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Statistics of liquidations and insolvencies (Preliminary)

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Contents	Page
SUMMARY OF FINDINGS: LIQUIDATIONS AND INSOLVENCIES	2
Detailed results: Tables	5
Table 1 – Total number of liquidations according to industry	5
Table 2 – Number of liquidations of companies according to industry	5
Table 3 – Number of liquidations of close corporations according to industry	5
Table 4 – Total number of liquidations: 2002 to 2008.....	6
Table 5 – Total number of compulsory liquidations: 2002 to 2008	6
Table 6 – Total number of voluntary liquidations: 2002 to 2008.....	6
Table 7 – Number of liquidations of companies: 2002 to 2008	7
Table 8 – Number of compulsory liquidations of companies: 2002 to 2008.....	7
Table 9 – Number of voluntary liquidations of companies: 2002 to 2008.....	7
Table 10 – Number of liquidations of close corporations: 2002 to 2008.....	8
Table 11 – Number of compulsory liquidations of close corporations: 2002 to 2008	8
Table 12 – Number of voluntary liquidations of close corporations: 2002 to 2008.....	8
Table 13 – Total number of insolvencies of individuals and partnerships: 2002 to 2008	9
Table 14 – Percentage change between August 2008 and the corresponding month of the previous year regarding the number of liquidations	9
Table 15 – Percentage change between the first eight months of 2008 and the first eight months of 2007 regarding the number of liquidations	9
Table 16 – Percentage change between July 2008 and the corresponding month of the previous year regarding the number of insolvencies.....	9
Table 17 – Percentage change between the first seven months of 2008 and the first seven months of 2007 regarding the number of insolvencies.....	9
Explanatory notes	10
Glossary	11
General information	12

SUMMARY OF FINDINGS: LIQUIDATIONS AND INSOLVENCIES

Key findings regarding liquidations for August 2008

The total number of liquidations increases during the first eight months of 2008

The total number of liquidations recorded for the eight months ended August 2008 increased by 4,0% (from 1 958 to 2 037) when compared with the eight months ended August 2007. However, the total number of liquidations recorded for August 2008 decreased by 26,4% (from 387 to 285) when compared with August 2007 (see Table A and Tables 14 and 15).

The 4,0% increase in the total number of liquidations for the eight months ended August 2008 was due to an increase of 6,2% in voluntary liquidations (from 1 740 to 1 848). During this period, 31,2% more close corporations were liquidated, with company liquidations decreasing by 17,8%.

Key figures regarding liquidations for August 2008

Table A – Selected key figures regarding liquidations for August 2008

Actual estimates

Number of liquidations August 2008	% change between August 2007 and August 2008	% change between January to August 2007 and January to August 2008
285	-26,4	4,0

Figure 1 below shows the annual percentage change in the number of liquidations for the eight months ended August of the respective years and covers the period from 2002 to 2008. The 4,0% increase reported for 2008 compared with 2007 is the first increase recorded since the beginning of this time series. This increase comes after six consecutive decreases of the same period since 2001.

Figure 1 – Percentage change for the eight months ended August compared with the corresponding period of the previous year for the number of liquidations from 2002 to 2008

