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Statistics of civil cases for debt (Preliminary)

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Enquiries:

User information services
Tel: (012) 310 8600 / 4892 / 8390

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Key findings as at the end of September 2006

The number of civil summonses issued for debt increases

The total number of civil summonses issued for debt for the first nine months of 2006 increased by 7,1% compared with the first nine months of 2005. This is the highest increase ever reported since 2002 for the first nine months in each year.

The total number of civil summonses issued for debt for the third quarter of 2006 increased by 7,9% compared with the third quarter of 2005.

In contrast, the total number of civil summonses issued for debt for the third quarter of 2005 reflects a 3,8% decrease compared with the third quarter of 2004.

The major contributors to the increase of 7,9% in civil summonses issued for debt for the third quarter of 2006 compared with the third quarter of 2005, was money lent (+11,5 percentage points) and other debts (+3,5 percentage points). There was, however, a decrease of 2,2 percentage points with regard to civil summonses of 'other services' (see Table 6 column 2 page 9).

The total number of civil summonses issued for debt for September 2006 increased by 8,5% compared with September 2005.

The number of civil judgements recorded for debt decreases

The total number of civil judgements recorded for debt for the third quarter of 2006 decreased by 7,1% compared with the third quarter of 2005.

In contrast, the total number of civil judgements recorded for debt for the third quarter of 2005 increased by 5,1% compared with the third quarter of 2004.

The major contributors to the decrease of 7,1% in the number of civil judgements recorded for debt for the third quarter of 2006 compared with the third quarter of 2005, were civil judgements in respect of money lent (-3,3 percentage points) and 'other services' (-3,0 percentage points). However, this decrease was partially counteracted by an increase in 'other' debts (+0,4 of a percentage point) (see Table 6 column 3 page 9).

The total number of civil judgements recorded for debt for September 2006 decreased by 8,2% compared with September 2005.

The value of civil judgements recorded for debt decreases

The total value of civil judgments recorded for debt for the first nine months of 2006 decreased by 0,9% compared with the first nine months of 2005, indicating a poorer picture than a year ago.

The total value of civil judgements recorded for debt for the third quarter of 2006 decreased by 3,2% compared with the third quarter of 2005.

In addition, the total value of civil judgements recorded for debt for the third quarter of 2005 decreased by 7,4% compared with the third quarter of 2004.

The major contributors to the decrease of 3,2% in the value of civil judgements recorded for the third quarter of 2006 compared with the third quarter of 2005, were civil judgements recorded in respect of money lent (-3,3 percentage points) and promissory notes and others (-1,5 percentage points). However, this decrease was partially counteracted by an increase in judgements recorded for professional services (+1,1 percentage points) (see Table 6 column 4 page 9).

The total value of civil judgements recorded for debt for September 2006 decreased by 10,8% compared with September 2005.

