

Corporate bankruptcies: key trends following six atypical years

Corporate bankruptcies continued to rise in France in 2025, albeit at a much slower pace than previously, increasing by 3.6% year-on-year after a 17.7% rise in 2024. A total of 68,602 insolvency proceedings were opened over the year, 15% above the 2010-19 average, in an unprecedented context marked by the historic lows of 2020-21. Bankruptcies of SMEs, intermediate-sized enterprises (ISEs) and large enterprises (LEs) were 68% higher than the 2010-19 average. For microenterprises, which accounted for 92% of bankruptcies in 2025, the rise was much smaller at 12%.

Excluding microenterprises, the figures can no longer be attributed solely to a catch-up effect after the Covid-19 pandemic. SMEs, ISEs and LEs that failed in 2025 had weaker financial positions and faced greater difficulties in maintaining their levels of activity.

For small enterprises, the increase in bankruptcies can partly be explained by strong growth in business births since 2016.

Olivier Gonzales, Mathilde Lê
Companies Directorate
Companies Observatory

JEL Codes
G33

68,602

number of corporate bankruptcies
in 2025

+3.6%

year-on-year rise in the number
of bankruptcies

+15%

rise in bankruptcies compared with
the 2010-19 average

Note: Monthly statistics on corporate bankruptcies can
be found on the Banque de France website at
[Publications and statistics](#) (Stat Info publications).

Change in corporate bankruptcies in France

(year-on-year % change in rolling 12-month total)



Source: Banque de France, FIBEN database (data available at the start
of March 2026).

Note: Blue-shaded area shows the Covid crisis, when exceptional measures
were introduced to support businesses.

The Banque de France publishes monthly statistics on corporate bankruptcies.¹ As a complement to these descriptive publications, this *Bulletin* puts the 2025 figures into perspective by comparing them with medium and long-term trends and examining developments in firms' financial positions and in business demographics.

The analysis shows that the economic landscape is still adjusting after the succession of shocks that followed the public health crisis. The number of corporate bankruptcies recorded in 2025 reflects the final phase of the post-Covid catch-up, the impact of successive shocks and trends in business births. These factors have had contrasting effects, depending on business size and sector of activity.

1 In 2025, the number of corporate bankruptcies continued to rise, albeit at a moderate pace

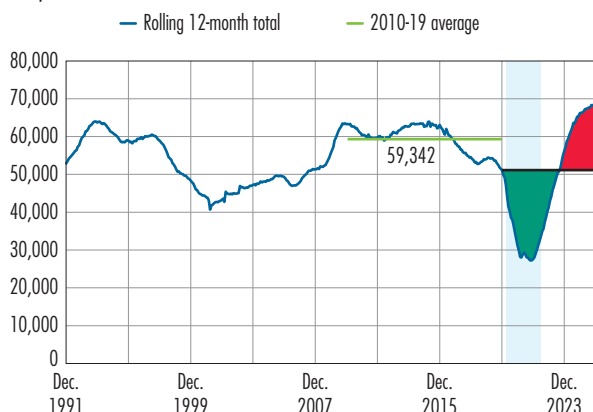
Growth in corporate bankruptcies slowed in 2025

A total of 68,602 corporate bankruptcies were recorded in 2025, the highest annual figure ever observed, surpassing even the levels seen during the 2008 financial crisis and the 2010-12 sovereign debt crisis.² It was 15% higher than the 2010-19 (pre-Covid) average of 59,342 per year (see Chart 1a).

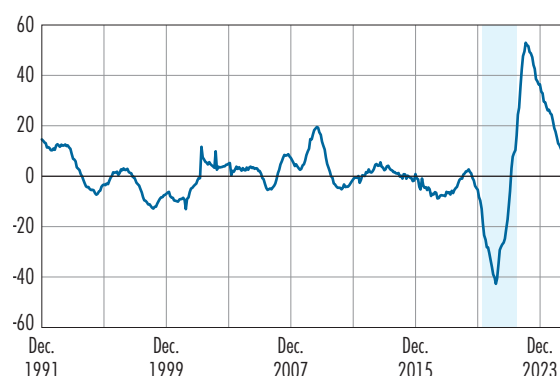
Nonetheless, the increase in corporate bankruptcies since the end of the public health crisis follows a period when figures remained exceptionally low, due to the huge public support granted to firms to mitigate the economic effects of the Covid-19 pandemic. Just over 31,000 bankruptcies were recorded in 2020, and only 27,500 in 2021.

C1 Corporate bankruptcies in France

a) Cumulative bankruptcies over the previous 12 months (units)



b) Year-on-year change in the 12-month cumulative total (%)



Source: Banque de France, FIBEN database (data from the start of March 2026).

Notes: Last data point: December 2025.

Blue-shaded area shows the Covid crisis (exceptional support measures for businesses).

Chart a: The cumulative number of bankruptcies over the previous 12 months shows the total number of bankruptcies over the 12 months up to and including the current month. For example, the cumulative number of bankruptcies for the previous 12 months in June 2025 adds together all bankruptcies recorded from July 2024 to June 2025.

Chart b: The annual change corresponds to the change in the number of bankruptcies recorded in the 12 months up to and including the current month compared with the total number recorded in the same months in the previous year. For example, in June 2025, we compared the number of bankruptcies recorded in the period from July 2024 to June 2025 with the number recorded in the period from July 2023 to June 2024.

¹ Under the definition used by the Banque de France, corporate bankruptcies comprise *redressements judiciaires* (judicial reorganisations similar to administration proceedings) and judicial liquidations. These proceedings are launched when a business can no longer repay its debts when they fall due (for further details on Banque de France statistics on corporate bankruptcies, see Appendix 1 and the Banque de France webpage "Business bankruptcies").

² See Banque de France (2023), "La crise des dettes souveraines de la zone euro (2010-2012)", *ABC de l'économie – L'Éco en bref*, November.

Numbers subsequently rebounded as the exceptional public support was withdrawn. However, corporate bankruptcies rose more slowly from 2023 onwards (see Chart 1b). In 2025, they increased by 3.6% compared with the previous year, after growth of 17.7% in 2024, 36.5% in 2023 and nearly 50% in 2022.