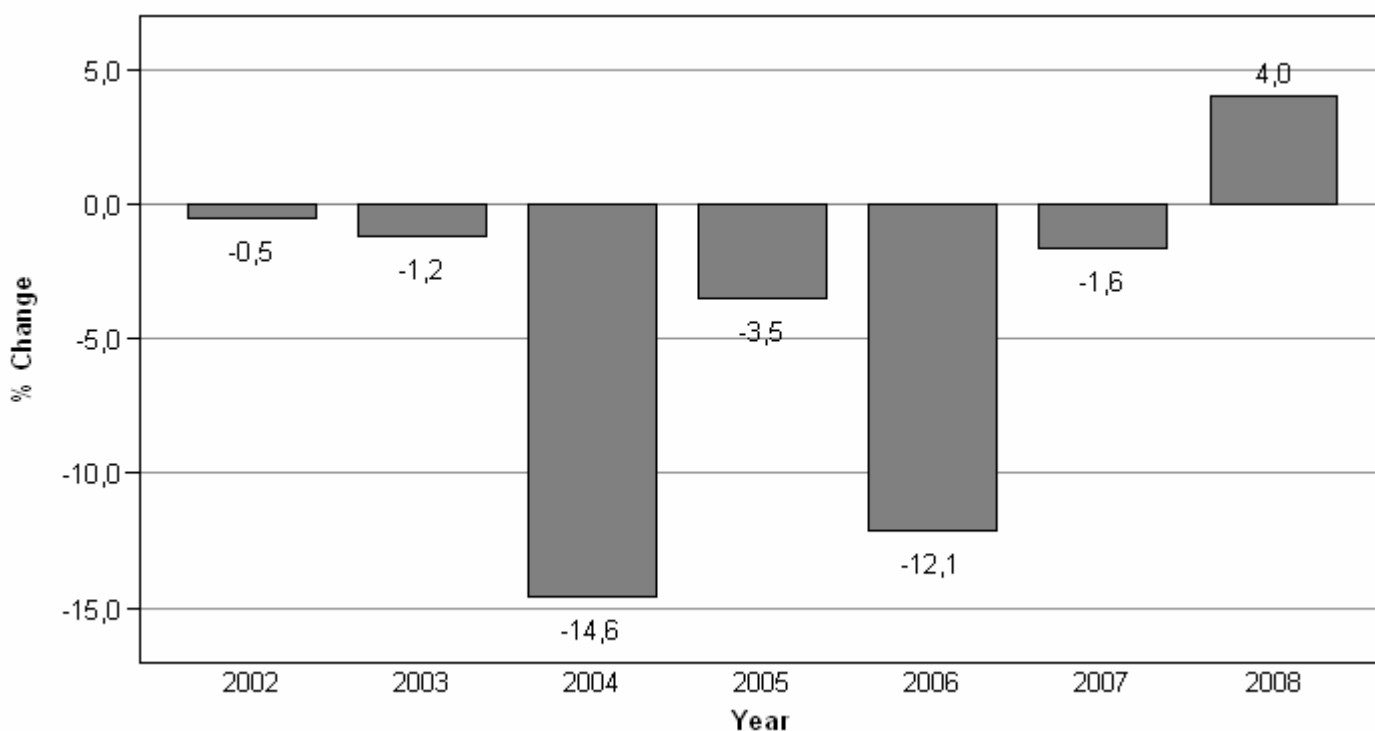
