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# Statistical release

## P0043

# Statistics of liquidations and insolvencies (Preliminary)

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

Actual estimates	Number of liquidations January 2007	% change between January 2006 and January 2007	% change between November 2005 to January 2006 and November 2006 to January 2007
	176	2,9	25,6

**Key findings for January 2007 regarding liquidations**

**Total number of liquidations increases**

The total number of liquidations recorded for the quarter ended January 2007 increased by 25,6% (from 601 to 755) compared with the same quarter a year ago. The total number of liquidations recorded for January 2007 increased by 2,9% (from 171 to 176) compared with January 2006 (see Table A).

The increase of 25,6% in the total number of liquidations for the quarter ended January 2007 compared with the same quarter a year ago was due to increases of 27,1% (from 499 to 634) in voluntary liquidations and 18,6% (from 102 to 121) in compulsory liquidations.

The increase of 2,9% in the total number of liquidations for January 2007 compared with January 2006 was due to an increase of 22,4% (from 134 to 164) in voluntary liquidations (see Table 6).

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

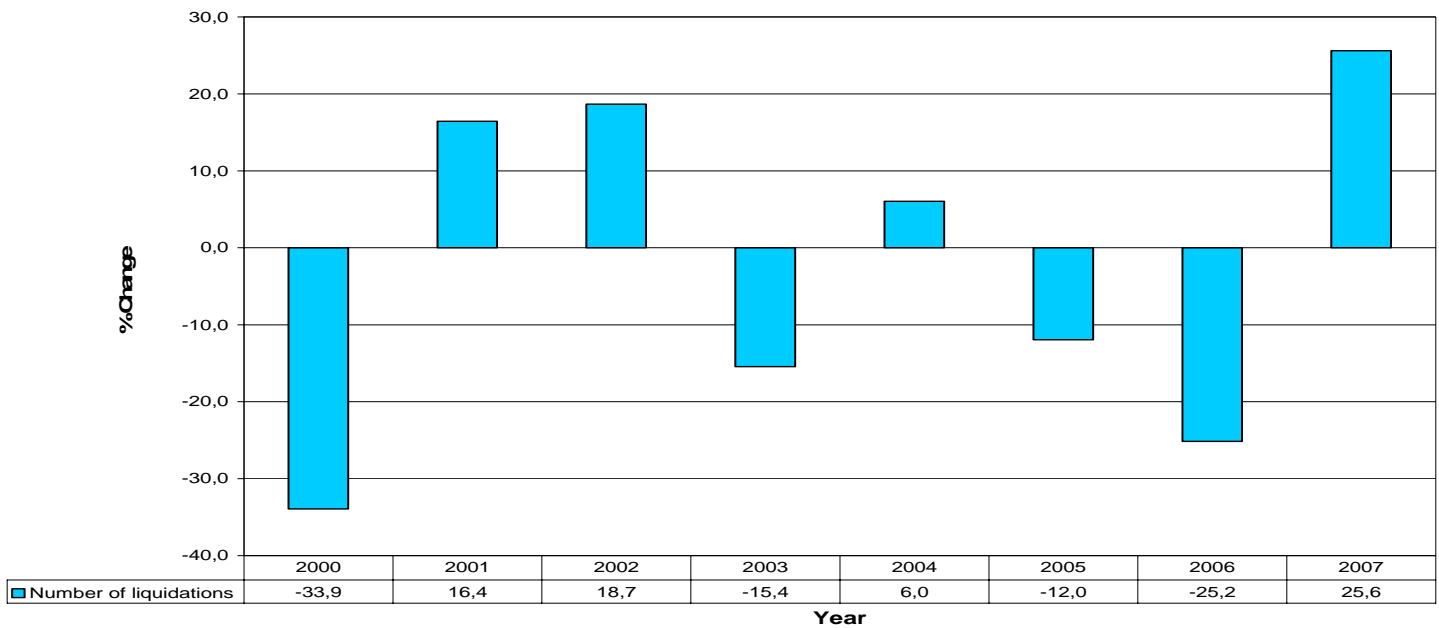


Figure 1 above shows the percentage change in the number of liquidations for the months November to January and covers the period 2000 to 2007. The increase of 25,6% for the three months ended January 2007 compared to the three months ended January 2006 is the highest increase since 2000 for any three months ended January compared with the same period.