This slowdown can partly be attributed to a base effect. The exceptionally low number of bankruptcies in 2021 mechanically led to a sharp post-pandemic rebound, and growth has gradually eased as the number of failures has stabilised. In the last four months of 2025, the rolling 12-month total of corporate bankruptcies increased by little more than 250.

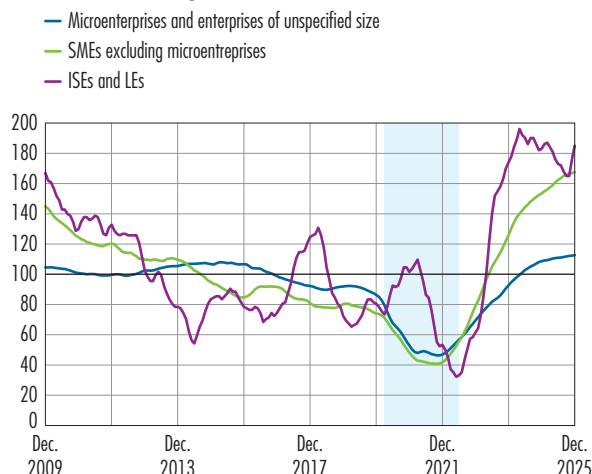
Contrasting trends according to firm size

The change in the aggregate number of bankruptcies masks marked differences across business categories. With the end of the health crisis, bankruptcies of small and medium-sized enterprises (SMEs) rose much more sharply than for microenterprises, even though both categories saw a similar drop in bankruptcies during the pandemic (see Chart 2). At the end of December 2025, the number of SME bankruptcies was 68% higher than the 2010-19 average, compared with 12% higher for microenterprises.³ SME bankruptcies also continued to rise at a faster pace over 2025, increasing by 9% year-on-year compared with 3.7% for microenterprises.

Bankruptcies of intermediate-sized enterprises (ISEs) and large enterprises (LEs) have also followed a distinctive path. The number of ISEs and LEs entering insolvency proceedings increased sharply in the first months of the health crisis, before declining markedly as of the second quarter of 2021. ISEs and LEs that were struggling financially before the 2020 pandemic and lockdowns chose to place themselves under commercial court protection as soon as the health crisis began.⁴ As the crisis ended, there was a particularly sharp rise in failures among this category of firms. After peaking in May 2024,

C2 Rolling 12-month total of corporate bankruptcies, by business size

(% of 2010-19 average)



Source: Banque de France, FIBEN database (data from the start of March 2026); authors' calculations.

Notes: SMEs, small and medium-sized enterprises; ISEs, intermediate-sized enterprises; LEs, large enterprises. Blue-shaded area shows the Covid crisis (exceptional support measures for businesses).

The figures are three-month moving averages. For example, for December 2023, the ISE-LE figure corresponds to the average of the 12-month cumulative totals compared to the 2010-19 average, for the months of November 2023, December 2023 and January 2024. $174 = (169 + 175 + 178)/3$, where $169 = (56 \text{ ISE-LE bankruptcies over the previous 12 months at end-November 2023} / \text{an average of 33 ISE-LE bankruptcies over the previous 12 months between 2010 and 2019}) \times 100$.

the number of ISE-LE bankruptcies decreased, before rising again slightly in the last quarter of 2025.

In 2025, sectoral patterns were similar to those observed before the Covid crisis

In 2025, the distribution of corporate bankruptcies by sector was broadly comparable to that observed in 2024 and 2019 (in the financial period before the public health crisis; see Table 1). The high number of bankruptcies in 2025 therefore affected all sectors of the economy in the same proportions as in 2019.

³ See Appendix 1 for a definition of size categories.

⁴ Wang et al. (2021) observe this phenomenon in a US context and attribute it to the fact that large corporations more easily launch insolvency proceedings to protect themselves when they get into trouble, whereas this is a last resort for smaller firms. In France, the proportion of businesses placed in *redressement judiciaire* as part of collective proceedings rises with business size.

T1 Breakdown of corporate bankruptcies by sector

(%)	2019	2024	2025
Agriculture	3	2	2
Industry	7	6	6
Construction	22	22	21
Wholesale and retail trade	22	21	20
Transportation and storage	4	5	5
Accommodation and food service activities	13	13	14
Information and communication	2	3	3
Financial and insurance activities	2	3	2
Real estate activities	3	4	4
Advisory and business support services	11	12	12
Personal services	10	9	10

Source: Banque de France, FIBEN database (data from the start of March 2026); authors' calculations.

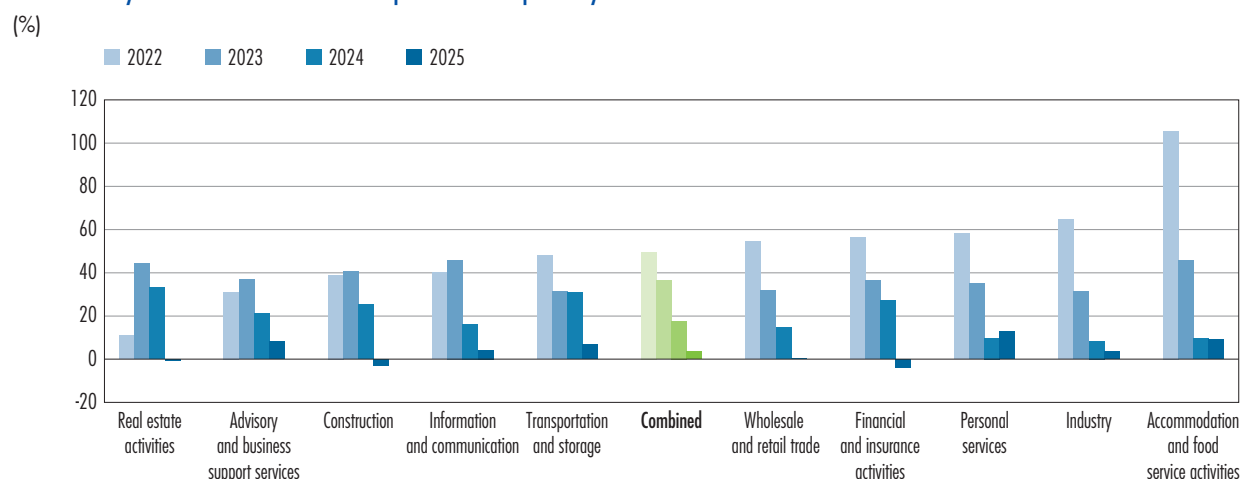
In 2025, growth in bankruptcies slowed markedly across most sectors, after the peaks observed in 2022 and 2023 (see Chart 3). In financial and insurance activities, construction, real estate activities and wholesale and retail trade, the rolling 12-month total of bankruptcies appeared to stabilise, and even declined slightly in 2025.

