



# Global Insolvency: 2025 Reflections and 2026 Projections

**Brazil**



# Brazil

# Brazil – Insolvency Year in Review 2025

## Insolvency volumes

According to the latest publicly available data, the early-2025 insolvency landscape in Brazil indicates a more pronounced deterioration than previously projected. While 2024 closed with 2,273 judicial reorganization filings and 949 bankruptcy petitions, current indicators suggest that 2025 is on track to exceed the forecast of judicial filings surpassing 2,500. At the same time, corporate delinquency has reached an unprecedented level of more than 7.1 million businesses in arrears, reinforcing the expectation that financial distress across the corporate sector will intensify beyond initial projections.

## Sector trends

In 2025, manufacturing, construction, transport, agriculture, and consumer services were the most affected sectors. Manufacturing, especially metals, automotive-related industries, and machinery, faced challenges due to higher financing costs and reduced domestic and export demand. Construction firms grappled with high interest rates, slower project execution, and limited credit availability.

Agriculture and agribusiness, typically strong pillars of Brazil's economy, encountered obstacles from severe droughts in parts of the country, coupled with increased logistics and input costs. Retail and consumer sectors experienced rising distress from inflationary pressures on household purchasing power. Transport and logistics operators dealt with fluctuating fuel costs and decreased freight demand. On the other hand, technology, information services, and parts of the renewable-energy supply chain showed greater resilience.

## Legislative changes

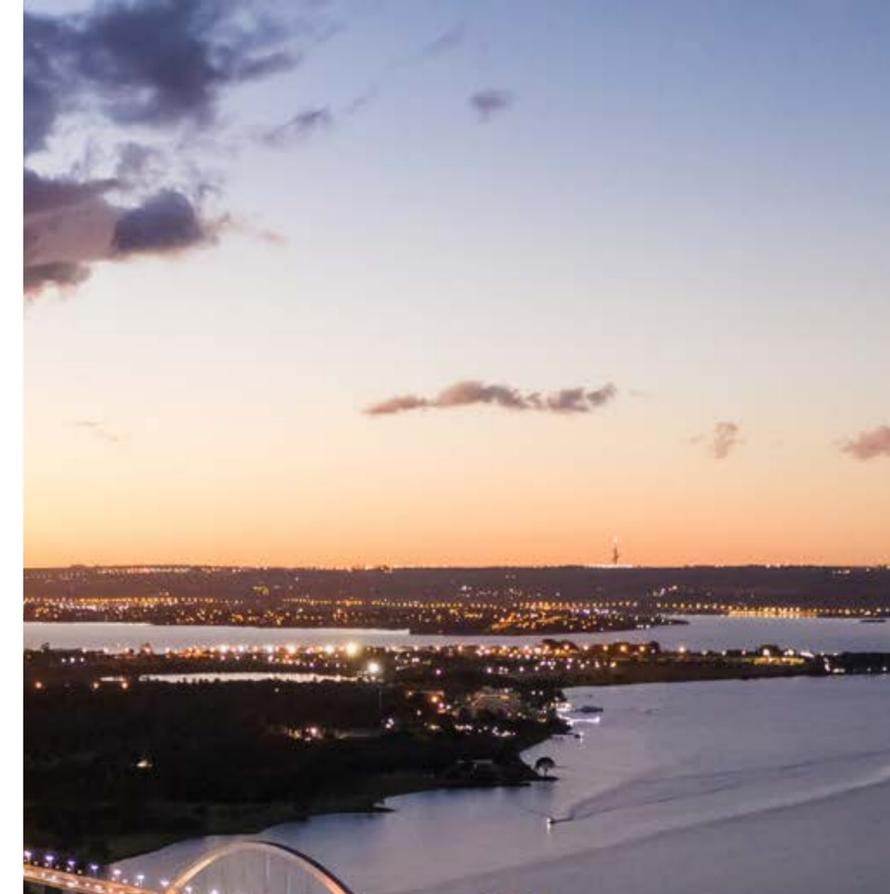
Brazil is reshaping its insolvency and restructuring framework, building on the amended Bankruptcy Law from 2021. In 2025, the focus was on boosting judicial efficiency, enhancing creditor voting in restructuring plans, and embracing digital court processes. Policymakers are also advancing cross-border cooperation and early restructuring tools for small businesses.

