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US corporate debt defaults in 2023 have already surpassed last year's total

Jennifer Sor



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Corporate debt defaults in 2023 have already blown past last year's total, Moody's data shows.

55 US firms defaulted on their debt in the first-half, a 53% increase from total defaults in all of 2022.

Global debt defaults could keep surging as financial conditions continue to tighten, the firm warned.

The number of corporate debt defaults in 2023 has already blown past the total number of defaults seen last year, according to data from [Moody's Investors Service](#).

55 US-based companies defaulted on their dues in the first six months of the year, Moody's data shows. That's a 53% increase from 2022's total number of defaults, with just 36 companies failing to fulfill their debt obligations last year.

US defaults have also accounted for the majority of corporate debt defaults around the world this year, with 81 firms globally failing to make payments on their debts in the first-half. The 12-month global default rate notched 3.8% in June, up from the global default rate of 2.8% recorded in December 2022.

Moody's expects global corporate defaults to continue to surge, with the global default rate finishing the year at 4.7%. In an unlikely, but more severe scenario, the global rate could reach 13.7%, the firm said, surpassing that of the 2008 financial crisis.

Experts have been warning of a wave of defaults to hit the economy, thanks to higher interest rates and [banks pulling back on lending](#) after the slew of regional bank failures earlier this year. Both of those factors have tightened financial conditions, which also raises the [risk of recession](#).

A tougher credit environment combined with a full-blown recession could result in nearly a [\\$1 trillion of corporate debt defaults](#), Bank of America warned earlier this year. Total [US loan defaults could rise to 11.3%](#), only slightly lower from the all-time-high of 12% seen during the Great Recession, per a Deutsche Bank analysis.

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