Only personal services⁵ saw an acceleration in bankruptcies compared with 2024, contrasting with the broader trend. The areas most affected within this category were health services, as well as sports, entertainment and recreation activities.

At a more granular level, a faster rise in bankruptcies can also be observed in food and beverage service activities in 2025,⁶ as well as in some industrial activities such as wood manufacture and the treatment of waste, and in the transport sector, in postal and courier activities. These specific trends reflect a degree of intra-sectoral heterogeneity.

Overall, the 2025 figures for corporate bankruptcies mask differences across sectors and according to company size. They need to be put into perspective, given the atypical trends in bankruptcies since 2019 (see section 2) and the more structural shift in business demographics over the period, with strong growth in business births since 2016 (see section 3).

C3 Year-on-year rise in the number of corporate bankruptcies by sector since 2022



Source: Banque de France, FIBEN database (data from the start of March 2026); authors' calculations.

⁵ See Appendix 1 for sector definitions.

⁶ The overall slowdown in bankruptcies in accommodation and food service activities can hence be attributed to a lower number of bankruptcies in accommodation services.

2 In 2025, in addition to the post-Covid catch-up, cyclical difficulties contributed to the rise in bankruptcies

The catch-up process has largely ended, except in the case of microenterprises

The sharp rise in bankruptcies since 2023 follows an unprecedented fall in collective insolvency proceedings during the Covid period. Without disrupting the market cleansing process,⁷ it is clear that the support measures introduced during the health crisis enabled firms that would otherwise have failed to continue operating until the end of the pandemic. A portion of these firms formed part of the post-crisis contingent of bankruptcies.

Taking 2019 as a reference, the total number of bankruptcies avoided between 2020 and 2022 is estimated at just over 53,000. The surplus of around 38,000 bankruptcies recorded since 2023 suggests that, at the end of 2025, the catch-up process had eliminated close to three-quarters of this deficit.⁸ However, there is nothing to indicate that all the bankruptcies avoided during the health crisis will actually materialise.⁹ Moreover, catch-up trends differ depending on the sector – as highlighted in the first section of this *Bulletin* – but also depending on firm size.

In the case of microenterprises in particular, which accounted for 92% of bankruptcies in 2025, the catch-up process is not yet complete. In this category, an estimated 51,609 bankruptcies were avoided over the three years from 2020 to 2022, whereas the post-Covid catch-up has plateaued at 30,288, representing 59% of the deficit for 2020-22. By contrast, for other business categories, the surplus bankruptcies recorded since 2023 exceed the deficit observed during the health crisis (see Table 2).

If we assume that the post-Covid bankruptcy surplus is being fuelled, in first place, by the failures avoided during the crisis (until the deficit has been fully eliminated), then this catch-up process was completed in 2023 for ISEs-LEs and very small enterprises (VSEs), and in 2024 for SE and MEs.¹⁰

In the case of ISEs and LEs, while about ten bankruptcies were avoided in 2020-22, the surplus for 2023 to 2025 is around one hundred. It appears to be concentrated mainly in wholesale and retail sales of clothing, and in the manufacture of basic iron, steel and ferro-alloys. The latter sector was notably affected by the rise in energy prices between 2021 and 2023. At the end of 2024, production in basic iron, steel and ferro-alloys was 24% below its mid-2021 level, due to a loss of markets and lower demand in construction and the manufacture of

T2 Deficit and surplus of bankruptcies over the period 2020-25, by business size

(number of bankruptcies)

Indicator	Microenterprises and enterprises of unspecified size	Very small enterprises	Small enterprises	Medium-sized enterprises	Intermediate-sized enterprises and large enterprises (ISE-LE)	Total
Deficit in bankruptcies over the period 2020-22	-51,609	-1,000	-514	-261	-11	-53,395
Surplus of bankruptcies over the period 2023-25	30,288	4,564	2,080	627	100	37,659
Balance over the period 2020-25	-21,321	3,564	1,566	366	89	-15,736

Source: Banque de France, FIBEN database (data from the start of March 2026); authors' calculations.

Notes: The annual deficit or surplus of bankruptcies is the difference between the total number of bankruptcies in a given year and the figure for 2019 (pre-Covid reference year). Annual deficits and surpluses are added together over two periods: 2020-22, where there is a deficit (bankruptcies avoided); and 2023-25, where there is a surplus.

When negative, the balance between the deficits for 2020-22 and surpluses for 2023-25 represents the volume of bankruptcies avoided during the Covid crisis that have still not materialised. When positive, the figure shows the share of surplus bankruptcies that exceeds the post-Covid catch-up.

⁷ The businesses that went bankrupt were less productive than those that continued operating during Covid. See O. Gonzalez, "Corporate bankruptcies and productivity in the wake of the pandemic", *Eco Notepad blog*, post No. 405, Banque de France, May.

⁸ See chart in Appendix 2 for a breakdown of the calculation.

⁹ Businesses experiencing temporary difficulties may have been able to restructure, thanks notably to public aid.

¹⁰ For statistics on corporate bankruptcies, SMEs are broken down into four categories to enable a more refined analysis: microenterprises, VSEs, small enterprises (SEs) and medium-sized enterprises (MEs) (see Appendix 1).

motor vehicles.¹¹ The rebound in bankruptcies is also being fuelled by wholesale and retail sales of clothing which are facing steep competition from online operators.¹²

Consequently, when microenterprises are excluded, the rise in corporate bankruptcies can no longer be explained solely by a post-Covid catch-up effect, but reflects factors linked to the current economic climate.

