** expected decline in Spain, supported by improved macroeconomic momentum
- **25 basis points**: the critical threshold that would trigger a rise in insolvencies worldwide to offset a deceleration and keep wider insolvency growth around **+4-5%** in 2026

"*2026 should offer a respite rather than an improvement. The number of insolvencies will not fall: it will simply stop accelerating. If rates were to ease less quickly than anticipated, then stabilisation would immediately disappear*," **says Jonathan Steenberg, economist for Northwestern (UKI, Benelux and Nordics) countries at Coface.**

2026: a misleading stabilisation

After three years of sustained increases, 2026 should mark a period of calm. Insolvencies will continue to rise, but at a slower pace, helped by the gradual easing of rates and credit conditions. However, this stabilisation remains fragile: debt levels remain high, margins are compressed and the most exposed sectors continue to show signs of tension.

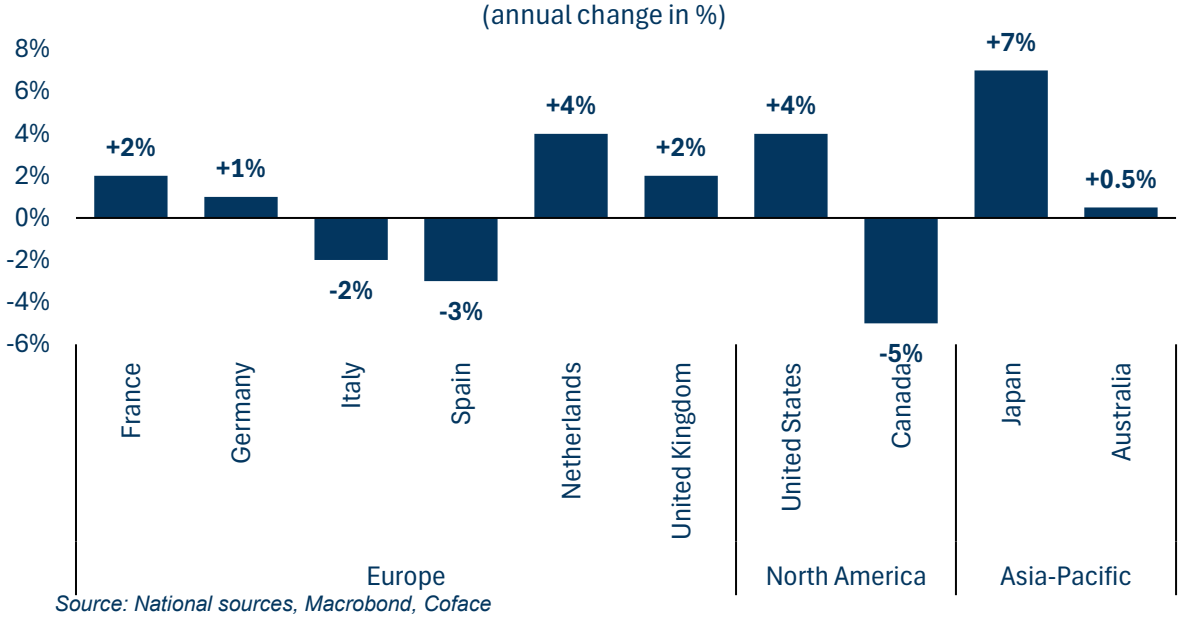
Europe: stabilisation highly dependent on financing costs

Germany **(+1% in insolvencies for 2026)**, France and the United Kingdom **(+2%)** are expected to remain at a high level, while Spain **(-3%)** will benefit from stronger macroeconomic momentum. Italy **(-2%)** will mainly benefit from the statistical effects of its procedural reforms. In the Netherlands, the increase **(+4%)** will reflect a gradual return to levels close to those seen before the pandemic. The continent remains extremely sensitive to the cost of credit, which will largely determine the trajectory for 2026.

North America & Asia-Pacific: relative respite but contrasting trends

In North America, trajectories diverge: in the United States **(+4%)**, companies will continue to be affected by a slowing economy and tariff increases, and Canada **(-5%)** will begin a significant decline after a prolonged cycle of growth. In Asia-Pacific, Japan **(+7%)** will continue to be penalised by persistently higher interest rates and several vulnerable sectors, while Australia **(+0.5%)** is expected to plateau after a strong post-pandemic normalisation. These dynamics confirm that local shocks—monetary, sectoral or regulatory—will continue to shape defaults in 2026.

Trends and forecasts for business failures by country in 2026
(annual change in %)



Source: National sources, Macrobond, Coface

A 25-basis point increase would be enough to reverse the trend

The stabilisation expected in 2026 will depend on a steady easing of rates, but the balance remains precarious: companies remain very sensitive to the cost of credit after several years of excessive debt. A **25-basis point increase** in borrowing rates could cause global insolvencies to rise again **to around +4-5%,** a trend similar to that seen in 2025. Such a scenario would particularly affect European economies, which are more exposed to variable-rate debt, as well as sectors with low debt servicing capacity such as construction, chemicals and textiles. This increased sensitivity serves as a reminder that in 2026, the trajectory of insolvencies will depend less on growth than on the pace of monetary adjustment, making the cost of financing the real arbiter of the coming year.

Read the full study **here**

MEDIA CONTACTS
COFACE JAPAN
Akiko Yoshie: +81342352629
akiko.yoshie@coface.com

COFACE: FOR TRADE
A leading player in global commercial credit risk management for over 75 years, Coface helps companies develop their business and navigate an uncertain and volatile environment. Regardless of their size, location or sector of activity, Coface supports 100,000 clients in nearly 200 markets with a comprehensive range of solutions: credit insurance, information services, debt collection, single risk insurance, surety bonds and factoring. Every day, Coface capitalises on its unique expertise and cutting-edge technologies to facilitate trade, both domestically and internationally.

For more information, visit coface.jp

COFACE SA. is listed on Compartment A of Euronext
ISIN Code: FR0010667147 / Mnemonic: COFA Y

Since July 25, 2022, COFACE SA certifies its communications.
You can check their authenticity on wiztrust.com
Certified with wiztrust

coface
FOR TRADE