CHART
OF THE WEEK

22 July 2026

FRENCH CORPORATES: PEAKS IN CREATIONS PUT PEAKS IN BANKRUPTCIES INTO PERSPECTIVE

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In June 2026, corporate creations cumulated over one year remained dynamic, reaching a historic peak according to INSEE, with 1,233,123 corporates set up, representing a 11.1% year-on-year increase. This momentum is not a recent phenomenon, as corporate creations have doubled over the last decade. During this same period, the rise in bankruptcies has been ten times lower, which serves to put current levels (approximately 70,000 bankruptcies cumulated over one year in March 2026) into perspective. Historically, the peaks and troughs in corporate bankruptcies are following those of corporate creations, with an average lag of 24 to 36 months. Therefore, the absolute number of bankruptcies provides an incomplete reflection of the financial health of the French production base, and must be supplemented by other indicators.

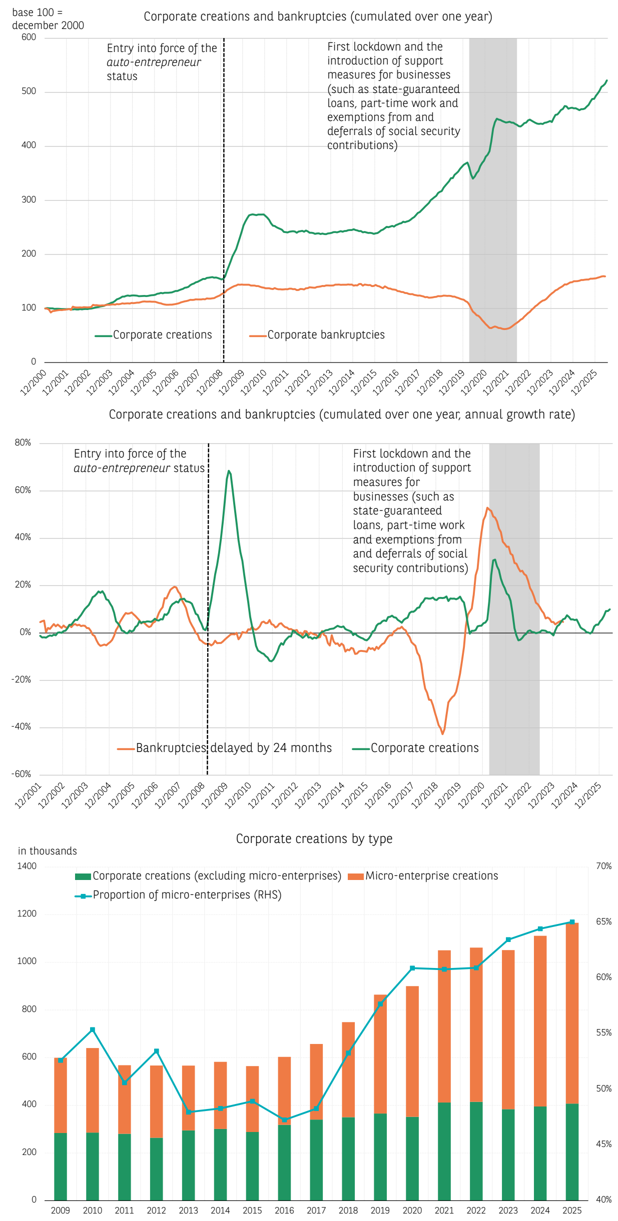
Corporate creations have doubled in ten years, but bankruptcies have not. Over the past decade, the number of corporates created annually has doubled, as creations were plateauing at around 570,000 per year between 2012 and 2015, while they reached 1,166,000 in 2025 (+104%). During these same two periods, bankruptcies cumulated over one year increased by only 11%. The introduction of the 'auto-entrepreneur' status on 1st January 2009[1], followed by the doubling of the turnover ceiling (and the explosion of delivery platforms) in 2018, largely fuelled the rise in corporate creations during this period.

Historically, bankruptcies follow creations after 24 to 36 months. As a result, the peaks seen since March 2026 (around 70,000 bankruptcies cumulated over one year) reflect the increase in the number of young corporates, rather than solely the impact of successive macroeconomic shocks. Given that the average survival rate for all corporates is 75% at 3 years, compared to 65% at 5 years (and 50% at 9 years)[2], the cycles of rising and falling bankruptcies are generally following cycles of rising and falling corporate creations after a period of 24 to 36 months[3].

The financial health of corporates must be assessed beyond mere creation and bankruptcy figures. First, bankruptcy statistics underestimate the difficulties faced by micro-enterprises. Indeed, Banque de France statistics only record companies undergoing receivership ('redressement judiciaire') or liquidation ('liquidation judiciaire'). However, micro-enterprises are more likely to cease operations when facing difficulties without entering formal bankruptcy proceedings. Therefore, bankruptcy data must be supplemented by other indicators, such as corporate deregistrations ('radiations')[4], which are rising, according to Infogreffe[5]. Second, as micro-enterprises are over-represented among bankruptcies — accounting for 92% of the total in May 2026 — the absolute number of bankruptcies should be contextualised by other metrics. These include the economic weight of bankrupt corporates, which allows for weighting by a proxy for corporate size, or the ratio of non-performing loans (NPLs) in the banking sector[6]. These data confirm that there is no particularly alarming trend in recent bankruptcy figures.

We will shortly publish a dashboard providing a synoptic overview of these aspects.

Peaks in corporate creations, driven notably by the rise of auto-entrepreneurs since 2009, are followed by peaks in bankruptcies after 24 to 36 months



SOURCE: BANQUE DE FRANCE, INSEE, BNP PARIBAS

1 With this status merged into the 'micro-enterprises' status since 2016, which is the only one remaining.
2 See Economically active enterprises in 2023 - Insee Première - 2097
3 See Défaillances d'entreprises : les dynamiques à l'œuvre au terme de six années atypiques | Banque de France [Available in French only].
4 Which includes a substantial number of takeovers, company mergers and legal restructuring of business groups without interruption to business activity.
5 Panorama de l'entrepreneuriat – Mai 2026 : des créations stables, des radiations toujours élevées et des fragilités persistantes - Infogreffe [Available in French only].
6 See Poids économique des défaillances d'entreprises, des niveaux élevés à relativiser

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