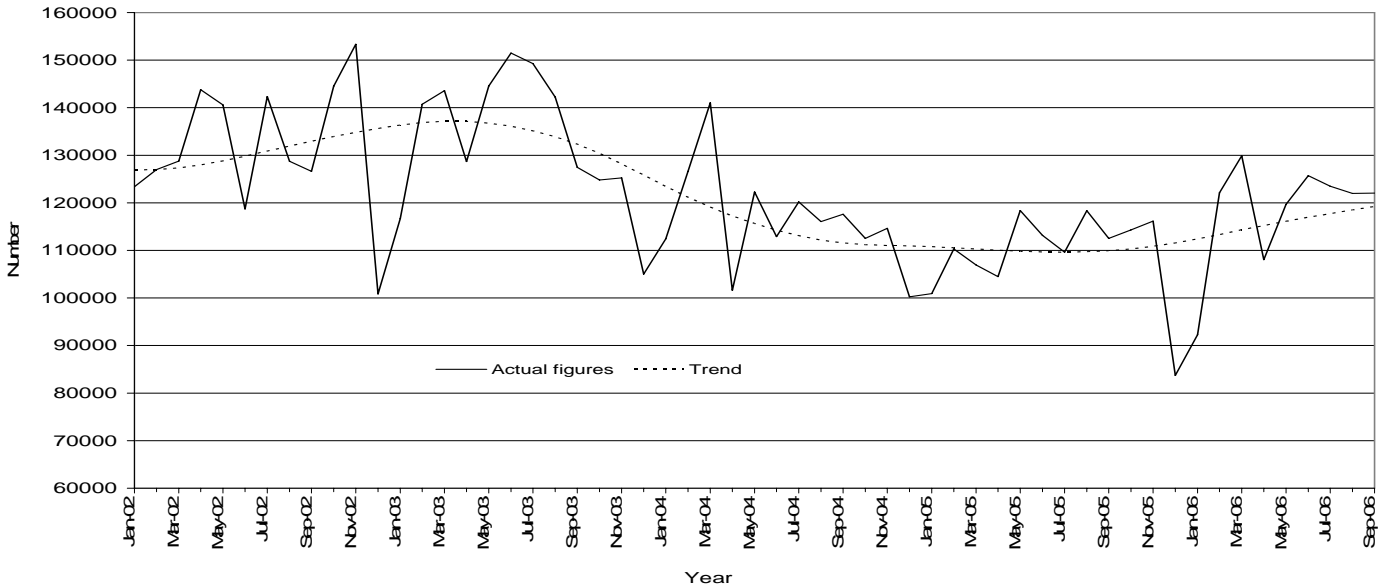
During September 2006, 71 713 civil judgements for debt, amounting to R553,5 million, were recorded. The largest contributors to the R553,5 million were civil judgements relating to money lent (R194,8 million or 35,2%) and 'other' debts (R138,0 million or 24,9 %) (see Table 4 page 8).

Key figures for the month of September 2006

	September 2006	% change between September 2005 and September 2006	% change between July 2005 to September 2005 and July 2006 to September 2006
Actual estimates			
Number of civil summonses issued for debt	122 075	8,5	7,9
Number of civil judgements recorded for debt	71 713	-8,2	-7,1
Value of civil judgements recorded for debt (R million)	553,5	-10,8	-3,2

Figures 1 and 2 outline the number of civil summonses issued and civil judgements recorded for debt from January 2002 to September 2006 respectively. In figure 1 since March 2002 the trend estimates for the total number of civil summonses issued for debt showed an increasing trend until April 2003. The trend started decreasing from May 2003 until September 2004 but levelled off until October 2005. The trend has been rising since November 2005.

Figure 1 - Civil summonses issued for debt



In figure 2 since May 2002 the trend estimates for civil judgements recorded for debt showed an increasing trend until May 2003. The trend has decreased since June 2003 until October 2004 but since November 2004 it has increased slightly until September 2005 and has been decreasing since then.

