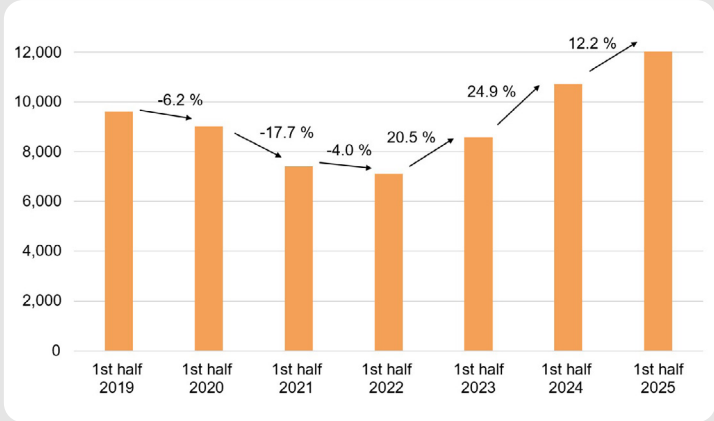


Increase in insolvencies in the first half of 2025 weaker than in previous years

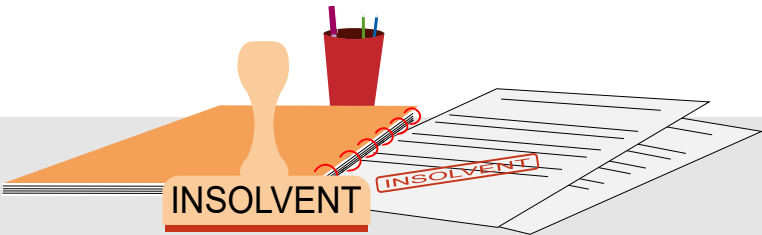
The number of company insolvency petitions rose to around 12,000 in the first half of 2025. Compared with the same period of the previous year, more firms went into insolvency (+12.5 %). However, the increase was less pronounced than in the two preceding years. By contrast, 2025 saw a marked rise in the number of businesses without employees (+16.8 %) compared with 2024, whereas in earlier years the risk of insolvency had grown disproportionately among medium-sized and large firms.

Company insolvencies

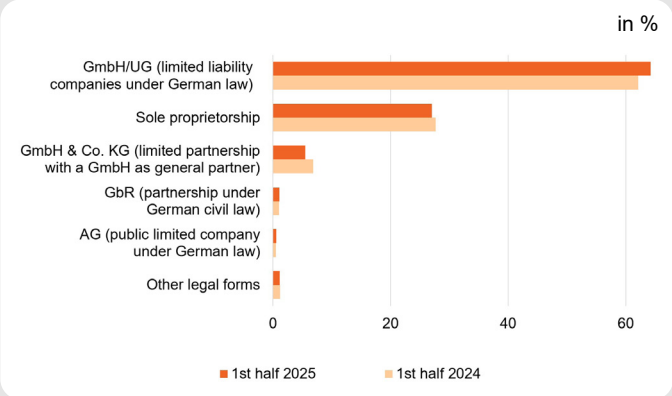


Source: Destatis/Genesis (insolvency statistics), calculations by IfM Bonn.

The majority of insolvent companies are GmbHs (limited liability companies under German law). Their share has increased compared with the first half of 2024. One reason for this is the crisis in the property and construction sector, as larger property developers frequently establish individual construction projects as subsidiaries in the form of a GmbH (without employees).



Corporate insolvencies by legal form

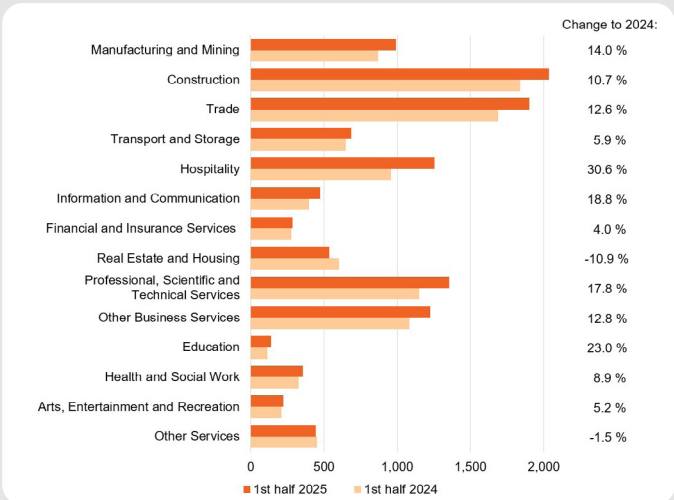


Source: Destatis/Genesis (insolvency statistics), calculations by IfM Bonn.

Fewer insolvencies in real estate and housing

Most insolvency filings in the first half of 2025 occurred in the construction sector, trade, professional, scientific and technical services, as well as other business-related services and the hospitality industry. By contrast, the number of filings in the real estate and housing sector declined. This sector appears to have passed the peak of its crisis.

Insolvencies in selected sectors change compared to 2024



Source: Destatis/Genesis (insolvency statistics), calculations by IfM Bonn.

In the manufacturing sector, the number of corporate insolvencies also rose (+14 %), albeit less sharply than in other economic sectors. Insolvencies occurred most frequently in the field of *manufacture of fabricated metal products*, followed by mechanical engineering and the manufacture of food and animal feed.

More business closures than insolvencies

While the number of corporate insolvencies in the first half of 2025 amounted to 12,000, a total of 142,000 commercial businesses were closed during the same period. Insolvencies therefore continue to represent only a small subset of all closures.