Failing businesses have higher levels of debt and exhibit bigger slowdowns in activity

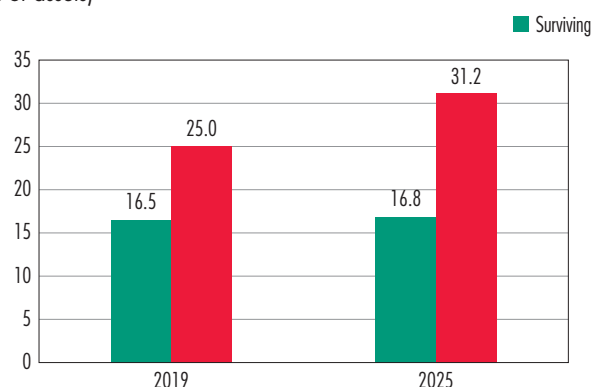
To identify the specific characteristics of businesses that went bankrupt in 2025, we compared their financial position to that of failing businesses in 2019.

Compared with 2019 (see Chart 4), businesses that went bankrupt in 2025 had higher debt ratios and had experienced bigger falls in turnover than companies that remained in activity. The median debt ratio (debt as a share of total assets) of bankrupt businesses was 25% in 2019 compared with 31% in 2025, indicating that failing businesses in 2025 were in a weaker financial position. By contrast, the median debt ratio of businesses that remained in activity was almost unchanged between 2019 and 2025, at around 17%. The debt differential between failing and surviving businesses therefore widened between 2019 and 2025. This does not appear to be attributable to state-guaranteed loans (SGLs), as both categories of firm have similar shares of SGL debt (27% and 26% respectively).¹³

C4 Financial position of surviving and failed businesses in 2019 and 2025

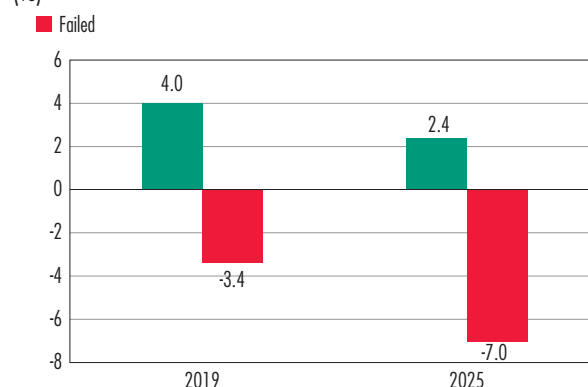
a) Financial debt ratio

(% of assets)



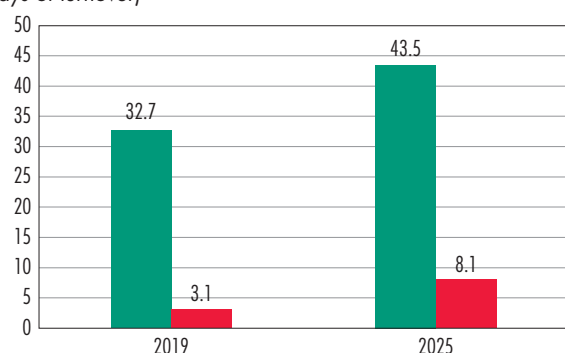
b) Year-on-year change in turnover

(%)



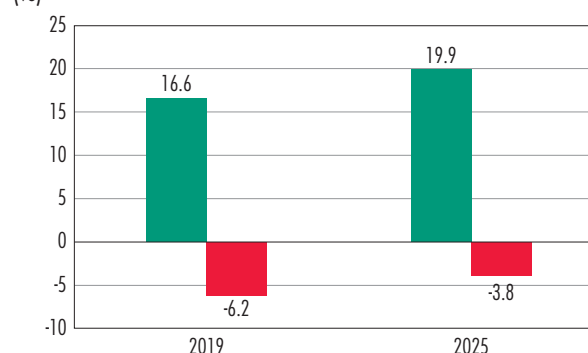
c) Cash position

(days of turnover)



d) Profit margin

(%)



Source: Banque de France, FIBEN database (data from the start of March 2026); authors' calculations.

¹¹ See INSEE (2025), "Output in energy-intensive industries remained in sharp decline compared to the level of 2021", *Insee Focus*, No. 351, March.

¹² See INSEE (2024), "Difficulties have been piling up for clothing and footwear shops since the 2010s", *Insee Première*, No. 2017, September.

¹³ The share of firms with an SGL in 2025 was higher for failing firms than for surviving firms (64% and 31% respectively), but this was more a reflection of the conditions under which SGLs were granted than a specific indicator of indebtedness.

In 2025, median growth in turnover declined for both bankrupt and surviving businesses, reflecting a slowdown in economic activity in a less inflationary environment. However, the gap between bankrupt and surviving businesses widened between 2019 and 2025 (9.4 percentage points, up from 7.4 percentage points in 2019). While the deterioration in finances was concentrated among bankrupt businesses in most sectors in 2025, the loss of turnover was mainly observed in bankrupt businesses in industry, construction and transportation.

Other indicators also point to an unstable economic environment for businesses. Median cash levels and profit margins for bankrupt and surviving businesses were higher in 2025 than in 2019, in nearly all sectors of activity.¹⁴ This suggests firms are behaving more prudently amidst the growing economic uncertainty. Similarly, Buthiot et al. (2024) show that business leaders' perception of their cash levels has deteriorated, despite the objective improvement in the amount of liquidity they hold.¹⁵ In other words, in 2025, businesses needed more cash and higher profitability levels to be able to absorb the economic shocks and continue operating.

3 Trends in business births are also fuelling bankruptcies to an extent

Business births play a structural role in changes in corporate bankruptcies. They increase the stock of businesses, which mechanically increases the number of potential bankruptcies, and increase the share of young businesses, which are statistically more likely to fail.

Business creations lead to higher bankruptcies...