**Table B - Key figures regarding insolvencies for December 2006**

Actual estimates	Number of insolvencies December 2006	% change between December 2005 and December 2006	% change between October 2005 to December 2006 and October 2006 to December 2007	% change between January 2005 to December 2005 and January 2006 to December 2006
	103	-17,6	-26,2	-12,7

**Key findings for December 2006 regarding insolvencies**

**Total number of insolvencies decreases**

The total number of insolvencies recorded for the year 2006 decreased by 12,7 % (from 1 589 to 1 387) compared with 2005. The total number of insolvencies recorded for the fourth quarter of 2006 decreased by 26,2% (from 405 to 299) compared with the fourth quarter of 2005. The number of liquidations recorded for December 2006 decreased by 17,6% compared with December 2005 (see Table B).

**Figure 2 – Percentage change for the three months (October – December) of the number of insolvencies compared to the same period from the previous year from 2000 to 2006**

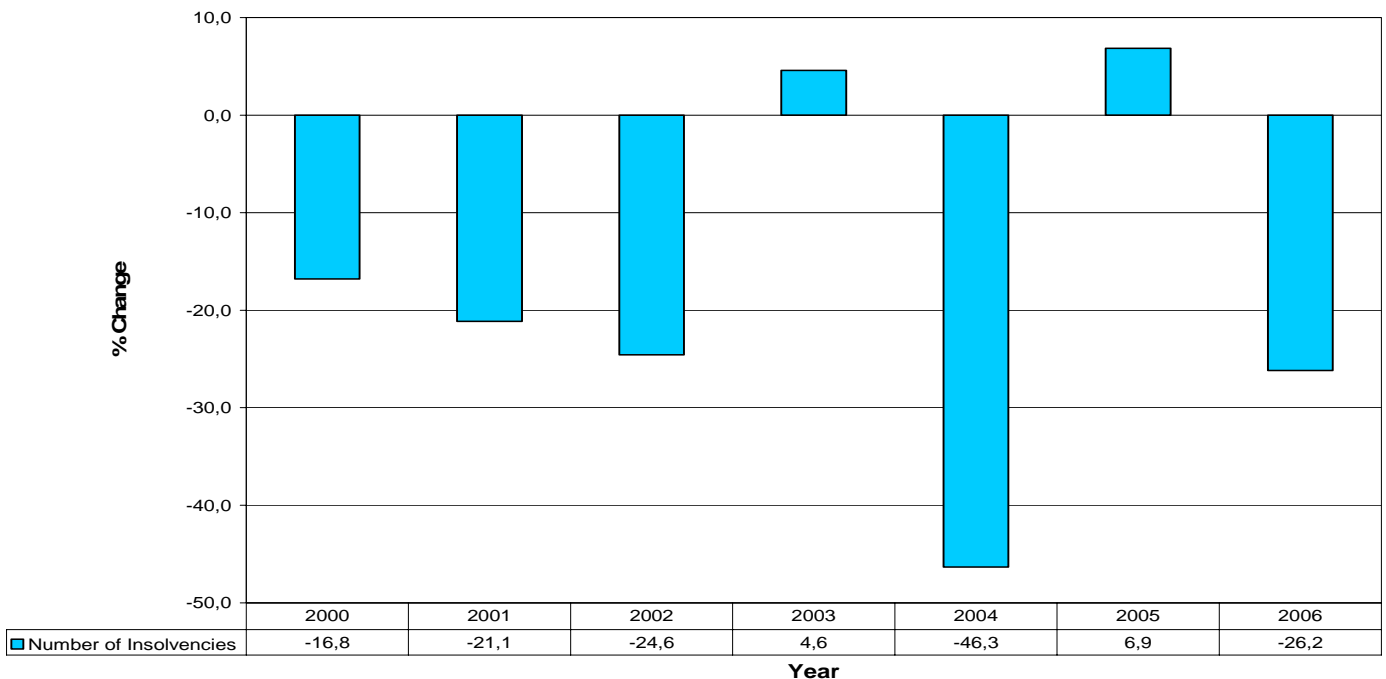


Figure 2 above shows the percentage change in the number of insolvencies for the months October to December and covers the period 2000 to 2007. The growth in the number of insolvencies decreased by 26,2% for the fourth quarter of 2006 compared with the fourth quarter of 2005. This indicates that there were less people in 2006 that were declared insolvent as compared to 2005.