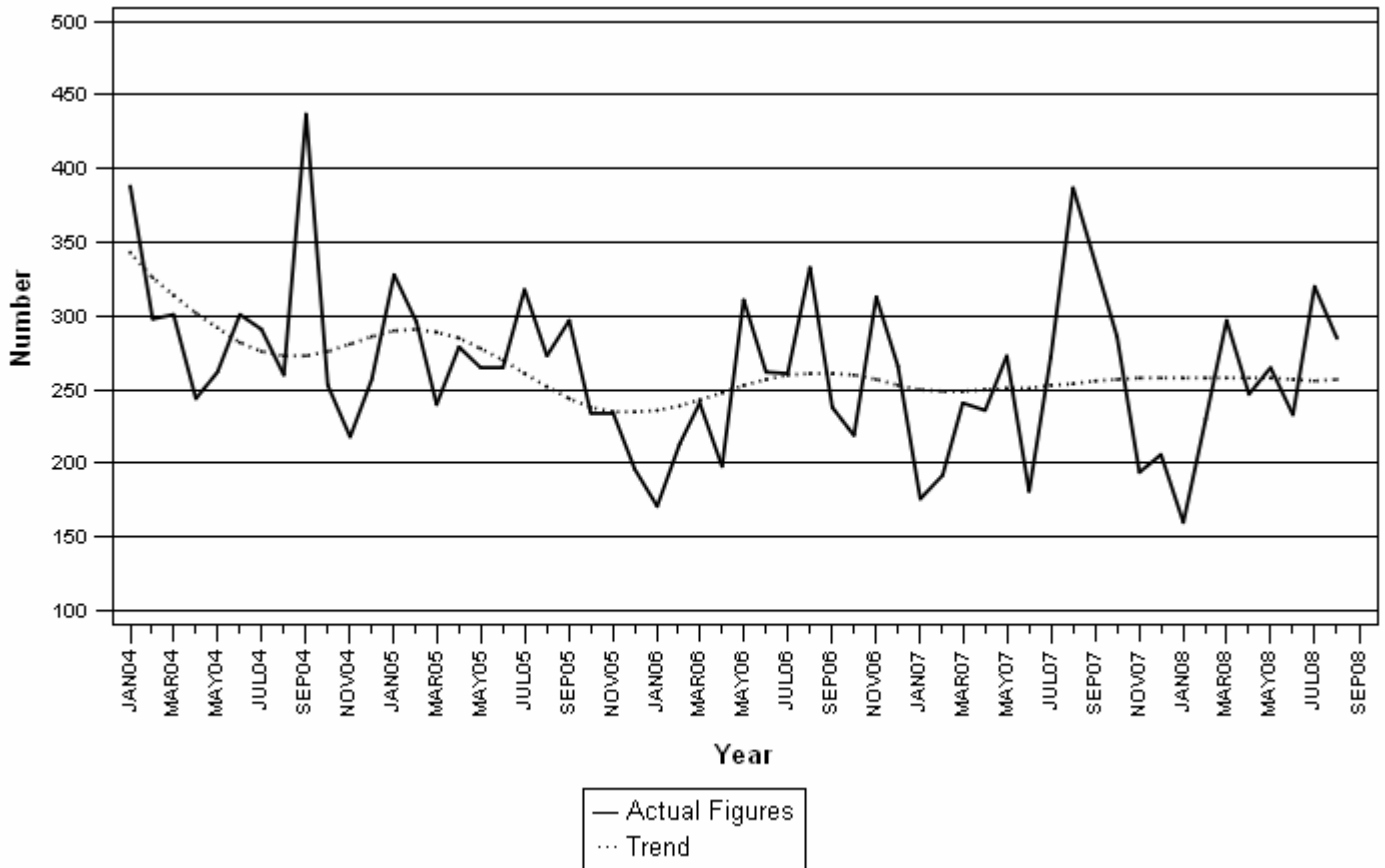


