



Global Insolvency: 2025 Reflections and 2026 Projections

Mexico



Mexico

Mexico – Insolvency Year in Review 2025

Insolvency volumes

While formal court-supervised insolvency isn't the go-to solution for distressed companies, many opt for out-of-court restructurings like bank renegotiations, private debt exchanges, and supplier or workforce adjustments. In-court insolvency cases saw a slight dip, with a 3.9% decrease compared to 2024 (IFECOM 2025).

IFECOM data highlights a steady rise in in-court cases: from 41 in 2021, to 56 in 2022, and 75 in 2023, with a smaller increase to 79 in 2024. By November 2025, 76 new concurso mercantil cases had started, showing volumes are still higher than pre-2022 levels. Although full-year 2025 data isn't available yet, early trends suggest filings will match or exceed 2024 numbers. The balance between voluntary and involuntary filings remains steady. In 2024, voluntary filings (44) outnumbered involuntary ones (35). By November 2025, the split was 35 voluntary to 41 involuntary.

Sector trends



Energy and oil & gas

The **energy and oil & gas** sectors are navigating challenges that go beyond fluctuating commodity prices. The real pressure stems from liquidity issues within state-owned entities. Pemex's tight financial situation and its debt management efforts have created working capital challenges for contractors, service providers, and supply chain participants. This is especially true where reliance on a single counterparty has restricted access to bank funding. Policy and regulatory uncertainties add another layer of complexity. The focus on state-owned entities, coupled with changing permitting and regulatory practices, has led private investors and lenders to adopt a cautious approach. For service providers with high leverage, slower cash flow and increased capital costs have led to more frequent covenant resets and liquidity management challenges. In December 2025, Typhoon Offshore, a Mexican oil & gas services company, ceased operations, citing Pemex's failure to pay approximately US\$960 million for 16 months of service. Typhoon sought court protection through a concurso mercantil filing to restructure its debts amid this liquidity crisis. However, a federal judge rejected the bankruptcy petition, halting the reorganisation attempt. This case will be closely monitored in 2026.



Retail and Consumer Goods

Retail and consumer-facing businesses are navigating a landscape of mixed conditions. While inflationary pressures have eased compared to previous years, household budgets remain sensitive to the costs of food, fuel, and credit, impacting discretionary spending. The sector is increasingly divided between large omnichannel players and smaller operators with limited pricing power. Challenges often lead to lease renegotiations, store rationalisations, and informal agreements with suppliers and lenders, rather than immediate court actions. However, some areas still experience heightened restructuring activities.



Agribusiness and Food Production

Agribusiness is dealing with volatility due to climate conditions, such as drought in certain regions, fluctuating input costs, and logistics constraints. Producers with high debt levels or concentrated customer bases face greater liquidity stress, especially when seasonal cash flows don't align with debt repayment schedules.



Manufacturing

In 2025, **steel, aluminium, and metals** producers, along with downstream manufacturers, faced a tough external environment. The reintroduction and expansion of U.S. Section 232 tariffs on steel and aluminium have added uncertainty to cross-border supply chains and threatened margins for export-oriented players, especially where contracts limit price passthrough. One of the most notable insolvencies in 2025 was Mexico's largest steelmaker, Altos Hornos de México (AHMSA), which entered insolvency after years of financial difficulties. In November 2024, a judge declared AHMSA bankrupt when it couldn't reach a restructuring agreement with creditors, and throughout 2025, the company moved into liquidation under a court-appointed trustee. The Monclova-based steel producer had accumulated over MX\$61 billion in liabilities owed to banks, government entities, workers, and suppliers.

Mexico's **manufacturing sector** has thrived on nearshoring and the integration of North American supply chains. Yet, 2025 brought significant short-term challenges. New U.S. tariffs on autos and specific components, coupled with sporadic supply chain issues, led to production halts and reevaluation of investments for some OEMs and Tier1 suppliers. For manufacturers with high leverage, common stress indicators included working capital reductions, increased inventory days, and refinancing risks on peso and USD debt. In response, companies actively managed liabilities through strategies like amend and extend transactions, sale and leasebacks, and operational cost adjustments to prevent value-destroying filings.