Given the low number of sole traders among bankruptcies,¹⁶ it is more useful to focus our analysis on the relationship

between births and bankruptcies on companies.¹⁷ Of the 1.2 million businesses registered in 2025, 300,000 were incorporated as companies. The number of new companies has risen steadily since 2016, by about 5.6% per year, and the trend is mechanically contributing to higher bankruptcies. Taking account of sectoral specificities and cyclical trends, the results of our macroeconomic model confirm the impact of business births on bankruptcies. The impact is found to be lagged and gradual, peaking in around the third year when young businesses are at their most vulnerable (see box). After four years, the impact stabilises. The results show that a 1-percentage-point rise in the rate of growth of business births is associated, four years later, with a rate of growth in bankruptcies that is 0.15 percentage point higher than it would have been without the shock, all other things being equal. Based on this estimation, and taking into account average annual growth of 5.6% in business births since 2016, the contribution of births to the change in bankruptcies at a four-year horizon is estimated at around 0.84 percentage point.

... but to a lesser extent than in the past

A descriptive analysis of bankruptcy rates for new businesses according to their year of creation shows that the risk of failure, measured by the bankruptcy rate,¹⁸ is higher in the first years of operation, and peaks in the third year for older generations (businesses created between 2009 and 2017; see Chart 5). However, more recent generations differ in terms of bankruptcy, with the peak rate coming at a later stage, in part due to the public health crisis. Public support mechanisms introduced during the Covid-19 pandemic may have helped to delay bankruptcies, including for young businesses.

Even more importantly, this analysis by creation cohort indicates that the cumulative bankruptcy rate over a given

¹⁴ Unlike in other sectors, failing businesses in industry had comparable profit margins to 2019 in 2025.

¹⁵ Buthiot et al. (2024), "Companies' cash position: understanding the gap between aggregated data and perceptions", *Eco Notepad blog*, post No. 375, Banque de France, November.

¹⁶ The breakdown of bankrupt businesses by legal status differs markedly from that of newly created businesses. Sole traders account for nearly 75% of business births, but only 10% of bankruptcies. Conversely, companies account for 25% of creations but nearly 90% of bankruptcies.

¹⁷ See the definition provided by INSEE: "A company is a entity endowed with the legal personality. It is created in a trade purpose of producing goods or services for the market, which may be a source of profit or other financial gain for its owner(s). It is the joint property of its shareholders who have the power to appoint administrators responsible for its general management."

¹⁸ The bankruptcy rate measures, for a given business cohort (i.e. set of businesses created in the same year), the share that entered insolvency proceedings (e.g. judicial liquidation) in a given period.

BOX

Business births have a lagged and persistent impact on corporate bankruptcies

To isolate the specific effect of business births on bankruptcies, it is important to take account of sector-specific characteristics, cyclical changes and the lagged effects of births. These effects can be identified using a macroeconomic model (see Appendix 3 for further details on the methodology), which assesses the way corporate bankruptcies react to a shock to business births, all other things being equal. More specifically, the model measures the change in corporate bankruptcies between $t-1$ and $t+h$ in response to a shock to business births between $t-1$ and t .

The results show that the impact of business births on bankruptcies is both lagged and persistent (see chart). The bigger impact observed around the third year is consistent with the economic literature, which finds a higher risk of bankruptcy in the first years of a business's lifespan. After four years, the effects appear to stabilise, suggesting the initial shock has no additional effect after this horizon.

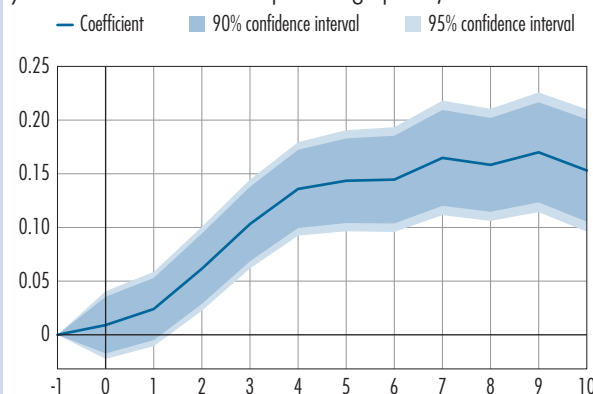
In particular, the results for the four-year horizon show that a 1-percentage-point rise in business births between $t-1$ and t leads to a rise in the bankruptcy rate between $t-1$ and $t+4$ of around 0.15 percentage point compared with what it would have been in the absence of the shock.

Impact of a rise in business births on bankruptcies

Excluding sole traders

(x-axis: number of years since the shock;

y-axis: effect of the shock in percentage points)



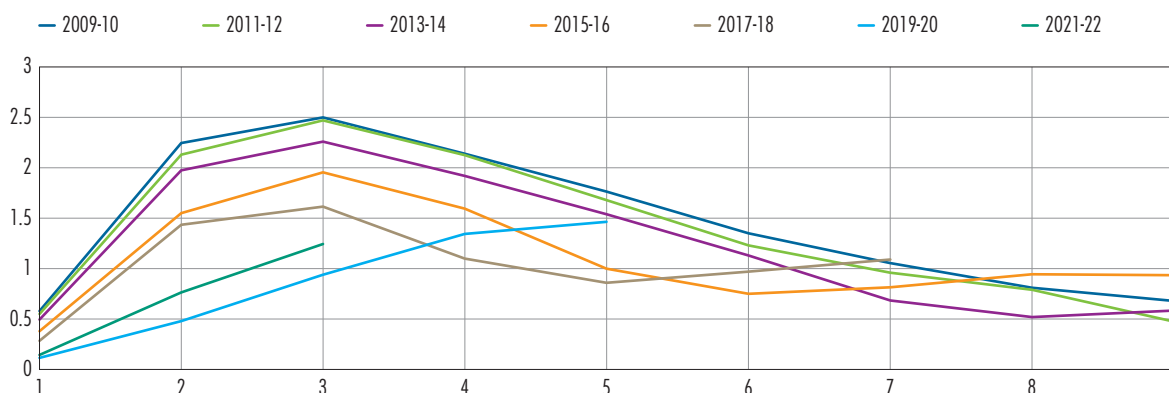
Sources: INSEE (Sirene directory), Banque de France (FIBEN database); authors' calculations.