Figure 2 outlines the trend in the total number of liquidations from January 2004 to August 2008.

Figure 2 – Total number of liquidations



Key findings regarding insolvencies for July 2008

Total number of insolvencies continues to increase

The total number of insolvencies recorded for July 2008 increased by 18,9% (from 169 to 201) when compared with July 2007. Furthermore, the total number of insolvencies recorded for the seven months ended July 2008 increased by 40,1% (from 1 071 to 1 501) compared with the seven months ended July 2007 (see Table B and Tables 16 and 17).

Key figures regarding insolvencies for July 2008

Table B – Selected key figures regarding insolvencies for July 2008

Actual estimates

Number of insolvencies July 2008	% change between July 2007 and July 2008	% change between January to July 2007 and January to July 2008
201	18,9	40,1

Figure 3 below shows the annual percentage change in the number of insolvencies for the seven months ended July compared with the corresponding period of the previous year, and covers the period 2002 to 2008. The number of insolvencies increased by 40,1% for the first seven months of 2008 and it is the third increase recorded for this period since 2002.

Figure 3 – Percentage change in the number of insolvencies for the first seven months of the year from 2002 to 2008

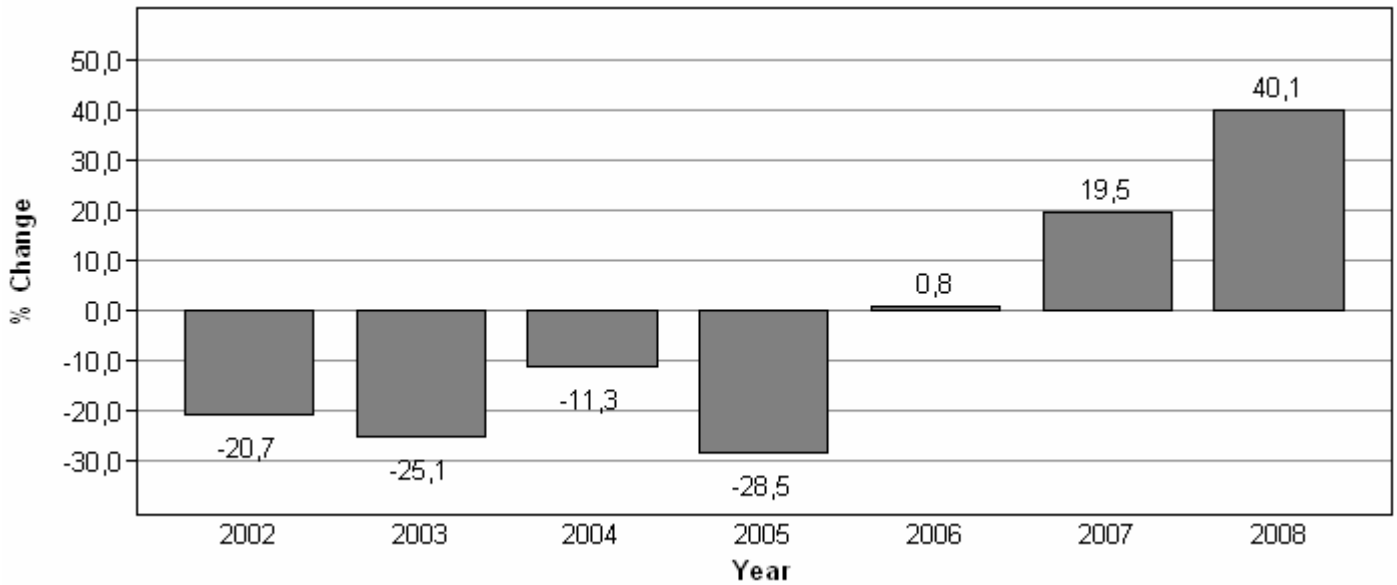
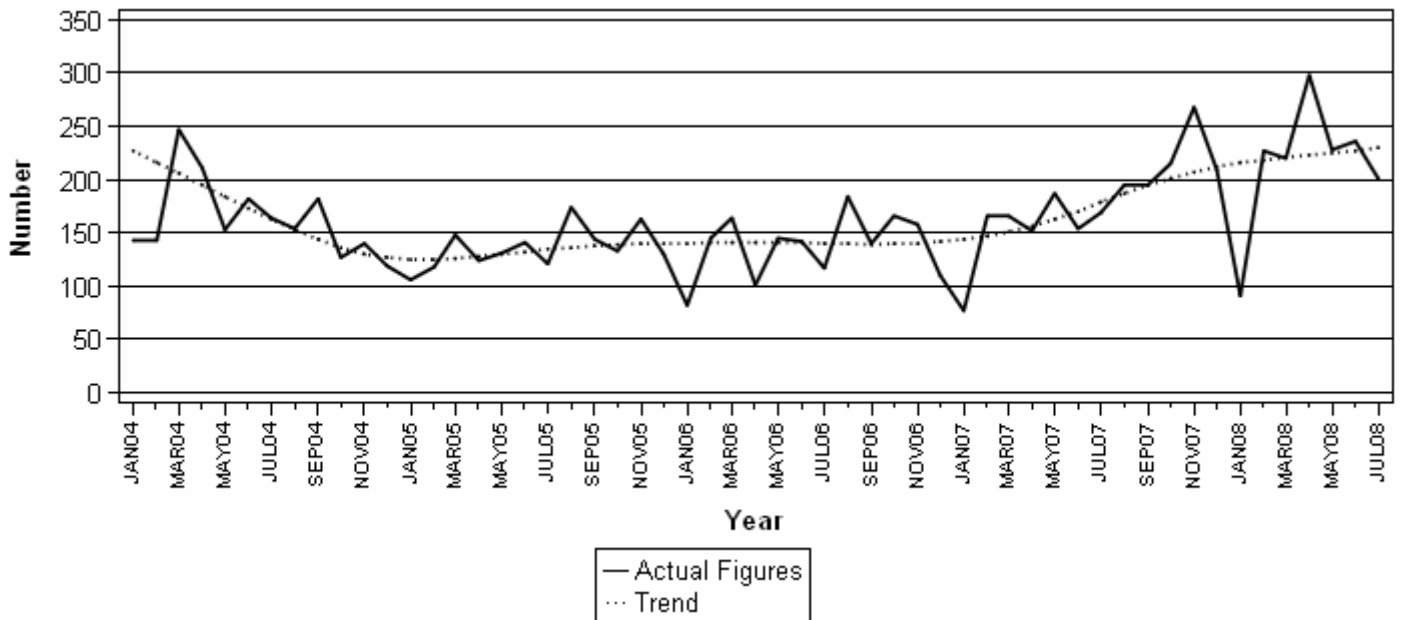


Figure 4 outlines the trend in the total number of insolvencies from January 2004 to July 2008.