Figure 2 - Civil judgements recorded for debt

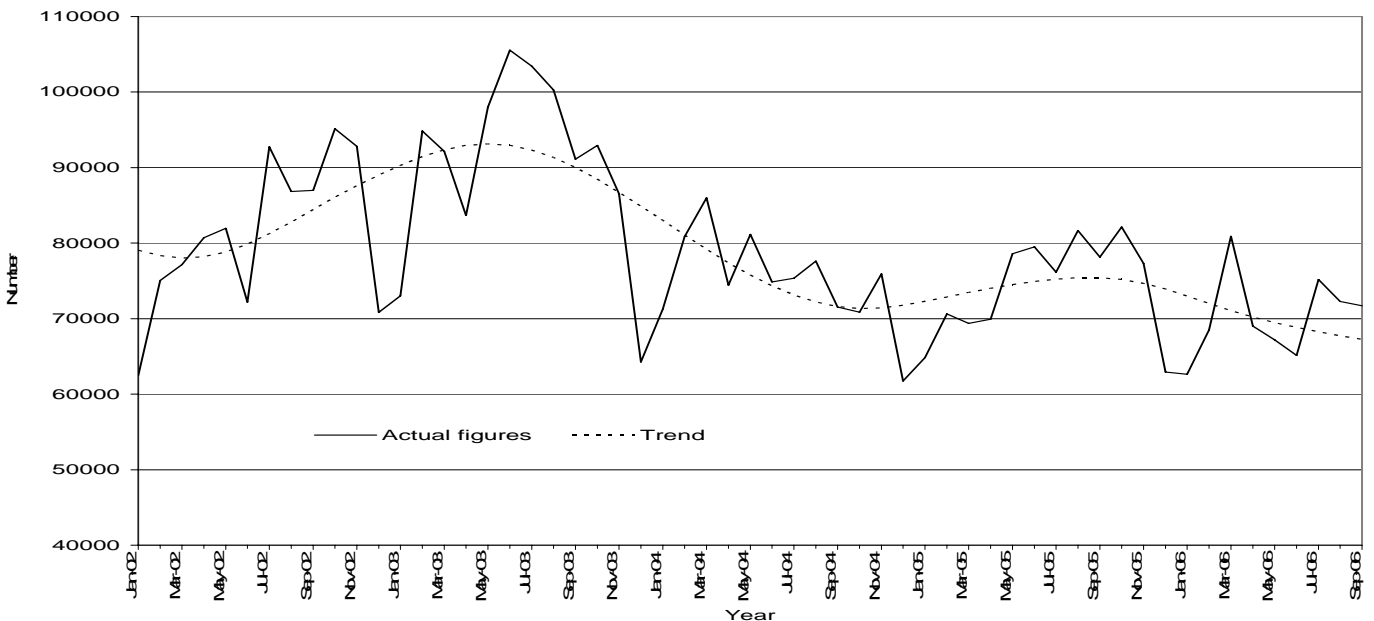


Table 1 - Number of civil cases recorded and summonses issued for debt according to business enterprises and private persons

Item	Business enterprises and private persons				Private persons			
	2005	2005	2006	2006	2005	2005	2006	2006
		Sept.	Aug.	1/ Sept.		Sept.	Aug.	1/ Sept.
1. Cases recorded								
1.1 Actual figures	1 514 116	132 730	135 747	137 769	1 373 027	118 237	120 472	123 230
1.2 Seasonally adjusted		130 095	130 602	133 982		116 199	115 608	120 247
2. Civil summonses for debt								
2.1 Goods sold								
2.1.1 Open account	159 679	14 296	13 638	12 139	138 886	11 901	11 743	10 502
2.1.2 Instalment sale transactions	51 566	5 650	3 441	2 334	46 903	5 301	2 660	2 049
2.2 Services								
2.2.1 Professional	152 858	15 178	12 724	11 696	133 286	11 980	10 079	9 505
2.2.2 Other	229 019	16 805	16 969	16 042	208 046	14 893	14 663	14 013
2.3 Rent	49 151	4 600	4 276	4 808	39 785	3 770	3 316	4 019
2.3.1 Money lent	296 341	23 564	36 289	39 560	277 400	22 351	34 164	37 739
2.3.2 Promissory notes, bills, R/D cheques, credit cards and other acknowledgements of debt	128 403	11 401	10 035	10 989	118 238	10 627	9 082	10 052
2.6 Other debts	241 952	21 040	24 632	24 507	215 513	18 755	21 551	20 665
2.7 Total								
2.7.1 Actual figures	1 308 969	112 534	122 004	122 075	1 178 057	99 578	107 258	108 544
2.7.2 Seasonally adjusted		110 808	116 301	119 339		98 195	101 863	106 305

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Table 2 - Number of civil cases recorded according to selected magistrates' offices

