Macroeconomic Analysis of Corporate Insolvency Trends (2024–2026)

MACROECONOMIC ANALYSIS by INSOLVENCY OBSERVATORY

An Uncertain Future Marked by a Surge in Insolvency Crises: The Risk of Default Spirals Unabated

Nearly 30,000 companies in Italy are expected to face insolvency over the next two years — that is, entities unable to meet their debt obligations due to severe liquidity constraints. A similar trend is evident on a global scale, with 2022–2026 marking five consecutive years of rising insolvency cases. Following a 10% increase last year, further global upticks of 6% in 2025 and 3% in 2026 are projected.

The Italian Outlook.

Insolvencies in Italy surged sharply in the second half of last year, registering one of the highest increases worldwide at +45%, compared to +9% in 2023. This acceleration reflects double-digit increases across all major sectors. The most severely affected were construction (+62%), manufacturing (+58%), retail (+50%), and hospitality (+39%) — the latter being the only sector to have significantly exceeded pre-pandemic insolvency levels recorded between 2012 and 2019.

Unlike many other European countries, Italy has yet to return to pre-pandemic levels (-8% projected by the end of 2024). However, persistently weak economic growth and limited support from monetary policy are expected to fuel a further increase in insolvencies in the near term.

The trajectory of interest rates — which may slow their downward path — along with restricted access to credit, will be pivotal factors for Italian SMEs as they navigate the mounting challenges of the green transition, artificial intelligence, and the reshaping of global supply chains. Current forecasts anticipate 14,000 insolvency cases in Italy in 2025 (+17%), rising to 14,300 in 2026 (+2%).

The Future Italian Scenario.

In a macroeconomic context of widespread growth deceleration driven by trade wars and geopolitical uncertainty, Italy is once again lagging behind the eurozone average in GDP growth (projections: +0.6% in 2025 and +1% in 2026 for Italy, vs. +1.1% and +1.6% for the eurozone).

Nevertheless, several positive factors may help the country outperform expectations: inflation remains under control (forecasted at 1.7% for 2025 and 2% for 2026), and employment levels are at historic highs — a dynamic that continues to sustain domestic demand. Conversely, the weakness of Italy's main export markets is a cause for concern. In the United States, economic growth is at risk amid inflationary pressures induced by new government policies. Meanwhile, Germany, despite political stability following recent elections, is projected to grow by only 0.3% in 2025 after two consecutive years of contraction. France, too, is expected to experience subdued growth, mirroring Italy's pace.

A Persistently Alarming Global Outlook.

Global corporate insolvencies are expected to rise by 6% in 2025 and by an additional 3% in 2026, driven by delayed interest rate cuts, rising uncertainty, and weakened demand.

Relatively high interest rates may place further strain on sectors and businesses already burdened by debt or facing specific financial challenges — such as those arising from the green transition, AI competition, or supply chain disruptions. Additional risks include a persistent lack of economic momentum and a backlog of post-COVID insolvency cases yet to be resolved.

Rarely has the business environment been so complex and volatile. Companies must remain vigilant to avoid mounting insolvency risks.

Labour Market Consequences.

Due to insolvencies, as many as 2.3 million jobs are at direct risk in 2025 — 120,000 more than in 2024 — with a more moderate increase of 30,000 expected in 2026. Western Europe (1.1 million) will be the most affected, followed by North America (450,000), with both regions reaching decade-high records. In Asia, approximately 320,000 jobs remain at risk, a figure that has remained relatively stable since 2022.

Possible Paths to Recovery.

An expansion in credit availability could mitigate corporate insolvencies by providing companies with the liquidity necessary to meet their debt obligations, sustain operations, and invest in growth. Access to credit also enables firms to refinance liabilities, cushion income shocks, and avoid bankruptcy — particularly during economic downturns.

Monetary policy will play a decisive role in this context. While interest rate cuts are anticipated in both Europe and the United States, persistent inflationary pressures — especially in the U.S. — could impede rate reductions. A higher cost of borrowing and reduced credit access could stifle sectoral growth, tighten financial conditions, and increase default risks among heavily leveraged firms.

Forecast models suggest that a 1% contraction in credit would trigger a rise in insolvencies over the following three months of approximately +3% in the United States, +0.4% in Germany, +1% in the United Kingdom, and +2% in France.