Infrastructure, Construction, and Real Estate

Infrastructure and construction companies are contending with higher financing costs, extended project cash cycles, and inconsistent public spending. Those with large fixed-price contracts are most vulnerable to cost inflation and execution risks, while subcontractors and suppliers face delayed payments and tighter credit terms. In real estate, the situation is more nuanced. Industrial and logistics assets tied to nearshoring continue to draw capital and tenants, benefiting developers with institutional funding access. Conversely, highly leveraged residential and mixed-use developers face slower sales and refinancing risks, leading to increased asset disposals, maturity extensions, and consensual restructurings.



Technology

Technology, digital services, and business-process outsourcing are evolving rapidly. As Mexico strengthens its role as a nearshore services hub, technology and services have shown resilience, even thriving in some areas. The demand for digital enablement, cybersecurity, and shared-services operations is driving revenue visibility for established platforms. However, challenges are more pronounced in venture-backed or high-burn business models facing tighter funding conditions. The market is responding with consolidation, cost adjustments, and selective divestments, while formal insolvency volumes remain relatively unaffected compared to capital-intensive sectors. What's standing in the way of meaningful change?



Financial services

In **financial services**, both banks and nonbank lenders showed resilience, bolstered by capital buffers and risk management frameworks. However, the elevated interest rate environment strained borrowers' ability to service debt, gradually impacting asset quality in certain retail and SME portfolios. Nonbank lenders, including SOFOMES and structured finance platforms, faced distress due to their dependence on wholesale funding, market confidence, and securitisation channels. High-profile restructurings in the sector prompted a more cautious approach among investors and banks, increasing the chances of consolidation, portfolio sales, and formal insolvency routes when negotiations falter. In 2025, the collapses of Crédito Real and Unifin, two of Mexico's largest non-bank lenders, sent shockwaves through local credit markets, triggering complex, multi-jurisdictional insolvency proceedings involving billions in debt.

Legislative changes and digital developments

In Mexico, the Concurso Mercantil stands as the main formal route for insolvency and restructuring. Yet, its application is often limited by complex procedures, lengthy timelines, and cost factors. Consequently, many distressed situations are resolved through pre-insolvency and out-of-court restructuring rather than formal court proceedings.

In 2025, Mexico made strides in reforming its insolvency and commercial courts framework. The focus was on boosting procedural efficiency, embracing digital court platforms, and shortening timelines for filings and approvals. Policymakers are also exploring ways to strengthen early-intervention and pre-insolvency mechanisms, aligning selectively with international best practices. But, comprehensive legislative reform is progressing gradually.

Digitalization in insolvency processes is gaining traction. Practitioners and stakeholders are tackling new challenges like cybersecurity, data protection, intellectual property, and digital asset management. This is especially true for technology-driven businesses, cross-border data flows, and digital records. While digital tools enhance transparency and efficiency, they also bring operational and compliance risks. This calls for stronger controls and better coordination among courts, practitioners, and creditors.

Large insolvencies and our involvement

In 2025, we saw several mid-market restructurings across sectors like manufacturing, transportation, retail, agribusiness, and energy-related services. At PwC Mexico, we worked closely with creditors and businesses, offering independent business reviews, liquidity assessments, and turnaround planning. We crafted detailed debt restructuring plans, monitored ongoing performance, and coordinated cross-border restructuring efforts.

In the agribusiness sector, we designed and implemented restructuring frameworks for agro-industrial companies. Our focus was on stabilising liquidity, aligning capital structures with cash-flow cycles, and setting up governance and reporting systems to track execution. These projects included defining operational and financial turnaround strategies and conducting regular assessments to measure progress against restructuring plans and key milestones.