Year or month	Cape Peninsula	Port Elizabeth	East-London	Kimberley	Pieter-maritzburg	Durban	Johannes-burg	East Rand	West Rand	Pretoria	Vereenig-ing and Vander-bijlpark	Bloem-fontein
2004	143 146	81 408	37 375	13 044	19 321	121 484	169 721	87 621	51 872	128 803	25 498	55 835
2005	165 535	69 776	38 487	9 248	20 091	77 468	156 641	58 486	58 984	138 300	27 437	59 361
2005 - J	11 896	6 551	2 247	545	1 578	10 239	14 059	3 943	4 003	9 006	2 093	4 441
F	14 772	6 551	3 172	895	1 781	9 815	11 918	5 120	5 274	12 240	2 592	4 182
M	11 976	5 099	2 889	632	1 439	5 740	13 198	4 899	4 666	10 904	2 980	4 604
A	13 600	4 474	2 504	801	1 526	3 230	13 299	5 143	3 967	14 042	2 991	4 808
M	12 386	7 915	3 151	997	2 268	5 435	14 706	6 654	5 028	12 756	1 832	4 884
J	15 193	6 117	3 350	721	1 636	4 921	12 201	4 335	5 686	12 114	1 794	5 073
J	13 402	4 474	3 240	873	1 894	4 921	12 726	4 973	5 567	11 494	2 127	5 083
A	18 630	5 573	2 941	861	2 220	7 311	14 095	4 914	5 759	11 839	3 311	5 249
S	15 391	5 612	3 517	911	1 539	7 311	13 090	5 117	4 851	12 216	1 112	5 371
O	14 575	7 432	3 951	871	1 433	6 397	13 889	4 751	4 479	11 456	1 901	5 291
N	16 106	6 489	4 009	740	1 410	6 397	11 730	5 502	5 731	12 428	2 469	5 214
D	7 608	3 489	3 516	401	1 367	5 751	11 730	3 135	3 973	7 805	2 235	5 161
2006 - J	10 205	5 091	4 446	209	1 171	5 751	6 505	4 097	4 441	10 867	2 437	5 120
F	11 387	7 860	5 785	756	1 751	5 751	13 143	4 652	7 231	12 266	2 492	5 117
M	14 010	8 082	6 013	732	1 742	6 285	14 398	5 761	6 259	14 272	2 994	4 789
A	11 657	5 239	4 285	311	1 290	6 364	12 046	5 658	4 454	8 127	3 028	5 191
M	13 981	5 393	2 620	741	1 893	4 925	15 758	5 585	5 489	11 299	3 200	5 253
J	13 359	6 628	5 688	555	1 254	4 999	16 849	5 418	4 411	10 018	5 307	5 244
J	12 981	5 770	5 218	442	1 348	5 867	16 060	6 478	5 190	10 318	3 847	5 449
A	11 196	3 824	4 814	480	1 348	5 796	15 146	6 702	5 147	8 550	2 712	5 513
1/ S	11 983	5 315	2 350	507	1 140	5 291	18 632	5 593	5 057	13 258	1 869	5 368

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Table 3 - Number of civil default and consent judgements for debt according to business enterprises and private persons

Item	Business enterprises and private persons				Private persons			
	2005	2005	2006	2006	2005	2005	2006	2006
		Sept.	Aug.	1/ Sept.		Sept.	Aug.	1/ Sept.
1. Judgements								
1.1 Goods sold								
1.1.1 Open account	114 109	8 861	10 394	8 762	104 472	7 934	9 695	7 693
1.1.2 Instalment sale transactions	16 620	1 596	902	913	14 927	1 417	772	761
1.2 Services								
1.2.1 Professional	83 017	6 792	6 708	5 770	77 613	6 234	5 781	4 738
1.2.2 Other	122 987	10 446	8 450	8 092	115 538	9 862	7 961	7 431
1.3 Rent	29 088	1 999	2 030	1 962	22 870	1 591	1 534	1 592
1.4 Money lent	309 063	30 182	25 909	27 532	304 434	29 721	24 622	26 707
1.5 Promissory notes, bills, R/D cheques, credit cards and other acknowledgements of debt	82 229	5 902	6 587	8 094	77 741	5 573	5 910	7 449
1.6 Other debts	134 032	12 372	11 298	10 588	121 147	10 993	10 116	9 603
1.7 Total								
1.7.1 Actual figures	891 145	78 150	72 278	71 713	838 742	73 325	66 391	65 974
1.7.2 Seasonally adjusted		76 335	67 108	70 016		71 538	61 455	64 366

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Table 4 – Value of civil default and consent judgements for debt according to business enterprises and private persons

