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Statistics of liquidations and insolvencies (Preliminary)

July 2020

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Liquidations: results for July 2020

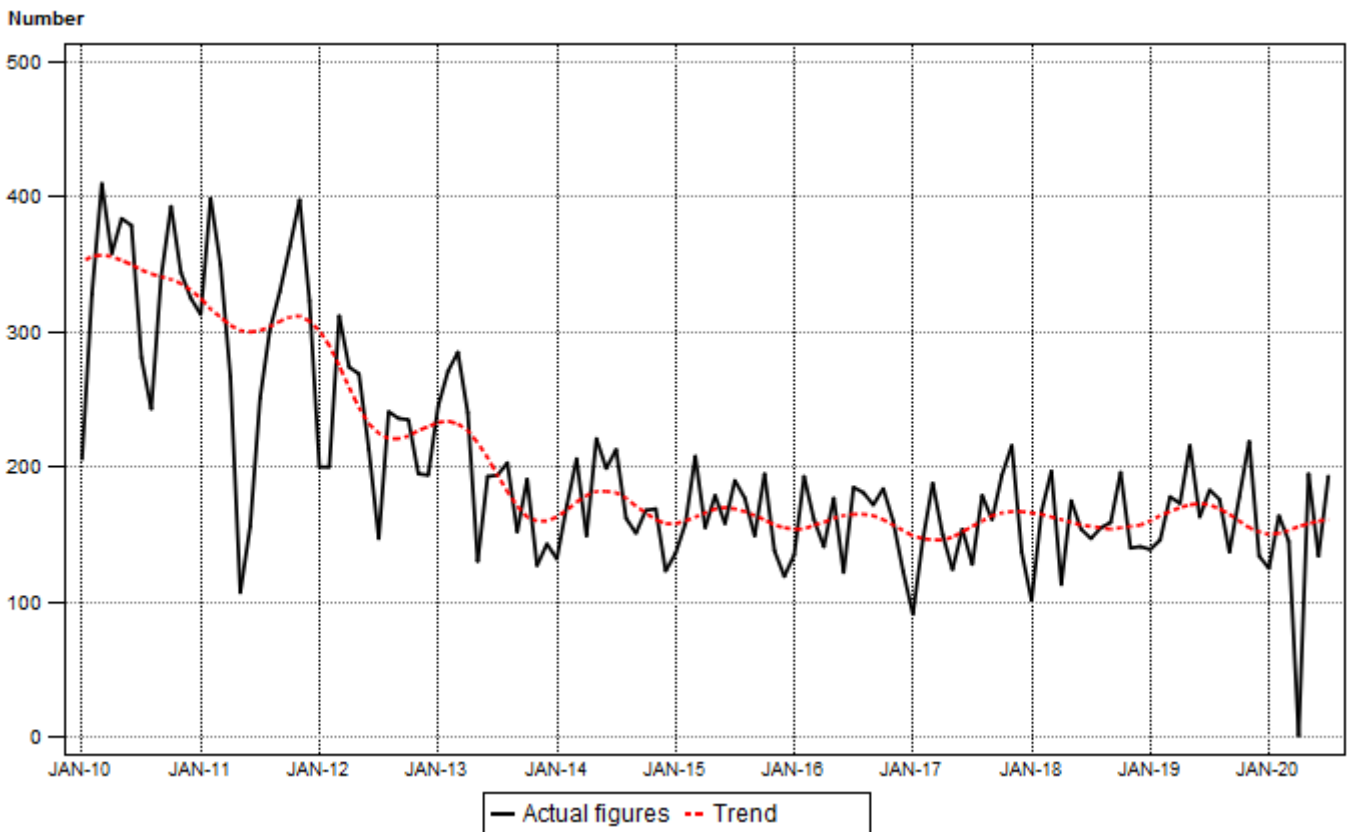
Table A – Number of liquidations

Number of liquidations July 2020	% change between July 2019 and July 2020	% change between May to July 2019 and May to July 2020	% change between January to July 2019 and January to July 2020
193	5,5	-7,1	-20,2

The total number of liquidations decreased by 7,1% in the three months ended July 2020 compared with the three months ended July 2019. A year-on-year increase of 5,5% was recorded in July 2020. Voluntary liquidations increased by 16 cases while compulsory liquidations decreased by 6 cases.

