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# Statistical release

## P0043

# Statistics of liquidations and insolvencies (Preliminary)

**February 2007**

**Embargoed until:  
29 March 2007  
09:30**

**Enquiries:**

User Information Services  
Tel.: (012) 310 8600 / 4892 / 8390

**Forthcoming issue:**

March 2007

**Expected release date**

26 April 2007

Statistics South Africa • Mbalo-mbalo ya Afrika Tshipembe • Tihlayo-tiko ta Afrika-Dzonga • Dipalopalo tsa Aforika Borwa • Ezezibalo zaseNingizimu Afrika  
Dipalopalo tša Afrika Borwa • Dipalopalo tsa Afrika Borwa • Ubalo lwaseMzantsi Afrika • Telubalo eNingizimu Afrika • iNanimbalo leSewula Afrika • Statistiek Suid-Afrika

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**Table A - Key figures for February 2007 regarding liquidations**

Actual estimates	Number of liquidations February 2007	% change between February 2006 and February 2007	% change between December 2005 to February 2006 and December 2006 to February 2007
	192	-9,9	9,3

**Key findings for February 2007 regarding liquidations**

**Total number of liquidations increases**

The total number of liquidations recorded for the three months ended February 2007 increased by 9,3% (from 580 to 634) compared with the three months ended February 2006. However, the total number of liquidations recorded for February 2007 decreased by 9,9% (from 213 to 192) compared with February 2006 (see Table A).

The increase of 9,3% in the total number of liquidations for the three months ended February 2007 compared with the three months ended February 2006 was due to increases of 14,3% (from 70 to 80) in compulsory liquidations and 8,6% (from 510 to 554) in voluntary liquidations.

The decrease of 9,9% in the total number of liquidations for February 2007 compared with February 2006 was due to a decrease of 10,6% (from 198 to 177) in voluntary liquidations (see Table 6).

**Figure 1 – Percentage change for the three months (December – February) of the number of liquidations compared to the same period from the previous year from 2000 to 2007**

