# PRESS RELEASE

## CEE Insolvencies rise despite economic recovery

**May 28th, 2025: Global credit insurer Coface has published its annual insolvency report for Central and Eastern Europe (CEE), revealing a contradictory picture: while economic growth returned in 2024, business stability continued to deteriorate. Despite easing inflation and a rebound in GPD, insolvency rates rose in most countries across the region.**

The CEE region recorded an average GDP growth of 2.6% in 2024, a significant improvement from 0.8% in 2023. The recovery was driven by declining inflation, rising real wages and strong private consumption, particularly in Poland, Hungary and Romania. Inflation fell to 4.6% in 2024, down from 11.2% in the previous year, thanks to lower energy prices and improved supply chain conditions.

However, this economic rebound did not translate into business resilience. Insolvencies declined regionally by 9 % from 50,248 in 2023 to 45,938 in 2024, but the decrease is misleading. Regulatory changes in Hungary skewed the numbers. When Hungary is excluded, insolvency cases actually increased from 29,771 in 2023 to 30,680 in 2024 (+3%) – highlighting persistent fragility in the region´s corporate landscape.

"*After the turbulence of 2023, macroeconomic indicators suggested a reprieve. But many companies, especially in manufacturing and transport, had already absorbed too many shocks,*" said **Mateusz Dadej, Regional Economist for Coface Central and Eastern Europe.** "*The rise in insolvencies reflects deeper structural issues and the delayed impact of past crises.*"

### Countries show mixed insolvency dynamics in 2024

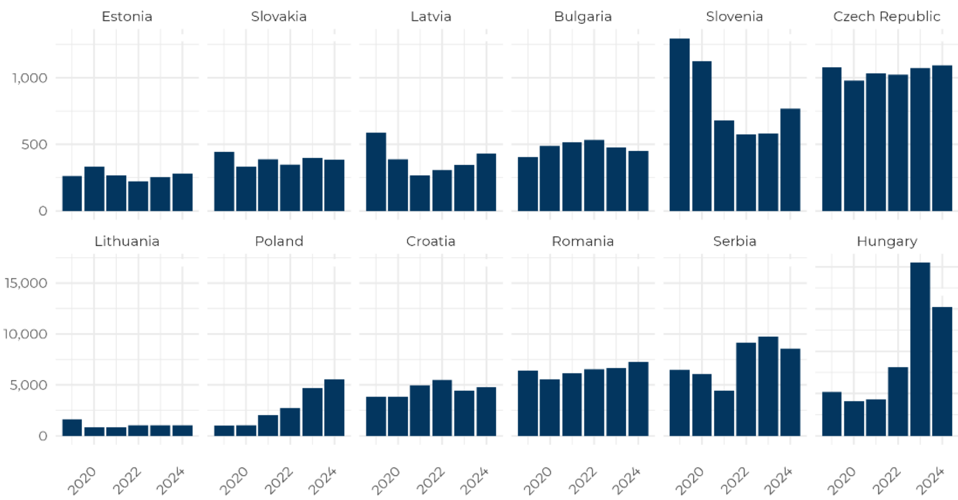
**Hungary** recorded the sharpest decline (–25.5%) due to the normalization of legal procedures following a temporary surge in 2022, while **Serbia** and **Bulgaria** also saw decreases (–12.1% and –5.7%, respectively), reflecting more stable macroeconomic conditions.

In contrast, insolvencies rose significantly in **Slovenia** (+32.4%), **Latvia** (+24.6%), **Estonia** (+10.2%), and **Croatia** (+7.3%), driven by weak domestic demand, rising costs, and structural challenges, particularly in construction and trade.

**Romania** also experienced a notable increase by 9.4%, especially among mid-sized and large companies, amid high inflation and fiscal imbalances. **Poland** reported a 19% rise in insolvencies, largely due to the permanent adoption of pandemic-era restructuring procedures now widely used to manage liquidity issues.

Meanwhile, **Czechia** (+1.9%) and **Slovakia** (–3.5%) showed relatively stable trends, and **Lithuania** remained flat year-on-year (-1%), with insolvencies concentrated in construction and retail sectors.

**Insolvencies in CEE countries**
**2019-2024**




Source: Coface

## Transport, manufacturing and construction: key sectors under pressure

Several key industries have been particularly vulnerable. The **transport sector** struggled with declining freight volumes and persistent cost pressures. **Manufacturing** faced decreasing order volumes and labor shortages, while the **construction** sector was hit by rising interest rates and weakened investment, particularly in residential projects. These sectors experienced above-average increases in insolvency rates.

## Outlook for 2025: Investment-led, cautiously optimistic

*"We expect a modest improvement in insolvency trends for 2025," said* ***Mateusz Dadej****. "The release of delayed EU funds and a recovery in household consumption will be critical. However, tight credit conditions and global trade uncertainties - particularly escalating U.S.–EU trade tensions - pose a substantial downside risk to our scenario."*

"*Coface's report provides a comprehensive analysis of how legal frameworks, economic conditions and geopolitical risks are shaping insolvency dynamics across the CEE region*", added **Jarek Jaworski, Regional CEO for Coface Central and Eastern Europe**. *"While growth returned, many businesses remained in survival mode. Sustained investment and policy clarity will be essential to ensure long-term stability."*

**Read the full report here.**

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