Item	Business enterprises and private persons				Private persons			
	2005	2005	2006	2006	2005	2005	2006	2006
		Sept.	Aug.	1/ Sept.		Sept.	Aug.	1/ Sept.
1. Judgements								
1.1 Goods sold								
1.1.1 Open account	661 352	82 315	66 005	54 664	540 967	73 150	54 513	42 398
1.1.2 Instalment sale transactions	273 731	22 171	21 787	18 229	227 774	18 627	16 836	12 597
1.2 Services								
1.2.1 Professional	258 691	17 724	35 521	18 391	219 341	13 750	30 867	13 919
1.2.2 Other	601 147	50 496	51 592	43 459	507 366	40 500	42 920	33 350
1.3 Rent	217 608	15 548	21 951	15 539	155 938	9 906	13 878	11 236
1.4 Money lent	2 152 458	191 900	162 044	194 760	2 028 303	181 164	147 758	186 278
1.5 Promissory notes, bills, R/D cheques, credit cards and other acknowledgements of debt	822 425	78 322	60 160	70 433	729 677	68 837	52 887	62 204
1.6 Other debts	1 663 448	161 757	118 223	137 986	1 281 651	121 219	88 429	95 648
1.7 Total								
1.7.1 Actual figures	6 650 860	620 233	537 283	553 461	5 691 017	527 153	448 088	457 630
1.7.2 Seasonally adjusted		576 859	505 728	509 721		487 473	418 905	418 631

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Table 5 - Percentage change in the total number and value of debts recorded between the current quarter and the corresponding quarter of the previous year.

	Actual estimates July 2005 to September 2005	Actual estimates July 2006 to September 2006	% change between July 2005 to September 2005 and July 2006 to September 2006	Difference between July 2005 to September 2005 and July 2006 to September 2006
Number of summonses for debt	340 532	367 575	7,9%	27 043
Number of judgements for debt	235 958	219 168	-7,1%	-16 790
Value of judgements for debt (R million)	1 716,1	1 660,8	-3,2%	-55,3

Table 6 – Contribution of the different kinds of debts to the total number and value of debts recorded for the current quarter and the corresponding quarter of the previous year.

Different kinds of debts	Contribution percentage points to the percentage change in the total number of summonses for debt	Contribution percentage points to the percentage change in the total number of civil judgements for debt	Contribution percentage points to the percentage change in the total value of civil judgements for debt
Goods sold			
Open account	0,0	0,2	-0,4
Instalment sale transactions	-1,9	-0,9	-0,2
Professional services	-2,0	-0,7	1,1
Other services	-2,2	-3,0	0,2
Rent	0,0	0,2	0,7
Money lent	11,5	-3,3	-3,3
Promissory notes, bills, R/D cheques, credit cards and other acknowledgement of debt	-0,9	0,0	-1,5
Other debts	3,5	0,4	0,2
Total	7,9	-7,1	-3,2

The contribution (percentage points) is calculated by multiplying the quarterly percentage change of each kind of debt with the percentage contribution to the total number or value of cases recorded during July 2005 to September 2005, divided by 100.

Table 7 - Percentage change in the total number and value of debts recorded between the current month and the corresponding month of the previous year.

	Actual estimates September 2005	Actual estimates September 2006	% change between September 2005 and September 2006	Difference between September 2005 and September 2006
Number of summonses for debt	112 534	122 075	8,5%	9 541
Number of judgements for debt	78 150	71 713	-8,2%	-6 437,0
Value of judgements for debt (R million)	620,2	553,5	-10,8%	-66,7