Figures 3 and 4 below outline the total number of liquidations and insolvencies from 2002 to 2007. Figure 3 shows that the trend estimates for the total number of liquidations has been decreasing from the beginning of 2002 until October of the same year. It then followed an upward trend that peaked in August 2003, but started to decrease thereafter until September 2004 and moved upwards to April 2005. There was a decline from May 2005 until February 2006 and since March 2006 the trend started to increase until present.

**Figure 3 – Total number of liquidations**

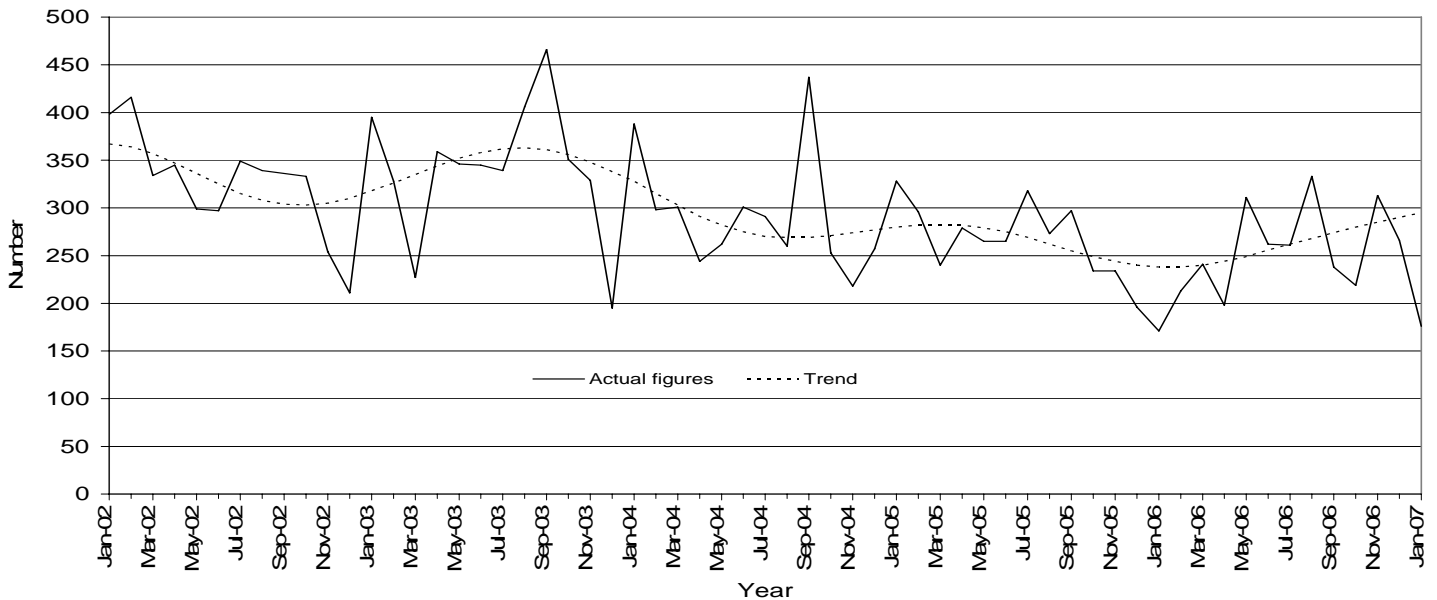
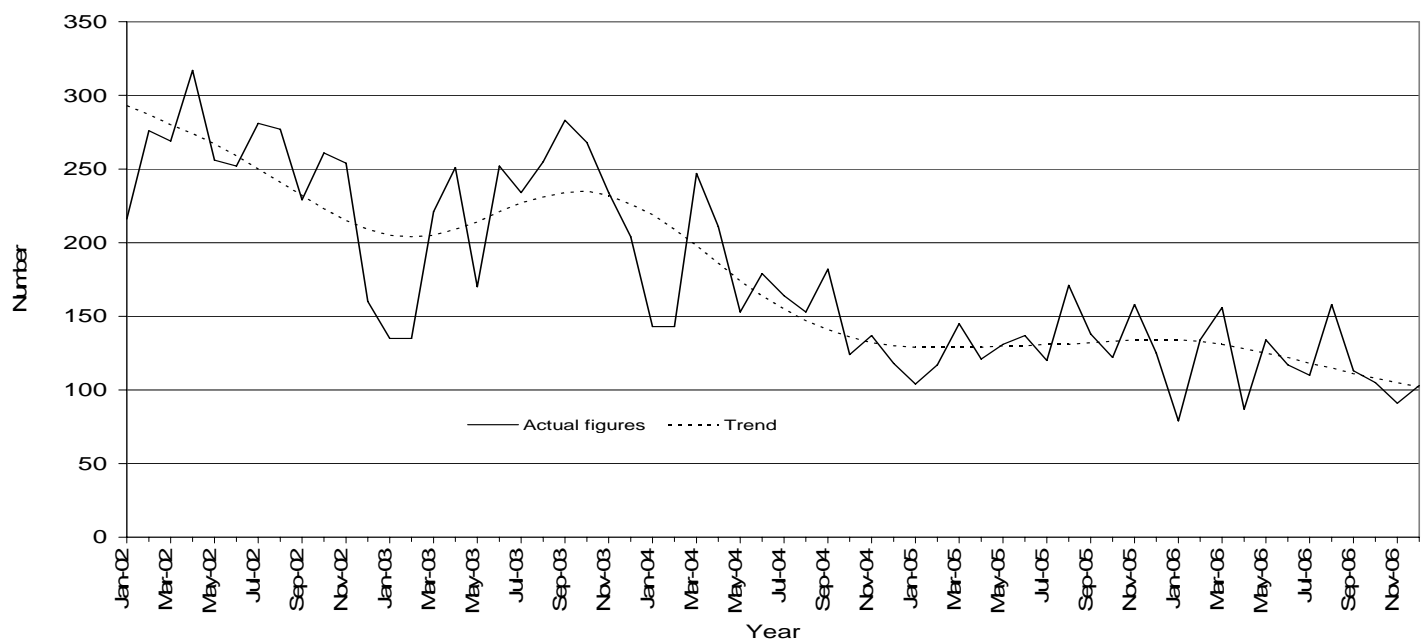