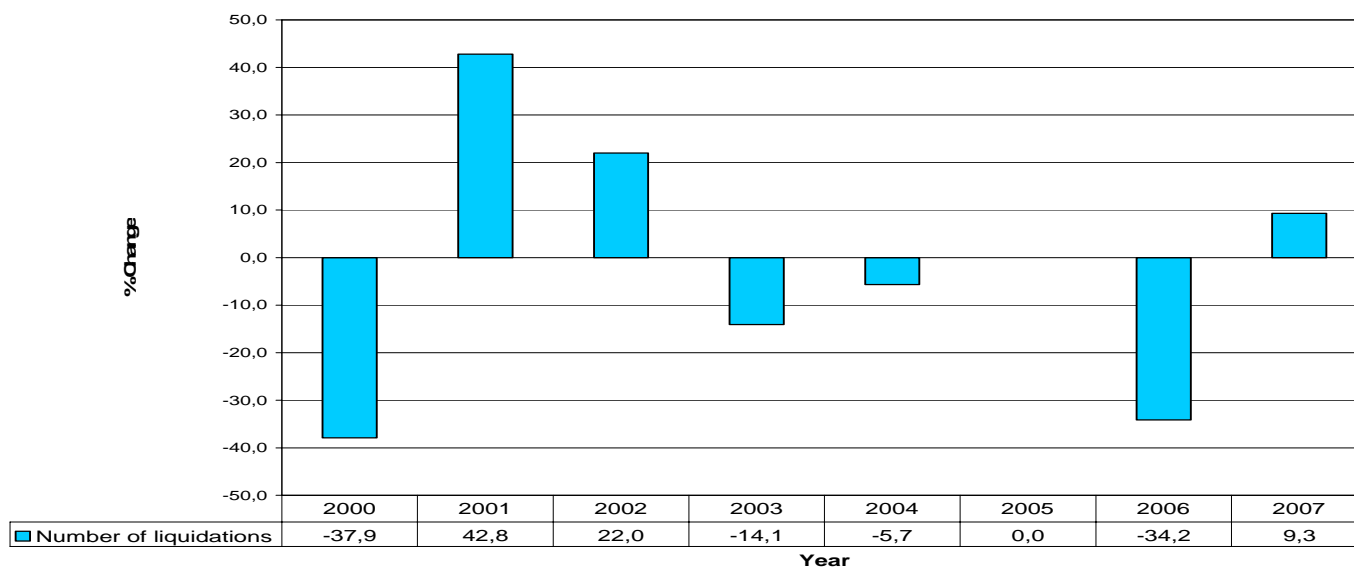


Figure 1 above shows the percentage change in the number of liquidations for the months December to February and covers the period 2000 to 2007. The increase of 9,3% for the three months ended February 2007 compared to the three months ended February 2006 is not just the highest but also the first increase since 2002 for any three months ended February compared with the same period of the previous year.

**Table B - Key figures regarding insolvencies for January 2007**

Actual estimates	Number of insolvencies January 2007	% change between January 2006 and January 2007	% change between November 2005 to January 2006 and November 2006 to January 2007
	86	8,9	-15,1

**Key findings for February 2007 regarding insolvencies**

**Total number of insolvencies decreases**

The total number of insolvencies recorded for the three months ended January 2007 decreased by 15,1 % (from 364 to 309) compared with the three months ended January 2006. However, the total number of insolvencies recorded for January 2007 increased by 8,9% (from 79 to 86) compared with January 2006 (see Table B).

**Figure 2 – Percentage change for the three months (November – January) of the number of insolvencies compared to the same period from the previous year from 2000 to 2007**

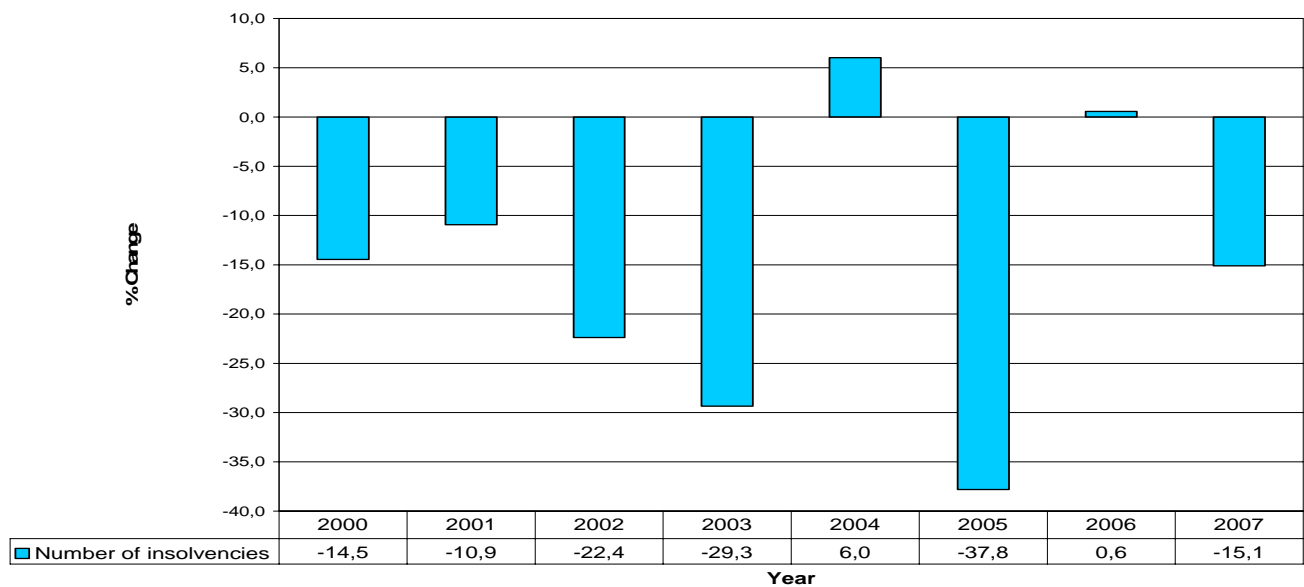


Figure 2 above shows the percentage change in the number of insolvencies for the months November to January and covers the period 2000 to 2007. The growth in the number of insolvencies decreased by 15,1% for the three months ended January 2007 compared with the three months ended January 2006. During 2004 and 2006 the quarterly (ending January) growth rates were positive.