Explanatory notes

Introduction	<p>1 Statistics South Africa (Stats SA) conducts a monthly sample survey of civil cases recorded and civil summonses for debt issued in South Africa. This information is obtained from selected magistrates' offices.</p> <p>2 Except for cases recorded, all other information relates to debt cases only, therefore claims for damages, ejection orders and other non-debt cases are excluded.</p>
Purpose of the survey	<p>3 The survey of Civil Cases for Debt covers a sample of magistrates' offices in South Africa, excluding the former Transkei, Bophuthatswana, Venda and Ciskei (TBVC states). This survey collects information regarding civil cases recorded, civil summonses issued and civil judgements recorded in order to provide users with information on the extent of unpaid debt in South Africa. The results of the survey are used by the private and public sectors as an indicator of economic performance.</p>
Scope of the survey	<p>4 This survey covers -</p> <ul style="list-style-type: none"> • number of civil cases recorded; • number of civil summonses issued for debt; • number of civil judgements recorded for debt; and • value of civil judgements recorded for debt.
Statistical unit	<p>5 The statistical unit for collection of information is a magistrates' office. Magistrates' offices include the small claims courts.</p> <p>The largest magistrates' offices in South Africa, which account for approximately 95% of all the civil cases in South Africa, are included in the monthly survey of civil cases recorded and civil summonses for debt issued. The smallest magistrates' offices are not used in the sample. A sample of 151 magistrates' offices is drawn using only the number of civil cases recorded as the measure of size.</p>
Survey methodology and design	<p>6 The survey is conducted by mail each month from approximately 151 magistrates' offices.</p>
Response rate	<p>7 The response rate for the civil cases for debt for September 2006 was 90,7%.</p>
Trend cycle	<p>8 Smoothed seasonally adjusted and trend estimates are generated using the X-11 Seasonal Adjustment Programme.</p>
Publications	<p>9 Users may also wish to refer to the following publications:</p> <ul style="list-style-type: none"> • <i>Bulletin of Statistics</i> issued quarterly. • <i>SA Statistics</i> issued annually.
Unpublished statistics	<p>10 In some cases Stats SA can also make available statistics which are not included in standard publications. The statistics can be made available in one or more of the following ways: computer printout, CD or diskette. Generally a charge is made for providing unpublished statistics.</p>
Symbols and abbreviations	<p>11 R/D Refer to Drawer CD Compact Disc Stats SA Statistics South Africa TBVC Transkei, Bophuthatswana, Venda, Ciskei. * Revised figures</p>

Glossary

Acknowledgement of debt	Acknowledgement of debt is a statement by a person/debtor in which he admits that he owes money to an individual or a company or a bank.
Bills	Bills are statements of charges for services rendered or for amounts owed.
Civil judgements	Civil judgements are decisions taken in a civil matter or a dispute between two people or parties.
Civil summonses	Civil summonses are notices to appear before the court of law where a dispute between two parties or people has to be heard, i.e. not for a criminal offence.
Consent judgements	Consent judgements refer to where a debtor agrees to subject himself/herself to obey or accept a judgement of a court against him for a debt he owes without defending the action. This usually happens before the debtor signs a binding contract, e.g. a loan agreement.
Default judgements	Default judgements refer to where the court gives a judgement or a ruling against the defendant who is not present in court and was previously given a notice that was ignored, i.e. a judgement was given against a party or an individual while not present in court.
Instalment sale transaction	Instalment sale transaction relates to where a person buys goods on credit and pays for them in instalments, e.g. every week or month, until he/she settles the debt.
Litigants	Litigants are people who take part in court proceedings, usually against each other, like a debtor and a creditor.
Litigants referred	Litigants referred relates to a case where the parties have been referred to another instance/court.
Open account transaction	Open account transactions are revolving credit, i.e. where an account does not have a final payment date and a person can always take more goods and keep paying as long as he has credit.
Other services	“Other services” refers to municipal services (except outstanding assessment rates), plumbers, builders, mechanics, panel-beaters and electricians.
Other debts	“Other debts” refers to all other kinds of outstanding debts such as salaries and wages, outstanding medical fund debts, outstanding sponsored debts, outstanding class and tuition debt, outstanding income and sales, tax, outstanding assessment rates, outstanding money in respect of television maintenance contracts and outstanding money in respect of flat levies.
Plaintiff	Plaintiff is a person/party in a civil case who asks the court for judgement against another person.
Professional services	Professional services refer to medical doctors/dentists, advocates/attorneys, auditors/accountants, architects, engineers and hospital services.
Promissory note	Promissory note is a written note, signed by one person, in which he promises to pay money to another person or to the bearer of such a note on a specific date or on demand.
Reference month	Reference month refers to one calendar month.
Refer to drawer (R/D) cheques	R/D cheques refer to dishonoured cheques. The drawer is the owner of the cheque. When a person issues a cheque and there is no money in the cheque account, the bank will refuse to pay the bearer. The cheque will be referred back to the drawer.

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Fax number: (012) 310 8332 (technical enquiries)

Email: juan-pierret@statssa.gov.za (technical enquiries)
info@statssa.gov.za (user information services)
distribution@statssa.gov.za (orders)

Postal address: Private Bag X44, Pretoria, 0001

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