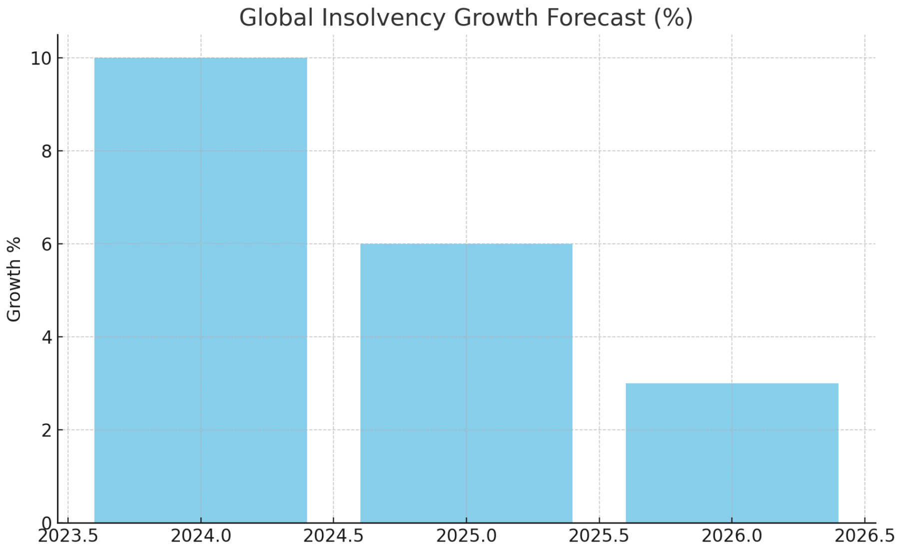
The Most Alarming Threat: Trade Wars.

A full-scale trade war would pose a substantial destabilizing threat. Geopolitical tensions — including ongoing conflicts in Ukraine and the Middle East, disputes in the South China Sea, and political uncertainty surrounding Taiwan — could significantly worsen the global outlook.

In the event of a widespread trade war, our insolvency forecasts would increase by an additional 2.1 percentage points in 2025 and 4.8 percentage points in 2026, bringing the total rises to 7.8% and 8.3% respectively. This would translate to an additional 6,800 insolvency cases in the United States and 9,100 in Western Europe.

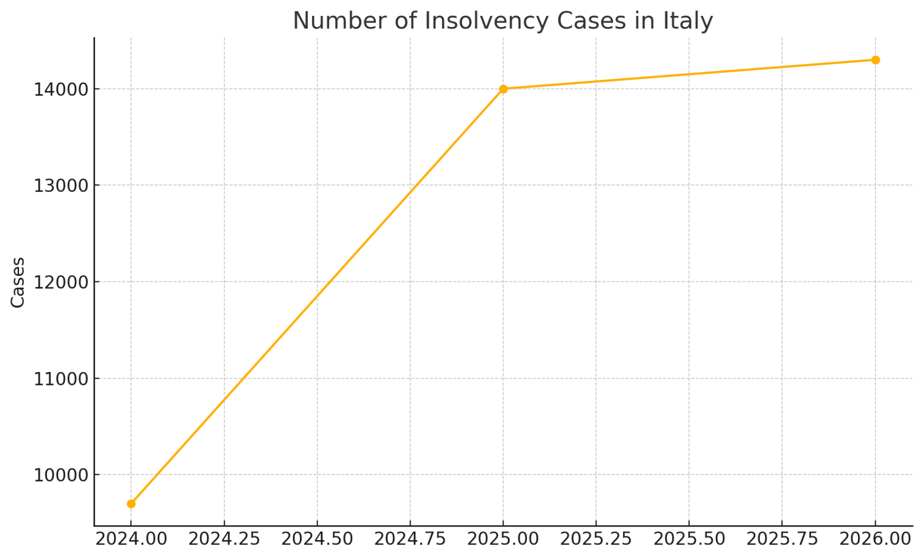
1. Global Insolvency Growth Forecast (%)

After a 10% rise in 2024, insolvency growth is expected to decelerate to 6% in 2025 and 3% in 2026, marking five consecutive years of increase.



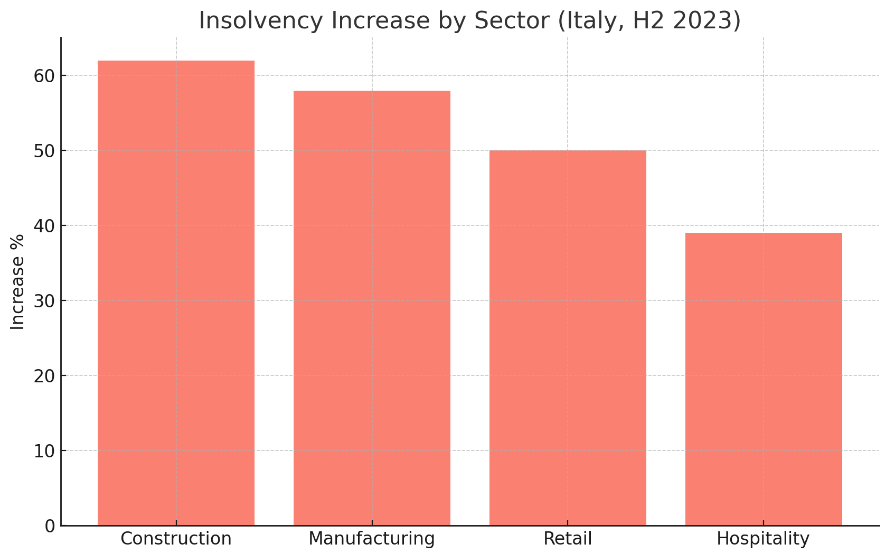
2. Number of Insolvency Cases in Italy (2024–2026)

Italy is forecasted to experience 14,000 cases of insolvency in 2025 (+17%) and 14,300 in 2026 (+2%), following 9,700 cases in 2024.