Figures 3 and 4 below outline the total number of liquidations and insolvencies from 2002 to 2007. Figure 3 shows that the trend for the total number of liquidations increased from the beginning of 2003 until August of the same year. It then followed a downward trend that bottomed in September 2004, and from October 2004 the trend increased again until April 2005. After April 2005 the trend decreased until January 2006, and from February 2006 the trend increased until September 2006. From October 2006 it has been levelling off.

**Figure 3 – Total number of liquidations**

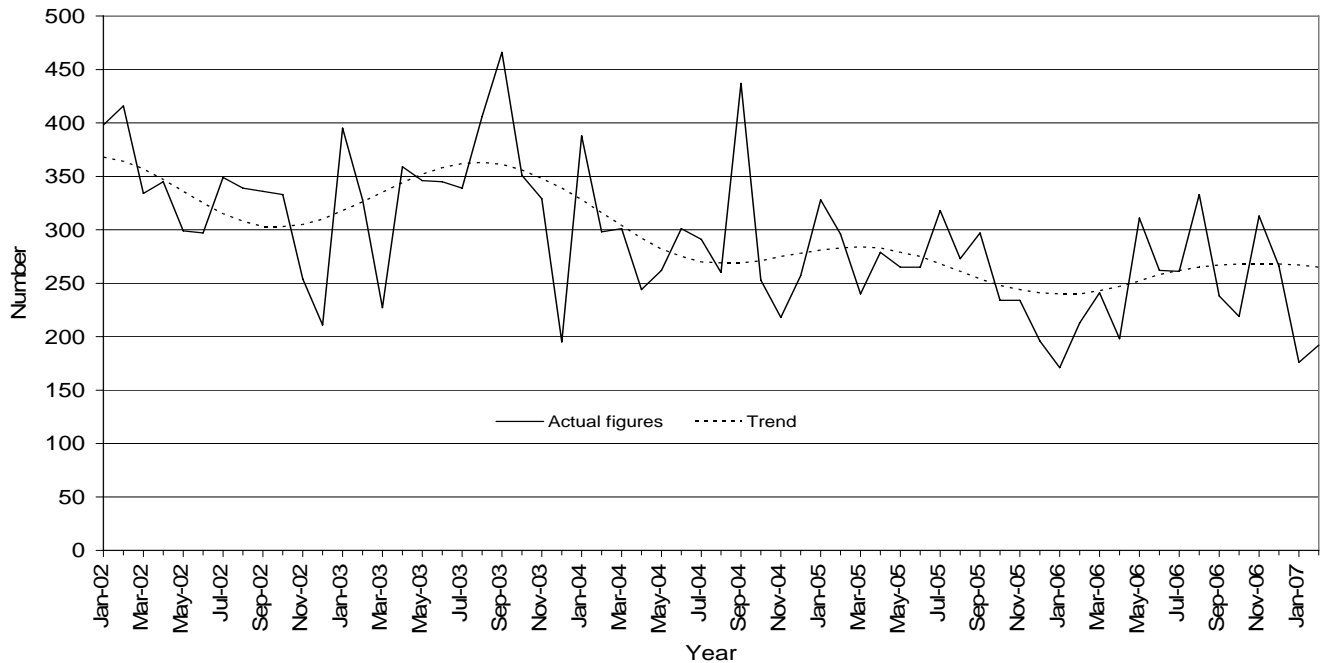
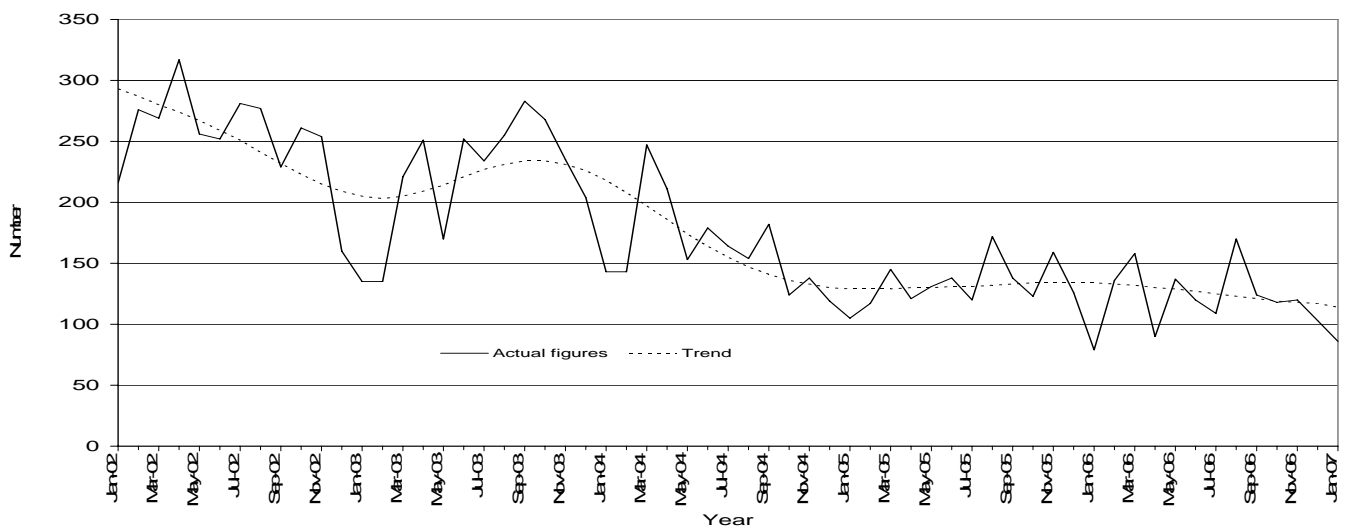


