

Press Release 27/2021

Halle (Saale), November 9, 2021

IWH Bankruptcy Update: Still No Indication of Impending Bankruptcy Wave

The number of corporate bankruptcies in Germany edged slightly upward in October following several months of historic lows. The number of jobs impacted by bankruptcy also remained unusually depressed. These are the headline figures from this month's IWH Bankruptcy Update, a report on German bankruptcy statistics published by the Halle Institute for Economic Research (IWH).

In October, 625 firms filed for bankruptcy in Germany, according to IWH statistics. While this represents a 10% increase from the all-time low registered in August, the October figure is 14% lower than the figure from October 2020 (see figure 1).

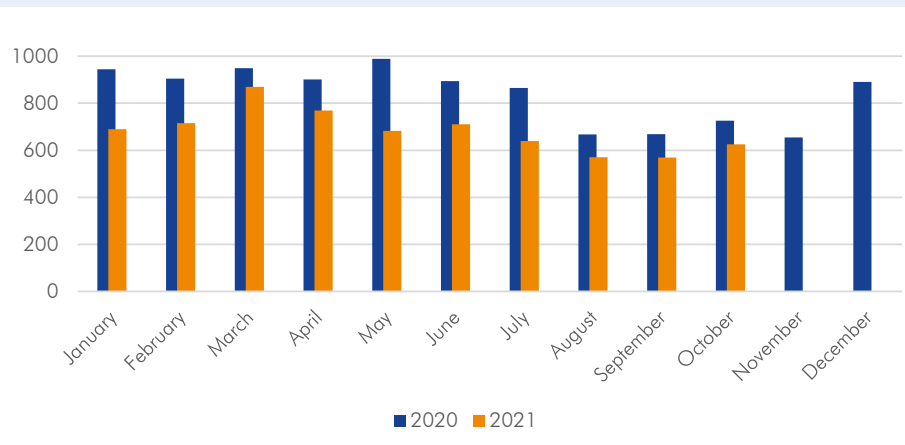
no press embargo

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Governmental Departments
Federal Ministry for Economic Affairs
and Energy (BMWi), Federal Ministry
of Finance (BMF), Federal Ministry
of Justice and Consumer Protection
(BMJV), Federal Chancellery

Figure 1
IWH Bankruptcy Update



Bankruptcies of German firms with entry in the commercial register.
Sources: Bankruptcy announcements of German courts; IWH presentation.

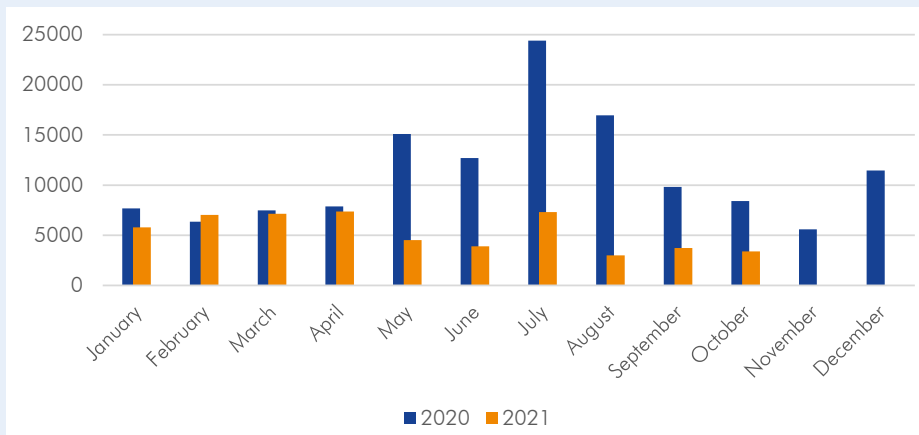
The largest 10% of firms filing for bankruptcy in October had just 3,400 employees in total, according to IWH data. The number of affected jobs was thus the second-lowest ever; only August 2021 saw a lower number (see figure 2).