Figure 4 – Total number of insolvencies



P J Lehohla
Statistician-General

Detailed results: Tables

Table 1 – Total number of liquidations according to industry

Industry	January - August 2008			August 2007			July 2008			August 2008		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	5	19	24	2	5	7	2	3	5	0	1	1
2.Mining and quarrying	1	26	27	20	0	20	0	0	0	0	0	0
3.Manufacturing	22	112	134	5	6	11	3	16	19	3	17	20
4.Electricity, gas and water	2	6	8	7	1	8	0	1	1	0	1	1
5.Construction	12	93	105	20	19	39	0	12	12	2	23	25
6.Wholesale and retail trade, catering and accommodation	66	594	660	22	74	96	3	93	96	8	57	65
7.Transport, storage, communication	4	92	96	1	9	10	0	15	15	1	33	34
8.Financing, insurance, real estate, business services	55	754	809	30	146	176	5	142	147	8	112	120
9.Community, social, personal services	22	152	174	4	16	20	0	25	25	4	15	19
Total number of liquidations	189	1 848	2 037	111	276	387	13	307	320	26	259	285

Table 2 – Number of liquidations of companies according to industry

Industry	January - August 2008			August 2007			July 2008			August 2008		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	4	2	6	2	1	3	2	1	3	0	0	0
2.Mining and quarrying	1	26	27	20	0	20	0	0	0	0	0	0
3.Manufacturing	10	57	67	3	2	5	1	10	11	0	10	10
4.Electricity, gas and water	0	1	1	7	0	7	0	0	0	0	0	0
5.Construction	4	16	20	18	7	25	0	2	2	1	8	9
6.Wholesale and retail trade, catering and accommodation	18	220	238	10	36	46	1	44	45	0	22	22
7.Transport, storage, communication	0	23	23	1	1	2	0	8	8	0	5	5
8.Financing, insurance, real estate, business services	21	378	399	25	94	119	0	84	84	2	39	41
9.Community, social, personal services	16	95	111	3	13	16	0	17	17	3	8	11
Total number of liquidations	74	818	892	89	154	243	4	166	170	6	92	98

Table 3 – Number of liquidations of close corporations according to industry

Industry	January - August 2008			August 2007			July 2008			August 2008		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	1	17	18	0	4	4	0	2	2	0	1	1
2.Mining and quarrying	0	0	0	0	0	0	0	0	0	0	0	0
3.Manufacturing	12	55	67	2	4	6	2	6	8	3	7	10
4.Electricity, gas and water	2	5	7	0	1	1	0	1	1	0	1	1
5.Construction	8	77	85	2	12	14	0	10	10	1	15	16
6.Wholesale and retail trade, catering and accommodation	48	374	422	12	38	50	2	49	51	8	35	43
7.Transport, storage, communication	4	69	73	0	8	8	0	7	7	1	28	29
8.Financing, insurance, real estate, business services	34	376	410	5	52	57	5	58	63	6	73	79
9.Community, social, personal services	6	57	63	1	3	4	0	8	8	1	7	8
Total number of liquidations	115	1 030	1 145	22	122	144	9	141	150	20	167	187

C = Compulsory.
V= Voluntary.

Table 4 – Total number of liquidations: 2002 to 2008

Month	2002	2003	2004	2005	2006	2007	2008
January	398	395	388	328	171	176	160
February	416	328	298	296	213	192	230
March	334	227	301	240	241	241	297
April	345	359	244	279	198	236	247
May	299	346	262	265	311	273	265
June	297	345	301	265	262	181	233
July	349	339	291	318	261	272	320
August	339	406	260	273	333	387	285
September	336	466	437	297	238	507	
October	333	351	253	234	219	286	
November	254	329	218	234	313	194	
December	211	195	257	196	266	206	
Year	3 911	4 086	3 510	3 225	3 026	3 151	2 037

Table 5 – Total number of compulsory liquidations: 2002 to 2008

Month	2002	2003	2004	2005	2006	2007	2008
January	78	76	42	30	37	12	29
February	87	65	38	70	15	15	15
March	68	46	57	35	31	12	41
April	87	63	32	18	9	32	22
May	60	52	37	61	20	13	26
June	69	74	63	25	50	9	17
July	69	85	68	84	16	14	13
August	74	120	39	69	46	111	26
September	70	109	83	27	22	47	
October	54	70	43	40	20	39	
November	64	60	23	47	56	13	
December	45	37	39	18	53	9	
Year	825	857	564	524	375	326	189