The total number of liquidations decreased by 20,2% in the first seven months of 2020 compared with the first seven months of 2019.

Figure 1 – Number of liquidations



Insolvencies: results for June 2020

Table B – Number of insolvencies

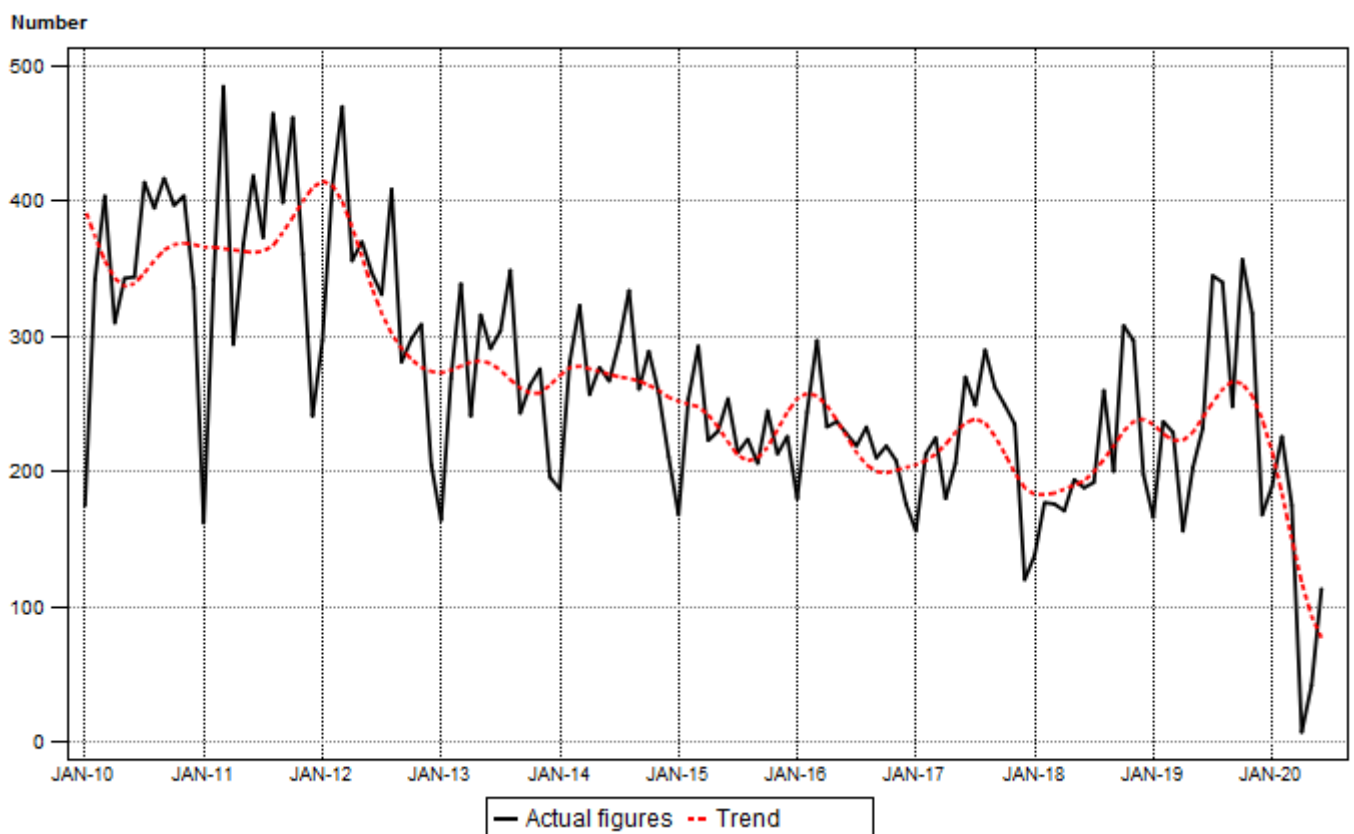
Number of insolvencies June 2020	% change between June 2019 and June 2020	% change between April to June 2019 and April to June 2020	% change between January to June 2019 and January to June 2020
113	-51,3	-72,6	-38,5

The COVID-19 pandemic and lockdown regulations since 27 March 2020 have had an extensive impact on economic activity, including the work performed by the courts. Note that information on insolvencies is gathered from Notices of the Master of the High Court that appear in the Government Gazette.