Interpretation: After four years, a 1-percentage-point rise in the rate of growth in business births between $t-1$ and t leads to a rise in the bankruptcy rate between $t-1$ and $t+4$ of around 0.15 percentage point compared with what it would have been in the absence of the shock.

C5 Share of businesses that went bankrupt in the first years following their creation, by cohort (2009-22)

Excluding sole traders

(%)



Sources: INSEE (Sirene directory), Banque de France (FIBEN database); authors' calculations.

Interpretation: 2.2% of businesses created between 2009 and 2010 entered collective insolvency proceedings between the first and second year of their existence.

time horizon decreases for more recent businesses. This suggests that business births make a smaller contribution to bankruptcies than in the past. In other words, the younger the business generation, the smaller its apparent exposure to bankruptcy risk over a comparable horizon. This is due in part to sectoral composition effects.

The decline in bankruptcy rates for new businesses is due in part to sectoral composition effects

In terms of sectors, business births have been particularly strong in service activities. According to France Stratégie,¹⁹ this is in part linked to the public health crisis which led to technological and organisational transformations within firms (remote working) and changes in household consumption habits (online purchases).

Technology-intensive sectors appear to be the main beneficiaries of these shifts, particularly business support services and information and technology companies, where business births have risen markedly (average growth of 7% and 8% respectively over 2009-25). Similar trends can be seen in transportation and financial activities.

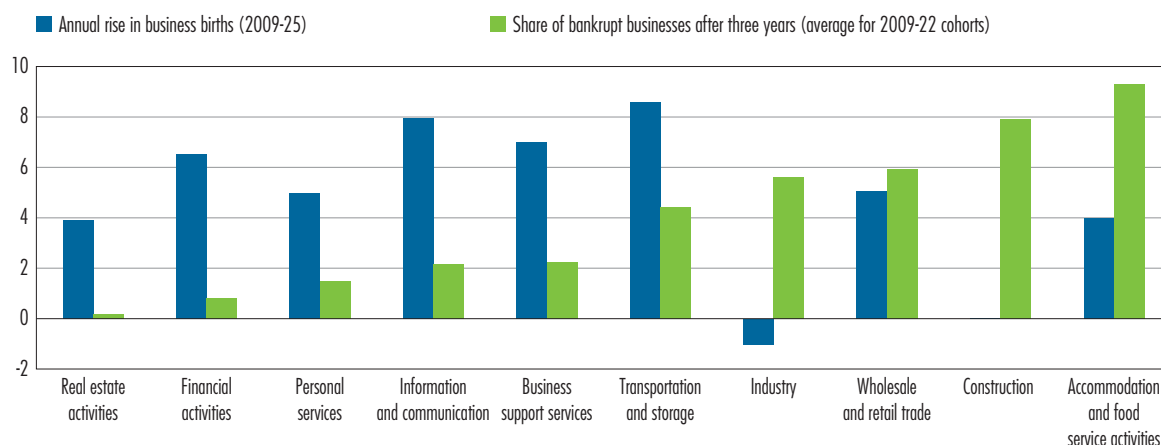
This concentration of business births in sectors with lower average bankruptcies has helped to drive down overall bankruptcy rates (see Chart 6). The decline across all sectors therefore seems to be linked more to sectoral composition effects than to a general improvement in young businesses' finances.

However, the low bankruptcy rates observed in these specific sectors do not necessarily mean that newly created businesses are more likely to survive. Any analysis of survivals needs to take account of how businesses wind down their activities – whether due to collective insolvency proceedings or because the managers have decided to close the business (voluntary cessation of activities). The specific characteristics of these sectors could favour other modes of closure. For example, a study by the *Conseil national des greffiers des tribunaux de commerce* (National Council of Clerks for Commercial Courts) shows²⁰ that the share of business dissolutions caused by bankruptcy in their study sample has been declining since 2020 (31% of all dissolutions in 2025, compared with 35% in 2020) while the share caused by other factors has risen.

C6 Change in business births and share of bankrupt businesses by sector

Excluding sole traders and agricultural businesses

(%)



Sources: INSEE (Sirene directory), Banque de France (FIBEN database); authors' calculations.

Interpretation: In the information and communication sector, business births rose by 8% per year on average between 2009 and 2025. 2% of newly created firms in the sector failed in their first three years of existence.

19 C. Gilles (2023) "La dynamique entrepreneuriale sur 2000-2022 : y a-t-il une spécificité française?", *Point de vue*, France Stratégie, November.

20 Conseil national des greffiers des tribunaux de commerce (2026), *Un tissu entrepreneurial à la peine, mais une envie d'entreprendre intacte – Bilan national des entreprises, janvier-décembre 2025*, January.

*
**

The high level of corporate bankruptcies is being driven less and less by a post-Covid catch-up, and increasingly by cyclical factors. This is reflected in the weaker debt profiles of businesses that went bankrupt in 2025, and

in growing uncertainty, which is forcing firms to strengthen their cash reserves and profitability. At the same time, the sustained pace of business creation is contributing to the increase in corporate bankruptcies, although this is being moderated by changes in the sectoral composition of the economy.

References

[Banque de France \(2023\)](#)

"La crise des dettes souveraines de la zone euro (2010-2012)", *ABC de l'économie – L'Éco en bref*, November.

[View publication](#)

[Buthiot \(E.\), Charlot \(L.\), Duquerroy \(A.\) and Lé \(M.\) \(2024\)](#)

"Companies' cash position: understanding the gap between aggregated data and perceptions", *Éco Notepad blog*, post No. 375, Banque de France, November.

[View blog post](#)

[Cherif \(Z.\) \(2025\)](#)

"Entre fragilité et résilience : le paradoxe agricole face à la vague de défaillances d'entreprises", *Lettre économique*, No. 10, Chambres d'agriculture France, November, pp. 7-9.

[Companies Observatory \(2025\)](#)

"La situation financière des entreprises en 2024", Banque de France, November.