Figure 4 shows that the trend estimates for the total number of insolvencies from the beginning of 2002 shows a decreasing trend until February 2003 then started an upward trend with a peak in October 2003. From November 2003 the trend decreased until November 2004 and from then on stabilized throughout to January 2006. Since February 2006 the trend has been showing a continual decline until now.

**Figure 4 - Total number of insolvencies**



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

Industry	Total 2007			January 2006			December 2006			January 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	1	1	0	2	2	1	0	1	0	1	1
Mining and quarrying	0	0	0	0	0	0	0	0	0	0	0	0
Manufacturing	1	4	5	7	8	15	12	11	23	1	4	5
Electricity, gas and water	0	0	0	0	0	0	0	2	2	0	0	0
Construction	1	14	15	2	9	11	2	14	16	1	14	15
Wholesale and retail trade, catering and accommodation	5	56	61	13	34	47	16	45	61	5	56	61
Transport, storage and communication	2	0	2	1	6	7	2	13	15	2	0	2
Financing, insurance, real estate and business services	2	65	67	7	61	68	18	82	100	2	65	67
Community, social and personal services	1	24	25	7	14	21	2	46	48	1	24	25
Total number of liquidations	12	164	176	37	134	171	53	213	266	12	164	176

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

Industry	Total 2007			January 2006			December 2006			January 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	0	0	0	0	0	0	0	0	0	0	0
Mining and quarrying	0	0	0	0	0	0	0	0	0	0	0	0
Manufacturing	0	1	1	4	3	7	12	7	19	0	1	1
Electricity, gas and water	0	0	0	0	0	0	0	0	0	0	0	0
Construction	0	8	8	0	4	4	1	3	4	0	8	8
Wholesale and retail trade, catering and accommodation	1	25	26	3	19	22	10	25	35	1	25	26
Transport, storage and communication	2	0	2	1	1	2	1	11	12	2	0	2
Financing, insurance, real estate and business services	0	41	41	3	26	29	11	42	53	0	41	41
Community, social and personal services	1	20	21	7	14	21	2	42	44	1	20	21
Total number of liquidations	4	95	99	18	67	85	37	130	167	4	95	99