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Figure 2
Affected Employees



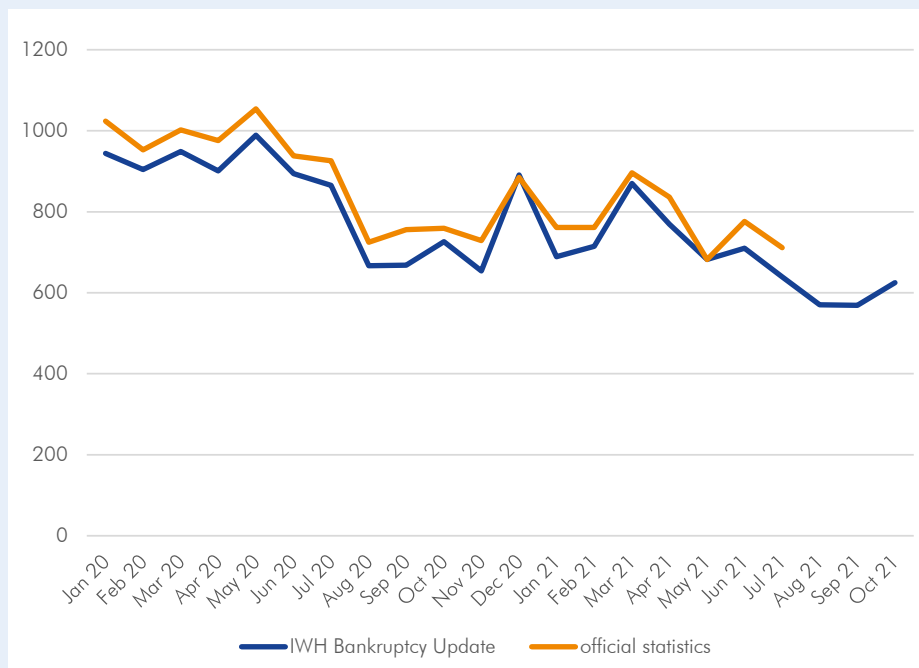
Employment in the largest 10% bankruptcies. Bankruptcies of German firms with entry in the commercial register.

Sources: Bankruptcy announcements of German courts; IWH presentation.

With regard to the coming months, Steffen Müller, the head of Department Structural Change and Productivity and the director of Bankruptcy Research at IWH, sees no cause for concern: “According to our leading indicators, more than a slight increase in corporate bankruptcies up to the end of the year is not to be anticipated.” However, he notes the bankruptcy trends among the microbusinesses and the self-employed are harder to predict.

Figure 3
IWH Bankruptcy Update vs. Official Statistics

Registered firms only



Bankruptcies of German firms with entry in the commercial register.

Sources: Official statistics; bankruptcy announcements of German courts; IWH presentation.

The IWH Bankruptcy Update is a flash indicator, delivering fast, reliable information on insolvencies of firms with entry in the commercial register in Germany two months ahead of the comprehensive official statistics. It is based on public bankruptcy announcements of German courts combined with balance sheet information of the concerned firms. Deviations from official statistics are small (see figure 3). The IWH Bankruptcy Research Unit is among Germany's leading investigators of the causes and consequences of corporate bankruptcy.

For more on the IWH Bankruptcy Research Unit and the methodology underlying it, please visit <https://www.iwh-halle.de/en/research/data-and-analysis/iwh-bankruptcy-research/>.

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The IWH [list of experts](#) provides an overview of IWH research topics and the researchers and scientists in these areas. The relevant experts for the topics listed there can be reached for questions as usual through the IWH [Press Office](#).

The Halle Institute for Economic Research (IWH) – Member of the Leibniz Association was founded in 1992. With its four research departments – Macroeconomics; Financial Markets; Structural Change; Laws, Regulations and Factor Markets –, IWH conducts economic research and provides economic policy recommendations, which are founded on evidence-based research. With the IWH's guiding theme "From Transition to European Integration", the institute's research concentrates on the determinants of economic growth processes with a focus on efficient capital allocation in a national and European context. Particular areas of interest for the institute are macroeconomic dynamics and stability, microeconomic innovation processes, productivity and labour markets, the dynamics of structural adjustment processes, financial stability and growth and the role of financial markets for the real economy.

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