Figure 4 shows that the trend for the total number of insolvencies decreased between the beginning of 2002 and February 2003, and then increased until reaching a peak in October 2003. From November 2003 the trend decreased until November 2004 whereas from then on it stabilized throughout to January 2006. Since February 2006 the trend has declined.

**Figure 4 - Total number of insolvencies**



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**Table 1 – Total number of liquidations according to industry**

Industry	Year-to-date 2007			February 2006			January 2007			February 2007		
	Compul-sory	Volun-tary	Total	Compul-sory	Volun-tary	Total	Compul-sory	Volun-tary	Total	Compul-sory	Volun-tary	Total
Agriculture, hunting, forestry and fishing	1	5	6	1	2	3	0	1	1	1	4	5
Mining and quarrying	0	0	0	0	2	2	0	0	0	0	0	0
Manufacturing	2	20	22	1	11	12	1	4	5	1	16	17
Electricity, gas and water	0	1	1	1	2	3	0	0	0	0	1	1
Construction	1	23	24	3	9	12	1	14	15	0	9	9
Wholesale and retail trade, catering and accommodation	9	97	106	5	68	73	5	56	61	4	41	45
Transport, storage and communication	3	4	7	0	15	15	2	0	2	1	4	5
Financing, insurance, real estate and business services	9	149	158	3	65	68	2	65	67	7	84	91
Community, social and personal services	2	42	44	1	24	25	1	24	25	1	18	19
Total number of liquidations	27	341	368	15	198	213	12	164	176	15	177	192

