

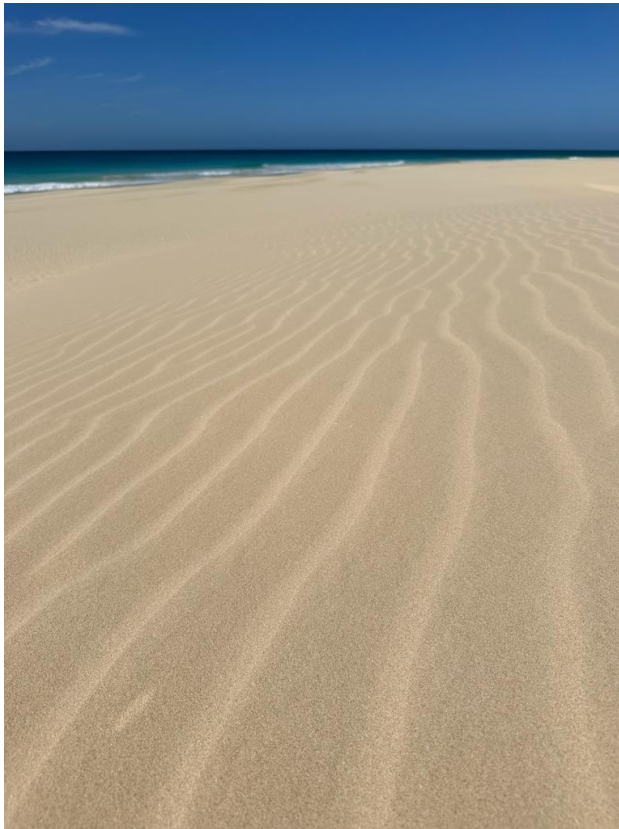


LINARI LAW FIRM

AVOCATS A LA COUR

The number of insolvencies in Luxembourg goes down in 2023

Last year Luxembourg witnessed a noteworthy reduction in corporate bankruptcies registering a 6% decline in the overall number of companies filing for insolvency in comparison to the preceding year. The percentage decline amounts to 944 businesses facing insurmountable financial challenges, indicative of the country's overall economic resilience and upward economic trajectory.



Despite this positive trend that fewer number of companies had filed for insolvency, the construction sector with a total of 155 companies has been lagging behind with a significant upswing, registering a nearly 35% increase compared over the previous year.

Apart from the construction sector, the service industry has been the bankruptcy leader with the number of bankruptcies attaining 497. Nevertheless, this marked a notable decrease from 571 in 2022. Both the manufacturing and hospitality industries also witnessed a decline in bankruptcies in 2023 compared to the previous year.

Overall, the bankruptcy number decrease trend has equally highlighted the effectiveness of government support schemes acting as a safeguard for many businesses and it is hoped that the trend will continue into 2024.

Please note that efficient restructuring may avoid the need to file for insolvency.

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