Table 6 – Total number of voluntary liquidations: 2002 to 2008

Month	2002	2003	2004	2005	2006	2007	2008
January	320	319	346	298	134	164	131
February	329	263	260	226	198	177	215
March	266	181	244	205	210	229	256
April	258	296	212	261	189	204	225
May	239	294	225	204	291	260	239
June	228	271	238	240	212	172	216
July	280	254	223	234	245	258	307
August	265	286	221	204	287	276	259
September	266	357	354	270	216	460	
October	279	281	210	194	199	247	
November	190	269	195	187	257	181	
December	166	158	218	178	213	197	
Year	3 086	3 229	2 946	2 701	2 651	2 825	1 848

Table 7 – Number of liquidations of companies: 2002 to 2008

Month	2002	2003	2004	2005	2006	2007	2008
January	130	200	191	130	85	99	87
February	212	188	132	154	107	96	117
March	183	127	148	123	127	114	108
April	161	151	119	176	100	143	104
May	117	162	128	122	131	157	108
June	145	178	136	132	140	104	100
July	183	141	132	177	145	129	170
August	173	202	114	124	143	243	98
September	164	260	141	143	122	416	
October	118	235	126	115	132	175	
November	106	136	90	95	183	94	
December	166	130	75	113	167	127	
Year	1 858	2 110	1 532	1 604	1 582	1 897	892

Table 8 – Number of compulsory liquidations of companies: 2002 to 2008

Month	2002	2003	2004	2005	2006	2007	2008
January	19	37	16	6	18	4	8
February	46	28	15	43	4	4	15
March	32	17	32	23	23	5	10
April	53	17	6	13	5	19	8
May	12	28	20	30	5	3	17
June	29	31	16	7	35	2	6
July	33	29	31	62	6	4	4
August	17	69	11	21	11	89	6
September	22	60	33	17	18	34	
October	22	42	22	22	13	26	
November	25	38	12	18	43	7	
December	29	27	9	13	37	8	
Year	339	423	223	275	218	205	74

Table 9 – Number of voluntary liquidations of companies: 2002 to 2008

Month	2002	2003	2004	2005	2006	2007	2008
January	111	163	175	124	67	95	79
February	166	160	117	111	103	92	102
March	151	110	116	100	104	109	98
April	108	134	113	163	95	124	96
May	105	134	108	92	126	154	91
June	116	147	120	125	105	102	94
July	150	112	101	115	139	125	166
August	156	133	103	103	132	154	92
September	142	200	108	126	104	382	
October	96	193	104	93	119	149	
November	81	98	78	77	140	87	
December	137	103	66	100	130	119	
Year	1 519	1 687	1 309	1 329	1 364	1 692	818

Table 10 – Number of liquidations of close corporations: 2002 to 2008

Month	2002	2003	2004	2005	2006	2007	2008
January	268	195	197	198	86	77	73
February	204	140	166	142	106	96	113
March	151	100	153	117	114	127	189
April	184	208	125	103	98	93	143
May	182	184	134	143	180	116	157
June	152	167	165	133	122	77	133
July	166	198	159	141	116	143	150
August	166	204	146	149	190	144	187
September	172	206	296	154	116	91	
October	215	116	127	119	87	111	
November	148	193	128	139	130	100	
December	45	65	182	83	99	79	
Year	2 053	1 976	1 978	1 621	1 444	1 254	1 145

Table 11 – Number of compulsory liquidations of close corporations: 2002 to 2008

Month	2002	2003	2004	2005	2006	2007	2008
January	59	39	26	24	19	8	21
February	41	37	23	27	11	11	0
March	36	29	25	12	8	7	31
April	34	46	26	5	4	13	14
May	48	24	17	31	15	10	9
June	40	43	47	18	15	7	11
July	36	56	37	22	10	10	9
August	57	51	28	48	35	22	20
September	48	49	50	10	4	13	
October	32	28	21	18	7	13	
November	39	22	11	29	13	6	
December	16	10	30	5	16	1	
Year	486	434	341	249	157	121	115