**Table 2 – Number of liquidations of companies according to industry**

Industry	Year-to-date 2007			February 2006			January 2007			February 2007		
	Compul-sory	Volun-tary	Total	Compul-sory	Volun-tary	Total	Compul-sory	Volun-tary	Total	Compul-sory	Volun-tary	Total
Agriculture, hunting, forestry and fishing	0	2	2	0	1	1	0	0	0	0	2	2
Mining and quarrying	0	0	0	0	2	2	0	0	0	0	0	0
Manufacturing	1	4	5	0	4	4	0	1	1	1	3	4
Electricity, gas and water	0	0	0	0	2	2	0	0	0	0	0	0
Construction	0	10	10	0	1	1	0	8	8	0	2	2
Wholesale and retail trade, catering and accommodation	2	45	47	1	27	28	1	25	26	1	20	21
Transport, storage and communication	2	0	2	0	7	7	2	0	2	0	0	0
Financing, insurance, real estate and business services	1	91	92	2	38	40	0	41	41	1	50	51
Community, social and personal services	2	35	37	1	21	22	1	20	21	1	15	16
Total number of liquidations	8	187	195	4	103	107	4	95	99	4	92	96

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

Industry	Year-to-date 2007			February 2006			January 2007			February 2007		
	Compul-sory	Volun-tary	Total	Compul-sory	Volun-tary	Total	Compul-sory	Volun-tary	Total	Compul-sory	Volun-tary	Total
Agriculture, hunting, forestry and fishing	1	3	4	1	1	2	0	1	1	1	2	3
Mining and quarrying	0	0	0	0	0	0	0	0	0	0	0	0
Manufacturing	1	16	17	1	7	8	1	3	4	0	13	13
Electricity, gas and water	0	1	1	1		1	0	0	0	0	1	1
Construction	1	13	14	3	8	11	1	6	7	0	7	7
Wholesale and retail trade, catering and accommodation	7	52	59	4	41	45	4	31	35	3	21	24
Transport, storage and communication	1	4	5	0	8	8	0	0	0	1	4	5
Financing, insurance, real estate and business services	8	58	66	1	27	28	2	24	26	6	34	40
Community, social and personal services	0	7	7	0	3	3	0	4	4	0	3	3
Total number of liquidations	19	154	173	11	95	106	8	69	77	11	85	96

**Table 4 - Total number of liquidations: 2001 to 2007**

Month	2001	2002	2003	2004	2005	2006	2007
January	298	398	395	388	328	171	176
February	382	416	328	298	296	213	192
March	317	334	227	301	240	241	
April	357	345	359	244	279	198	
May	331	299	346	262	265	311	
June	294	297	345	301	265	262	
July	307	349	339	291	318	261	
August	504	339	406	260	273	333	
September	337	336	466	437	297	238	
October	410	333	351	253	234	219	
November	346	254	329	218	234	313	
December	273	211	195	257	196	266	
<b>Year</b>	<b>4 156</b>	<b>3 911</b>	<b>4 086</b>	<b>3 510</b>	<b>3 225</b>	<b>3 026</b>	<b>368</b>

**Table 5 - Total number of compulsory liquidations: 2001 to 2007**

Month	2001	2002	2003	2004	2005	2006	2007
January	71	78	76	42	30	37	12
February	114	87	65	38	70	15	15
March	68	68	46	57	35	31	
April	125	87	63	32	18	9	
May	81	60	52	37	61	20	
June	88	69	74	63	25	50	
July	81	69	85	68	84	16	
August	256	74	120	39	69	46	
September	118	70	109	83	27	22	
October	137	54	70	43	40	20	
November	74	64	60	23	47	56	
December	71	45	37	39	18	53	
<b>Year</b>	<b>1 284</b>	<b>825</b>	<b>857</b>	<b>564</b>	<b>524</b>	<b>375</b>	<b>27</b>

**Table 6 - Total number of voluntary liquidations: 2001 to 2007**

Month	2001	2002	2003	2004	2005	2006	2007
January	227	320	319	346	298	134	164
February	268	329	263	260	226	198	177
March	249	266	181	244	205	210	
April	232	258	296	212	261	189	
May	250	239	294	225	204	291	
June	206	228	271	238	240	212	
July	226	280	254	223	234	245	
August	248	265	286	221	204	287	
September	219	266	357	354	270	216	
October	273	279	281	210	194	199	
November	272	190	269	195	187	257	
December	202	166	158	218	178	213	
<b>Year</b>	<b>2 872</b>	<b>3 086</b>	<b>3 229</b>	<b>2 946</b>	<b>2 701</b>	<b>2 651</b>	<b>341</b>