[Download the document](#)

[Conseil national des greffiers des tribunaux de commerce \(2026\)](#)

Un tissu entrepreneurial à la peine, mais une envie d'entreprendre intacte – Bilan national des entreprises, janvier-décembre 2025, January.

[Gilles \(C.\) \(2023\)](#)

"La dynamique entrepreneuriale sur 2000-2022 : y a-t-il une spécificité française ?", *Point de vue*, France Stratégie, November.

[Gonzalez \(O.\) \(2025\)](#)

"Corporate bankruptcies and productivity in the wake of the pandemic", *Eco Notepad blog*, post No. 405, Banque de France, May.

[View blog post](#)

[INSEE \(2024\)](#)

"Difficulties have been piling up for clothing and footwear shops since the 2010s", *Insee Première*, No. 2017, September.

[INSEE \(2025\)](#)

"Output in energy-intensive industries remained in sharp decline compared to the level of 2021", *Insee Focus*, No. 351, March.

[Jorda \(Ò.\) \(2005\)](#)

"Estimation and inference of impulse responses by local projections", *American Economic Review*, Vol. 95, No. 1, March, pp. 161-182.

[Wang \(J.\), Yang \(J.\), Iverson \(B.\) and Kluender \(R.\) \(2020\)](#)

"Bankruptcy and the Covid-19 Crisis", *Working Paper*, No. 21-041, Harvard Business School, September.

Appendix 1

Definitions and details on methodology

The term **corporate bankruptcy** in this study refers to *redressements judiciaires* (judicial reorganisations, a specific French insolvency proceeding aimed at restructuring a business, broadly comparable to administration in the United Kingdom or Chapter 11 proceedings in the United States) and *liquidations judiciaires* (judicial liquidations) launched when a business has filed a declaration of *cessation des paiements* (a French concept broadly equivalent to cash-flow insolvency, i.e. being unable to pay debts as they fall due). It therefore excludes *procédures de sauvegarde* (safeguard proceedings, a form of preventive restructuring).

Bankruptcies are measured at the level of **legal units**, namely entities identified by a SIREN registration number, as court orders opening insolvency proceedings are generally issued at that level. This concept differs from that of an **enterprise**, as defined by the December 2008 decree implementing the *Loi de modernisation de l'économie* (LME – Economic Modernisation Law) of 4 August 2008. An enterprise is defined as the smallest combination of legal units that forms an organisational entity engaged in the production of goods and services and enjoys a degree of autonomy in decision-making, particularly with regard to the allocation of day-to-day resources.

Because **a legal unit may be subject to more than one insolvency proceeding over time**, if a judicial reorganisation has been initiated and the entity is liquidated at the end of the observation period, this is counted as only one corporate bankruptcy. However, when a business continuation or disposal plan is put in place between a judicial reorganisation and liquidation or second judicial reorganisation, we consider that this plan terminates the initial reorganisation. The liquidation or second reorganisation is therefore considered to be a new initiation of proceedings, i.e. a new bankruptcy of the legal entity.

The **criteria used to classify legal units by size in the breakdown of bankruptcies** are based on the size

thresholds defined in the decree implementing the LME, published on 20 December 2008 (No. 2008-1354). They rely on three criteria: (i) workforce; (ii) turnover; and (iii) total assets.

Since the vast majority of corporate bankruptcies involve small entities, SMEs are broken down into four sub-categories to enable a more refined analysis:

- microenterprises: legal units with fewer than 10 employees and turnover or total assets of less than EUR 2 million;
- very small enterprises (VSEs): legal units with fewer than 20 employees, which are not microenterprises, and with turnover or total assets of less than EUR 10 million;
- small enterprises (SEs): legal units with fewer than 50 employees, which are neither microenterprises nor VSEs, and with turnover or total assets of less than EUR 10 million;
- medium enterprises (MEs): legal units with fewer than 250 employees, which are neither microenterprises, VSEs nor SEs, and with turnover of less than EUR 50 million or total assets of less than EUR 43 million;
- intermediate-sized enterprises (ISEs): legal units that are not SMEs and that have fewer than 5,000 employees and annual turnover of EUR 1,500 million or less, or total assets of EUR 2,000 million or less;
- large enterprises (LEs): legal units that do not correspond to any of the above categories.

In the presentation of the results, the ISE and LE categories are combined into a single category, called ISE-LE.

The **sectors** used in this report correspond to the “sections” in the NAF Rev. 2 French classification of economic activities (A21 sections). For analytical purposes, however,

certain sections are grouped together: sections M and N are combined into a single category (professional, scientific and technical activities, and administrative and support service activities), while sections P to S are grouped under the heading “personal services”, comprising education (P), human health and social work (Q), and household services (R and S). Sections B to E are grouped together into one large industrial sector.

The **data used to assess the financial situation** of businesses other than microenterprises are taken from FIBEN’s accounting database. For the period under review, the database covers nearly all legal units with annual turnover of EUR 750,000 or above, or that have reported an average amount of bank credit exposure to the Banque de France Central Credit Register of EUR 380,000 or above.

Figures on **business births** are taken from INSEE publications. Under INSEE methodology, creations “are calculated on the basis of productive, market-sector legal entities engaged in a genuine economic activity in industry, construction trade and services”. Therefore, the statistics do not cover agriculture, forestry and fishing.

Appendix 2

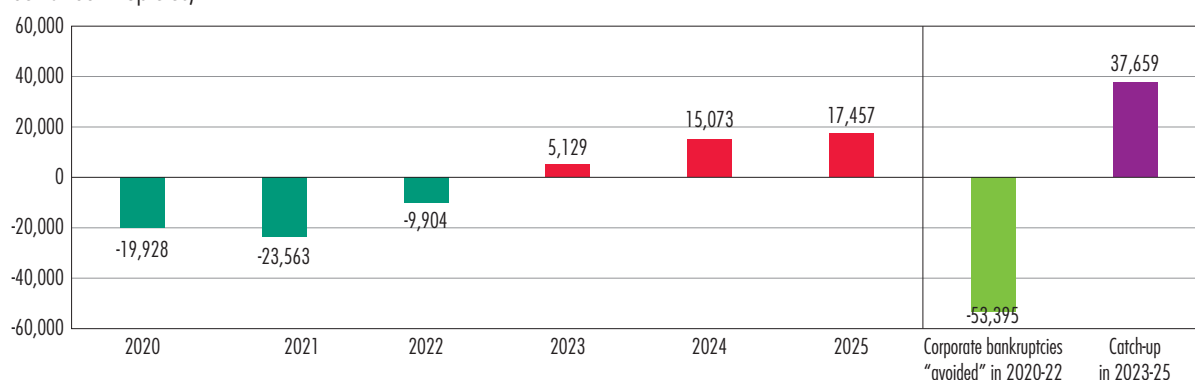
Estimation of the catch-up of corporate bankruptcies avoided during the Covid period