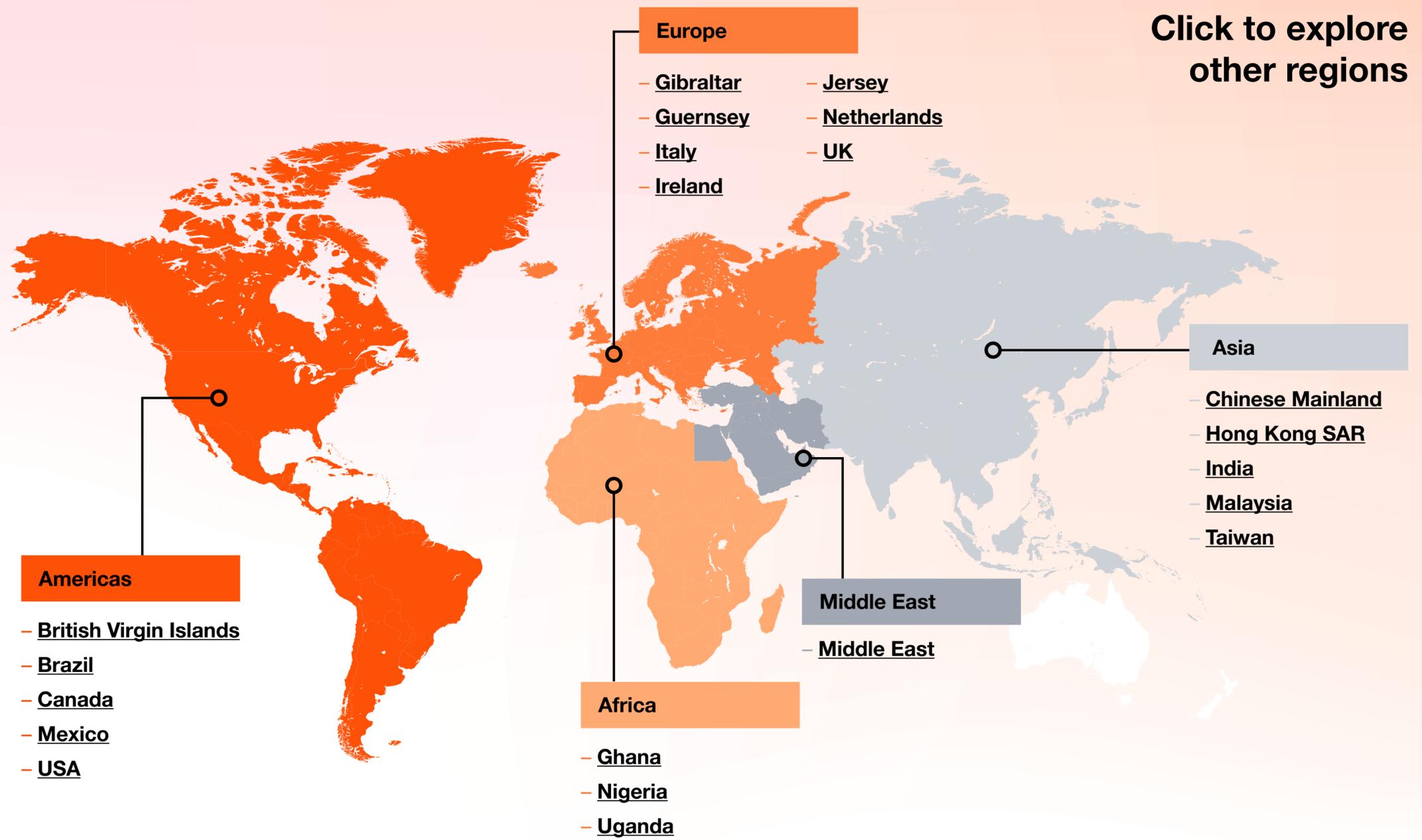
## Large insolvencies and PwC involvement

2025 saw several major insolvency cases in Brazilian manufacturing, consumer goods, and logistics. We were actively engaged in financial restructuring, business reviews, cash-flow analysis, creditor advisory, and strategic turnarounds. These efforts addressed liquidity pressures and capital-structure challenges intensified by interest-rate conditions.

## Projections for 2026

Current forecasts indicate that corporate insolvencies in Brazil will continue to rise in 2026, despite the prospect of a gradual reduction in the country's benchmark interest rate — the Selic, which guides all domestic lending costs — as the transmission of monetary easing to effective credit conditions remains slow; furthermore, persistent structural pressures, including modest economic growth, elevated operating and financing costs, restricted credit availability, and sector-specific vulnerabilities in construction, manufacturing and agribusiness, are expected to reinforce the upward trajectory of financial distress throughout the year.





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## Territory lead



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