Projections for 2026

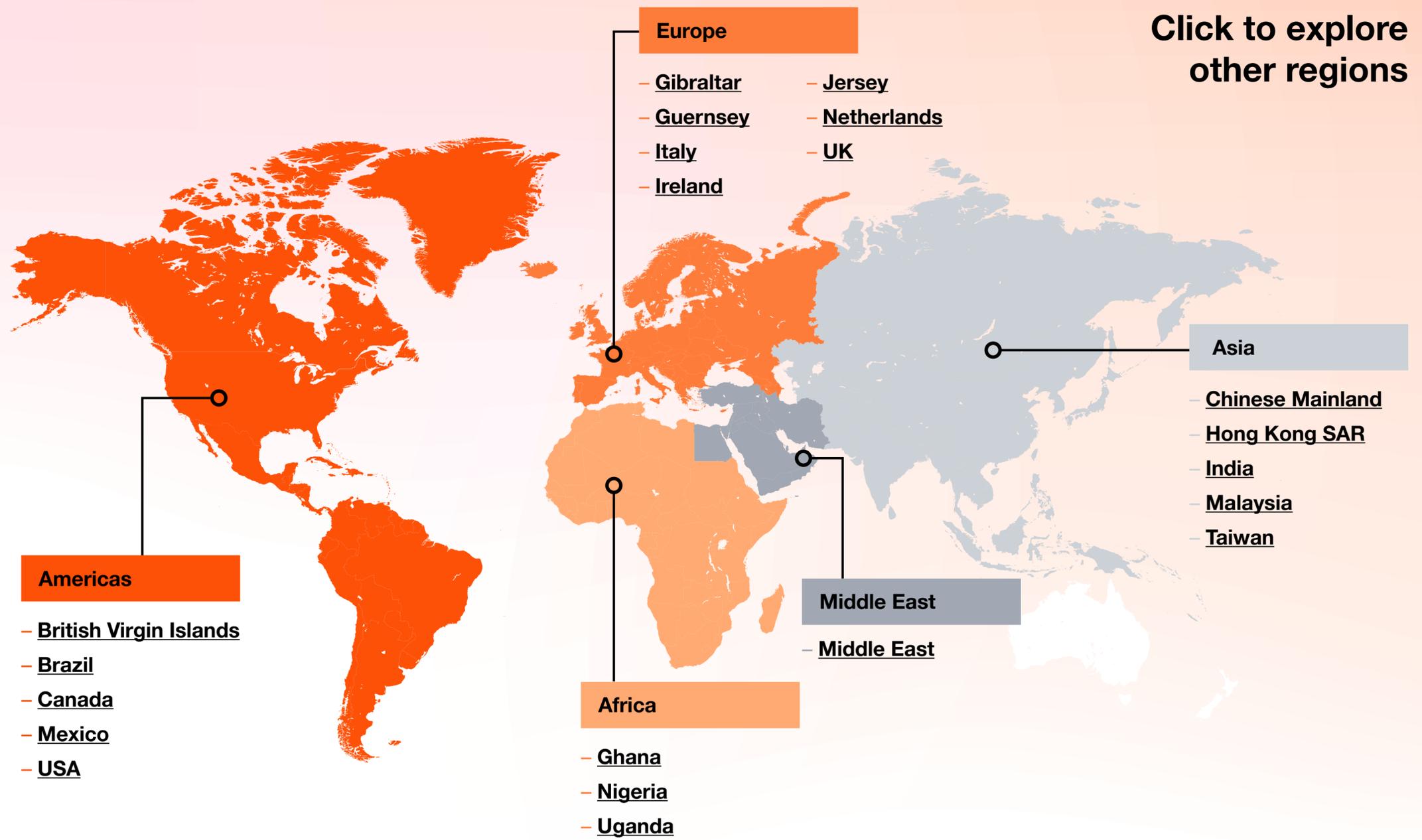
Following a period of tight monetary policy, the easing cycle that kicked off in 2025 has begun to lower benchmark rates. Interest rates fell 3%ppts to end the year at 7% with inflation remaining relatively stubborn at c.3.7%. Lower policy rates are expected to gradually ease debt-service pressures and enhance refinancing options for higher-quality credits in 2026. However, the benefits for SMEs and sub-investment-grade borrowers may take longer to materialize due to banks' risk appetites, collateral limitations, and ongoing sector-specific risks.

Meanwhile, the outlook is still influenced by trade and policy uncertainties. U.S. tariffs on autos, steel, and aluminum could squeeze margins, disrupt production schedules, and increase working capital needs for export-focused manufacturers. Coupled with fiscal consolidation and selective regulatory changes, these factors create a dual-speed environment: nearshoring-linked entities with capital access, and leveraged or policy-sensitive corporates facing higher restructuring risks.

We anticipate that formal insolvency volumes in 2026 will remain moderately high, with most activities continuing through out-of-court restructurings. Key areas to monitor in 2026 include:

- Refinancing challenges for corporates with short-term debt from 2021 to 2023.
- Payment discipline and liquidity flow in the energy supply chain.
- Trade policy directions and USMCA-related uncertainties.
- The impact of new supervisory and operational rules on case duration and outcomes.

The 2026 outlook underscores the need for early intervention and coordinated stakeholder engagement as crucial strategies to alleviate distress and foster sustainable restructurings.



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