**Table 7 – Number of liquidations of companies: 2001 to 2007**

<b>Month</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
January	107	130	200	191	130	85	99
February	119	212	188	132	154	107	96
March	132	183	127	148	123	127	
April	129	161	151	119	176	100	
May	156	117	162	128	122	131	
June	129	145	178	136	132	140	
July	144	183	141	132	177	145	
August	149	173	202	114	124	143	
September	136	164	260	141	143	122	
October	166	118	235	126	115	132	
November	181	106	136	90	95	183	
December	123	166	130	75	113	167	
<b>Year</b>	<b>1 671</b>	<b>1 858</b>	<b>2 110</b>	<b>1 532</b>	<b>1 604</b>	<b>1 582</b>	<b>195</b>

**Table 8 – Number of compulsory liquidations of companies: 2001 to 2007**

<b>Month</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
January	34	19	37	16	6	18	4
February	17	46	28	15	43	4	4
March	28	32	17	32	23	23	
April	27	53	17	6	13	5	
May	41	12	28	20	30	5	
June	53	29	31	16	7	35	
July	41	33	29	31	62	6	
August	38	17	69	11	21	11	
September	54	22	60	33	17	18	
October	51	22	42	22	22	13	
November	35	25	38	12	18	43	
December	24	29	27	9	13	37	
<b>Year</b>	<b>443</b>	<b>339</b>	<b>423</b>	<b>223</b>	<b>275</b>	<b>218</b>	<b>8</b>

**Table 9 - Number of voluntary liquidations of companies: 2001 to 2007**

<b>Month</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
January	73	111	163	175	124	67	95
February	102	166	160	117	111	103	92
March	104	151	110	116	100	104	
April	102	108	134	113	163	95	
May	115	105	134	108	92	126	
June	76	116	147	120	125	105	
July	103	150	112	101	115	139	
August	111	156	133	103	103	132	
September	82	142	200	108	126	104	
October	115	96	193	104	93	119	
November	146	81	98	78	77	140	
December	99	137	103	66	100	130	
<b>Year</b>	<b>1 228</b>	<b>1 519</b>	<b>1 687</b>	<b>1 309</b>	<b>1 329</b>	<b>1 364</b>	<b>187</b>



**Table 10 - Number of liquidations of close corporations: 2001 to 2007**

Month	2001	2002	2003	2004	2005	2006	2007
January	191	268	195	197	198	86	77
February	263	204	140	166	142	106	96
March	185	151	100	153	117	114	
April	228	184	208	125	103	98	
May	175	182	184	134	143	180	
June	165	152	167	165	133	122	
July	163	166	198	159	141	116	
August	355	166	204	146	149	190	
September	201	172	206	296	154	116	
October	244	215	116	127	119	87	
November	165	148	193	128	139	130	
December	150	45	65	182	83	99	
<b>Year</b>	<b>2 485</b>	<b>2 053</b>	<b>1 976</b>	<b>1 978</b>	<b>1 621</b>	<b>1 444</b>	<b>173</b>

**Table 11 - Number of compulsory liquidations of close corporations: 2001 to 2007**

Month	2001	2002	2003	2004	2005	2006	2007
January	37	59	39	26	24	19	8
February	97	41	37	23	27	11	11
March	40	36	29	25	12	8	
April	98	34	46	26	5	4	
May	40	48	24	17	31	15	
June	35	40	43	47	18	15	
July	40	36	56	37	22	10	
August	218	57	51	28	48	35	
September	64	48	49	50	10	4	
October	86	32	28	21	18	7	
November	39	39	22	11	29	13	
December	47	16	10	30	5	16	
<b>Year</b>	<b>841</b>	<b>486</b>	<b>434</b>	<b>341</b>	<b>249</b>	<b>157</b>	<b>19</b>

