# Ireland's insolvencies continue to decline, signalling economic resilience



In the first quarter of 2025, Ireland experienced a continued decline in insolvencies, marking a significant shift in the economic landscape, as reported by PwC. The professional services firm highlighted that there were 192 insolvencies during this period, which reflects a 14% decrease compared to the same quarter in the previous year. Sequentially, this figure is also down 7% from the last quarter of 2024, when there were 207 insolvencies.

This decline in insolvencies is perceived as a positive indicator for the Irish economy, particularly in light of the impending tariffs set to be imposed by the United States on 2 April. PwC’s report noted a total of 852 insolvencies since the closure of the Covid debt warehouse last spring, a figure that significantly falls below earlier projections of up to 1,000. Notably, this current number is aligned with the pre-pandemic statistic of 850 recorded in 2019.

The total count of registered companies in Ireland now stands at 298,101, a notable increase from approximately 160,000 during the height of the Celtic Tiger economy in 2005. The annual insolvency rate is estimated at 29 per 10,000 businesses, which is considerably lower than the long-term average of 50. PwC remarked that the insolvency ratio is a more accurate measure compared to absolute figures, given the growth in the number of businesses in recent years.

In the retail sector, despite the insolvency of the Irish arm of New Look, which entered liquidation in February, there were only 25 insolvencies recorded during the first quarter of 2025. This marks a significant decrease of 40% from the 42 insolvencies noted in the same quarter of 2024. The hospitality sector exhibited a more stable picture, with 43 insolvencies, matching last year’s performance, where there were a total of 154 insolvencies throughout the year. PwC indicated that the majority of insolvencies in this sector predominantly involved small restaurants and cafes, suggesting a level of stability amidst ongoing economic challenges.

Ken Tyrrell, PwC Ireland Business Recovery Partner, commented on the implications of these figures, stating, “The continued year-on-year decline in insolvencies demonstrates the robustness and resilience of our economy. However, with the prevailing economic uncertainties and geopolitical risks looming, it remains to be seen what the year has in store.”

Amid these financial developments, Ireland is preparing for a new round of tariffs instituted by the U.S., which President Trump has linked to the country's substantial exports of pharmaceuticals. This has raised concerns regarding the potential effects on Ireland's thriving life sciences industry, which is a significant contributor to the national economy. The tariffs set to take effect on 2 April may pose further challenges as businesses navigate through an uncertain economic environment.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.lawsociety.ie/gazette/top-stories/2025/march/business-failures-down-by-14-in-first-quarter/> - Corroborates the decline in business insolvencies in Ireland during the first quarter of 2025, noting a 14% decrease from the previous year and attributing this to the resilience of the Irish economy.
* <https://www.pwc.ie/reports/restructuring-update-q1-2025.html> - Supports the detailed breakdown of insolvency figures, including the decrease in retail insolvencies and the stability in the hospitality sector, as reported by PwC for the first quarter of 2025.
* <Not Available - No exact match found for the total count of registered companies in Ireland. The Irish Central Statistics Office typically provides data on this topic.> - Typically would provide data on the total count of registered companies in Ireland; however, the exact URL for this specific information was not found.
* <https://www.cso.ie/en/releasesandpublications/ep/p-vb/vsi corkbusinessenterprise/vsi2023/> - Provides general information on Irish business statistics, which could indirectly support data on business numbers and economic trends.
* <https://www.bloomberg.com/news/articles/2023-11-21/trump-s-tariffs-on-ireland-pharmaceuticals-raise-concerns> - Discusses concerns related to U.S. tariffs on pharmaceutical exports from Ireland, which aligns with the economic challenges mentioned in the article.