Table 12 – Number of voluntary liquidations of close corporations: 2002 to 2008

Month	2002	2003	2004	2005	2006	2007	2008
January	209	156	171	174	67	69	52
February	163	103	143	115	95	85	113
March	115	71	128	105	106	120	158
April	150	162	99	98	94	80	129
May	134	160	117	112	165	106	148
June	112	124	118	115	107	70	122
July	130	142	122	119	106	133	141
August	109	153	118	101	155	122	167
September	124	157	246	144	112	78	
October	183	88	106	101	80	98	
November	109	171	117	110	117	94	
December	29	55	152	78	83	78	
Year	1 567	1 542	1 637	1 372	1 287	1 133	1 030

Table 13 – Total number of insolvencies of individuals and partnerships: 2002 to 2008

Month	2002	2003	2004	2005	2006	*2007	1/ 2008
January	217	135	143	106	82	77	91
February	277	135	143	118	145	166	227
March	269	221	247	148	164	166	220
April	318	253	211	124	101	152	298
May	256	170	153	131	145	187	228
June	253	254	182	141	*142	154	236
July	282	234	164	121	117	169	201
August	278	255	154	174	184	195	
September	229	286	182	*144	140	195	
October	262	269	127	*133	166	215	
November	255	236	140	163	*158	268	
December	162	204	119	130	110	209	
Year	3 058	2 652	1 965	1 633	1 654	2 153	1 501

1/ Preliminary.

* Revised.

Table 14 – Percentage change between August 2008 and the corresponding month of the previous year regarding the number of liquidations

Number of liquidations August 2007	Number of liquidations August 2008	% change between August 2007 and August 2008	Difference between August 2007 and August 2008
387	285	-26,4	-102

Table 15 – Percentage change between the first eight months of 2008 and the first eight months of 2007 regarding the number of liquidations

Number of liquidations January to August 2007	Number of liquidations January to August 2008	% change between January to August 2007 and January to August 2008	Difference between January to August 2007 and January to August 2008
1 958	2 037	4,0	79

Table 16 – Percentage change between July 2008 and the corresponding month of the previous year regarding the number of insolvencies

Number of insolvencies July 2007	Number of insolvencies July 2008	% change between July 2007 and July 2008	Difference between July 2007 and July 2008
169	201	18,9	32

Table 17 – Percentage change between the first seven months of 2008 and the first seven months of 2007 regarding the number of insolvencies

Number of insolvencies January to July 2007	Number of insolvencies January to July 2008	% change between January to July 2007 and January to July 2008	Difference between January to July 2007 and January to July 2008
1 071	1 501	40,1	430

Explanatory notes

Introduction	1	Statistics South Africa (Stats SA) collects administrative information on liquidations from the Registrar of Companies and Close Corporations, Department of Trade and Industry, while information on insolvencies is gathered from Notices of the Master of the Supreme Court which appears in the Government Gazette.
	2	This statistical release reflects voluntary and compulsory liquidations of companies and close corporations and insolvencies of individuals and partnerships.
Purpose of the survey	3	The aggregated data in this release are used by the private and public sectors to measure economic performance and are also an important indicator of the scope of unpaid debt in South Africa.
	4	Due to insolvencies figures being available late, the data on insolvencies are published a month later than liquidations.
Scope of the survey	5	This survey covers <ul style="list-style-type: none"> • The total number of companies and close corporations which were liquidated. • The total number of individuals and partnerships placed under final sequestration.
	6	Users may also wish to refer to the following publications which are available from Stats SA - <ul style="list-style-type: none"> • Bulletin of Statistics. • SA Statistics.
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Unpublished statistics	7	In some cases Stats SA can also make available statistics 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.
Symbols and abbreviations	8	CD - Compact Disc Stats SA - Statistics South Africa

Glossary

Compulsory liquidation	A compulsory liquidation takes place when the affairs of a company or close corporation are wind-up by order of the court.
Insolvency	Insolvency refers to an individual or partnership which is unable to pay its debt and is placed under final sequestration. The number of insolvencies does not refer to the number of persons involved, as a partnership which is unable to pay its debt is regarded as one insolvency, irrespective of the number of partners.
Liquidation	Liquidation refers to the winding-up of the affairs of a company or close corporation when liabilities exceed assets and it can be resolved by voluntary action or by an order of the court.
Voluntary liquidation	A voluntary liquidation takes place when a company or close corporation, by own choice, resolves to wind-up its affairs.

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