**Table 12 – Number of voluntary liquidations of close corporations: 2001 to 2007**

Month	2001	2002	2003	2004	2005	2006	2007
January	154	209	156	171	174	67	69
February	166	163	103	143	115	95	85
March	145	115	71	128	105	106	
April	130	150	162	99	98	94	
May	135	134	160	117	112	165	
June	130	112	124	118	115	107	
July	123	130	142	122	119	106	
August	137	109	153	118	101	155	
September	137	124	157	246	144	112	
October	158	183	88	106	101	80	
November	126	109	171	117	110	117	
December	103	29	55	152	78	83	
<b>Year</b>	<b>1 644</b>	<b>1 567</b>	<b>1 542</b>	<b>1 637</b>	<b>1 372</b>	<b>1 287</b>	<b>154</b>

**Table 13 - Total number of insolvencies: 2001 to 2007**

<b>Month</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004*</b>	<b>2005*</b>	<b>1/ 2006</b>	<b>1/ 2007</b>
January	254	216	135	143	105	79	86
February	308	276	135	143	117	136	
March	356	269	221	247	145	158	
April	319	317	251	211	121	90	
May	394	256	170	153	131	137	
June	325	252	252	179	138	120	
July	403	281	234	164	120	109	
August	374	277	255	154	172	170	
September	308	229	283	182	138	124	
October	334	261	268	124	123	118	
November	323	254	235	138	159	120	
December	238	160	204	119	126	103	
<b>Year</b>	<b>3 936</b>	<b>3 048</b>	<b>2 643</b>	<b>1 957</b>	<b>1 595</b>	<b>1 464</b>	<b>86</b>

1/ Preliminary.

\*Revised.

**Table 14 – Percentage change between February 2007 and the corresponding month of the previous year regarding the number of liquidations**

Actual estimates	Number of liquidations February 2006	Number of liquidations February 2007	% change between February 2006 and February 2007	Difference between February 2006 and February 2007
	213	192	-9,9	-21

**Table 15 – Percentage change between the quarter ended February 2007 and the corresponding quarter of the previous year**

Actual estimates	Number of liquidations December 2005 to February 2006	Number of liquidations December 2006 to February 2007	% change between December 2005 to February 2006 and December 2006 to February 2007	Difference between December 2005 to February 2006 and December 2006 to February 2007
	580	634	9,3	54

**Table 16 – Percentage change between January 2007 and the corresponding month of the previous year regarding the number of insolvencies**

Actual estimates	Number of insolvencies January 2006	Number of insolvencies January 2007	% change between January 2006 and January 2007	Difference between January 2006 and January 2007
	79	86	8,9	7

**Table 17 - Percentage change between the quarter ended January 2007 and the corresponding quarter of the previous year**

Actual estimates	Number of insolvencies November 2005 to January 2006	Number of insolvencies November 2006 to January 2007	% change between November 2005 to January 2006 and November 2006 to January 2007	Difference between November 2005 to January 2006 and November 2006 to January 2007
	364	309	-15,1	-55

## Explanatory notes

<b>Introduction</b>	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.				
<b>Scope of the survey</b>	3	<p>This survey covers -</p> <ul style="list-style-type: none"> <li>• the total number of companies and close corporations which were liquidated; and</li> <li>• the total number of individuals and partnerships placed under final sequestration.</li> </ul>				
<b>Purpose of the survey</b>		Information on liquidations is obtained from the Registrar of Companies and Close Corporations, Department of Trade and Industry, while information on insolvencies is based on Notices of the Master of the Supreme Court, which appear in the Government Gazette. 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. Due to insolvencies figures being available late, the data on insolvencies are published a month later than liquidations.				
<b>Related publications</b>	4	<p>Users may also wish to refer to the following publications which are available from Stats SA -</p> <ul style="list-style-type: none"> <li>• <i>Bulletin of Statistics.</i></li> <li>• <i>SA Statistics.</i></li> </ul>				
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## **Glossary**

<b>Compulsory liquidation</b>	A compulsory liquidation takes place when the affairs of a company or close corporation are wound up by order of the court.
<b>Insolvency</b>	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.
<b>Liquidation</b>	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.
<b>Voluntary liquidation</b>	A voluntary liquidation takes place when a company or close corporation, by own choice, resolves to wind-up its affairs.

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