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

Industry	Total 2007			January 2006			December 2006			January 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	1	1	0	2	2	1	0	1	0	1	1
Mining and quarrying	0	0	0	0	0	0	0	0	0	0	0	0
Manufacturing	1	3	4	3	5	8	0	4	4	1	3	4
Electricity, gas and water	0	0	0	0	0	0	0	2	2	0	0	0
Construction	1	6	7	2	5	7	1	11	12	1	6	7
Wholesale and retail trade, catering and accommodation	4	31	35	10	15	25	6	20	26	4	31	35
Transport, storage and communication	0	0	0	0	5	5	1	2	3	0	0	0
Financing, insurance, real estate and business services	2	24	26	4	35	39	7	40	47	2	24	26
Community, social and personal services	0	4	4	0	0	0	0	4	4	0	4	4
Total number of liquidations	8	69	77	19	67	86	16	83	99	8	69	77

**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	
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>176</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	
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>12</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	
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>164</b>

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

Month	2001	2002	2003	2004	2005	2006	2007
January	107	130	200	191	130	85	99
February	119	212	188	132	154	107	
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>99</b>

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

Month	2001	2002	2003	2004	2005	2006	2007
January	34	19	37	16	6	18	4
February	17	46	28	15	43	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>4</b>

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

Month	2001	2002	2003	2004	2005	2006	2007
January	73	111	163	175	124	67	95
February	102	166	160	117	111	103	
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>95</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	
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>77</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	
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>8</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	
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>69</b>

**Table 13 - Total number of insolvencies: 2000 to 2006**

<b>Month</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>1/ 2006</b>
January	285	254	216	135	143	104	79
February	445	308	276	135	143	*117	134
March	399	356	269	221	247	145	156
April	404	319	317	251	211	121	87
May	413	394	256	170	*153	131	134
June	413	325	252	252	179	137	117
July	384	403	281	234	164	120	110
August	499	374	277	255	153	*171	158
September	317	308	229	283	182	138	113
October	388	334	261	268	124	122	105
November	420	323	254	*235	137	158	91
December	327	238	160	204	118	125	103
<b>Year</b>	<b>4 694</b>	<b>3 936</b>	<b>3 048</b>	<b>2 643</b>	<b>1 954</b>	<b>1 589</b>	<b>1 387</b>

1/ Preliminary.

\*Revised.

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

<b>Actual estimates</b>	<b>Number of liquidations January 2006</b>	<b>Number of liquidations January 2007</b>	<b>% change between January 2006 and January 2007</b>	<b>Difference between January 2006 and January 2007</b>
	171	176	2,9	5

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

<b>Actual estimates</b>	<b>Number of liquidations November 2005 to January 2006</b>	<b>Number of liquidations November 2006 to January 2007</b>	<b>% change between November 2005 to January 2006 and November 2006 to January 2007</b>	<b>Difference between November 2005 to January 2006 and November 2006 to January 2007</b>
	601	755	25,6	154

**Table 16 – Percentage change between December 2006 and the corresponding month of the previous year regarding the number of insolvencies**

<b>Actual estimates</b>	<b>Number of insolvencies December 2005</b>	<b>Number of insolvencies December 2006</b>	<b>% change between December 2005 and December 2006</b>	<b>Difference between December 2005 and December 2006</b>
	125	103	-17,6	-22

**Table 17 - Percentage change between the year 2005 and 2006 regarding the number of insolvencies**

<b>Actual estimates</b>	<b>Number of insolvencies January 2005 to December 2005</b>	<b>Number of insolvencies January 2006 to December 2006</b>	<b>% change between January 2005 to December 2005 and January 2006 to December 2006</b>	<b>Difference between January 2005 to December 2005 and January 2006 to December 2006</b>
	1 589	1 387	-12,7	-202

**Table 18 - Percentage change between the fourth quarter of 2006 and the fourth quarter of 2005**

<b>Actual estimates</b>	<b>Number of insolvencies October 2005 to December 2005</b>	<b>Number of insolvencies October 2006 to December 2006</b>	<b>% change between October 2005 to December 2005 and October 2006 to December 2006</b>	<b>Difference between October 2005 to December 2005 and October 2006 to December 2006</b>
	405	299	-26,2	-106

## Explanatory notes

<b>Introduction</b>	1	<p>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.</p> <p>2 This statistical release reflects voluntary and compulsory liquidations of companies and close corporations and insolvencies of individuals and partnerships.</p>
<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>		<p>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.</p>
<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>
<b>Unpublished statistics</b>	5	<p>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.</p>
<b>Symbols and abbreviations</b>	6	<p>CD            Compact Disc Stats SA     Statistics South Africa</p>

## 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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