To calculate the number of bankruptcies avoided or the catch-up in a given year, the number of bankruptcies recorded in that period is compared to the figure for 2019. Between 2020 and 2022, the annual number of bankruptcies was significantly lower than in 2019: this is the period of “avoided” bankruptcies, which we add up for the three years (green bar in the chart). Since 2023, the annual number of bankruptcies has been higher than in 2019: this is the catch-up period (purple bar for the total number of catch-up bankruptcies between 2023 and 2025).

The calculation is theoretical, as it is impossible to verify, for example, that (i) all bankruptcies recorded between 2020 and 2022 would have actually materialised without the public health shock (possible underestimation of the number of bankruptcies avoided); and (ii) that the surplus bankruptcies observed since 2023 relative to 2019 consist solely of businesses that avoided bankruptcy during the Covid crisis (possible overestimation of the catch-up effect).

Estimate of the catch-up of corporate bankruptcies avoided during the public health crisis

(number of bankruptcies)



Source: Banque de France, FIBEN database (data from the start of March 2026); authors’ calculations.

Appendix 3

Analysis of the impact of a rise in business births on corporate bankruptcies

This analysis uses a local projection model (Jorda, 2005) to study how corporate bankruptcies react to a shock to business births. The model enables the analysis of the shock's persistence over time. The dependent variable is the change in the number of bankruptcies between $t-1$ and $t+h$ (expressed as a percentage), while the explanatory variable is the change in the number of business births between $t-1$ and t (as a percentage). Time and sector fixed effects are taken into account to neutralise cyclical and sector-specific variations common to all businesses.

The model specification is as follows:

$$\log(D_{i,t+h}) - \log(D_{i,t-1}) = \alpha_i + \gamma_t + \beta_h (\log(C_{i,t}) - \log(C_{i,t-1})) + \varepsilon_{i,t+h}$$

$$\text{where } h = 0, \dots, 10$$

Where:

- α_i is the sector fixed effect (at NAF code level) applicable to all sectors of activity;
- γ_t is the year fixed effect from 2000 to 2024;
- β_h is the coefficient representing the impact of the shock on bankruptcies at horizon h ;
- $\varepsilon_{i,t+h}$ is the regression residual.

The model is applied to a panel of data on corporate bankruptcies per year and per NAF code, and business births per year and per NAF code, covering the period 2000 to 2024. As in the rest of this *Bulletin*, data on bankruptcies correspond to collective insolvency proceedings ordered by commercial and judicial courts and subsequently handled by the Banque de France. Data on births correspond to company registrations in INSEE's Sirene database at end-2024. The analysis is restricted to companies (*sociétés*).

The dependent and explanatory variables are expressed in first differences of logarithms to enhance series stationarity.

An estimation of the coefficients β_h for the periods preceding the shock (negative horizons h) yields effects close to zero (see Chart a). The results of this test confirm that the observed response of corporate bankruptcies is not driven by an artefact arising from pre-existing trends in the data.

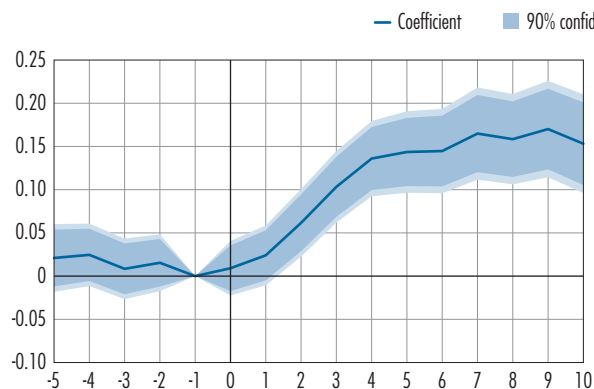
The estimation was also performed over the 2000-19 period to exclude the atypical period associated with the public health crisis (see Chart b). This tests the robustness of the results to the exclusion of the pandemic years. The estimated results are comparable to those of the baseline specification and do not suggest any significant change in the estimated relationship.

Impact of a rise in business births on corporate bankruptcies

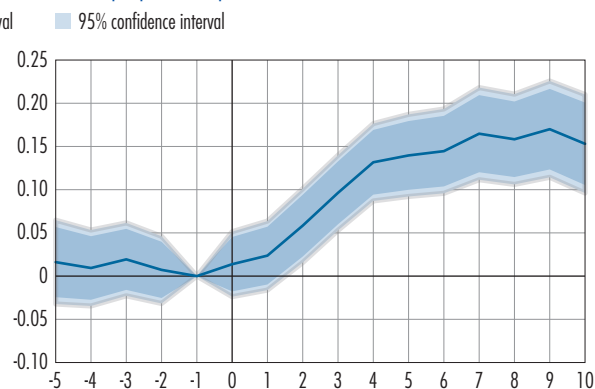
Excluding sole traders

(x-axis: number of years since the shock; y-axis: impact of the shock in percentage points)

a) Pre-trend test



b) Test on the pre-pandemic period (2000-19)



Sources: INSEE (Sirene directory), Banque de France (FIBEN database); authors' calculations.

Published by
Banque de France

Managing Editor
Claude Piot

Editor-in-Chief
Claude Blandin-Cornélis

Editor
Alexandre Capony

Translator/English Editor
Vicky Buffery

Technical production
Studio Creation
Press and Communication
ISSN 1952-4382

To subscribe to the Banque de France's publications
<https://www.banque-france.fr/en/subscriptions>