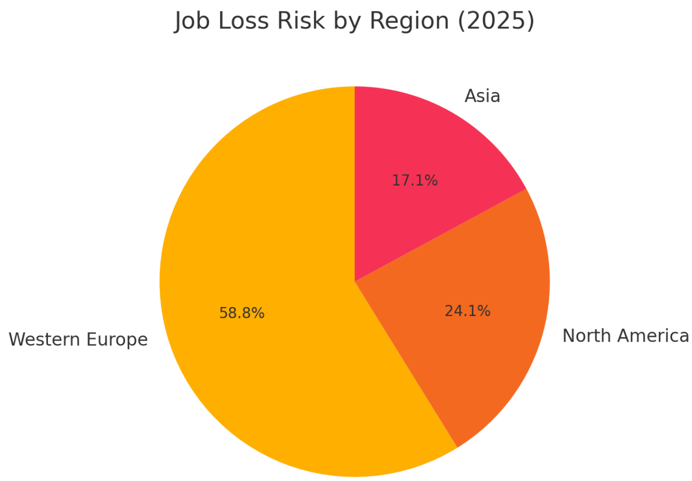
3. Insolvency Increase by Sector in Italy (H2 2023)

The construction sector saw a 62% increase in insolvencies, followed by manufacturing (+58%), retail (+50%), and hospitality (+39%).



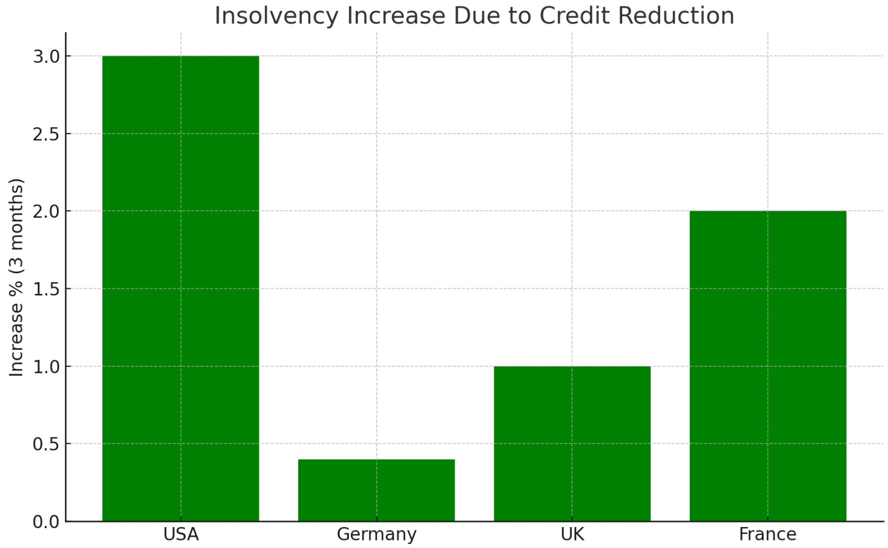
4. Job Loss Risk by Region (2025)

Western Europe faces the highest job loss risk (1.1 million jobs), followed by North America (450,000) and Asia (320,000).



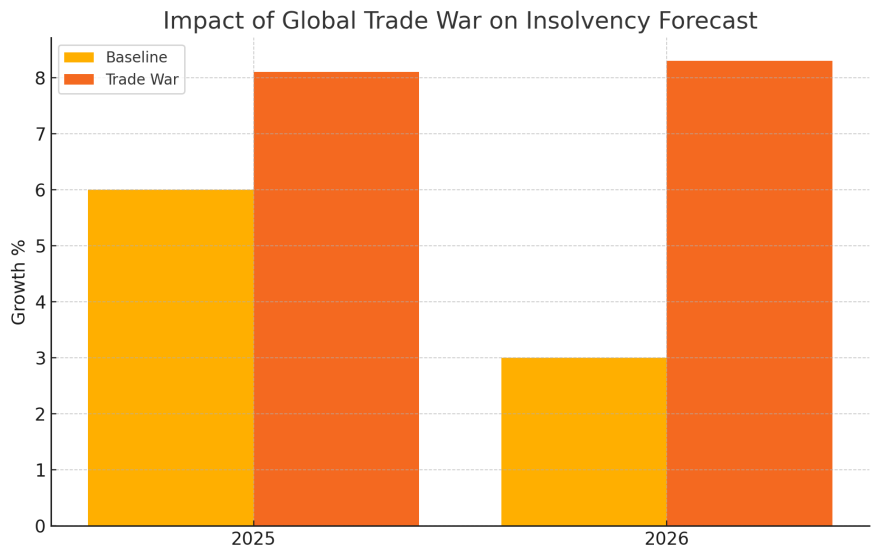
5. Insolvency Increase Due to Credit Reduction (%)

A 1% contraction in credit could lead to a 3% rise in insolvencies in the US, 2% in France, 1% in the UK, and 0.4% in Germany within three months.



6. Impact of Global Trade War on Insolvency Forecast (%)

A full-scale trade war could push insolvency growth to 8.1% in 2025 and 8.3% in 2026, significantly above the baseline forecasts.



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