The estimated number of insolvencies decreased by 72,6% in the second quarter of 2020 compared with the second quarter of 2019. There was a year-on-year decrease of 51,3% in June 2020.

Seasonally adjusted insolvencies increased by 126,0% (from 50 to 113 cases) in June 2020 compared with May 2020. This followed month-on-month changes of 455,6% in May 2020 and -95,0% in April 2020 – see Table 6.

Figure 2 – Number of insolvencies



Risenga Maluleke
Statistician-General

Tables

Table 1 – Total liquidations according to industry (number)

Industry	January – July 2020			July 2019			June 2020			July 2020		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	2	3	5	1	1	2	0	0	0	0	0	0
2.Mining and quarrying	3	5	8	0	1	1	0	1	1	2	2	4
3.Manufacturing	5	42	47	0	7	7	0	9	9	0	7	7
4.Electricity, gas and water	0	2	2	0	0	0	0	1	1	0	0	0
5.Construction	8	42	50	0	4	4	1	3	4	0	9	9
6.Trade, catering and accommodation	24	166	190	6	36	42	4	24	28	7	32	39
7.Transport, storage, communication	2	21	23	2	3	5	0	2	2	0	3	3
8.Financing, insurance, real estate, business services	30	260	290	6	58	64	2	30	32	5	50	55
9.Community, social, personal services	1	53	54	2	8	10	0	7	7	0	12	12
10.Unclassified	18	269	287	6	42	48	5	45	50	3	61	64
Total number of liquidations	93	863	956	23	160	183	12	122	134	17	176	193

Table 1.1 – Liquidations of companies according to industry (number)

Industry	January – July 2020			July 2019			June 2020			July 2020		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	0	0	0	1	0	1	0	0	0	0	0	0
2.Mining and quarrying	3	5	8	0	0	0	0	1	1	2	2	4
3.Manufacturing	1	18	19	0	3	3	0	2	2	0	3	3
4.Electricity, gas and water	0	2	2	0	0	0	0	1	1	0	0	0
5.Construction	3	5	8	0	1	1	1	0	1	0	2	2
6.Trade, catering and accommodation	8	78	86	2	14	16	3	11	14	3	14	17
7.Transport, storage, communication	1	8	9	1	2	3	0	0	0	0	2	2
8.Financing, insurance, real estate, business services	21	124	145	6	35	41	2	11	13	5	24	29
9.Community, social, personal services	0	11	11	0	1	1	0	1	1	0	2	2
10.Unclassified	16	241	257	6	36	42	5	42	47	2	54	56
Total number of liquidations	53	492	545	16	92	108	11	69	80	12	103	115

Table 1.2 – Liquidations of close corporations according to industry (number)

Industry	January – July 2020			July 2019			June 2020			July 2020		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	2	3	5	0	1	1	0	0	0	0	0	0
2.Mining and quarrying	0	0	0	0	1	1	0	0	0	0	0	0
3.Manufacturing	4	24	28	0	4	4	0	7	7	0	4	4
4.Electricity, gas and water	0	0	0	0	0	0	0	0	0	0	0	0
5.Construction	5	37	42	0	3	3	0	3	3	0	7	7
6.Trade, catering and accommodation	16	88	104	4	22	26	1	13	14	4	18	22
7.Transport, storage, communication	1	13	14	1	1	2	0	2	2	0	1	1
8.Financing, insurance, real estate, business services	9	136	145	0	23	23	0	19	19	0	26	26
9.Community, social, personal services	1	42	43	2	7	9	0	6	6	0	10	10
10.Unclassified	2	28	30	0	6	6	0	3	3	1	7	8
Total number of liquidations	40	371	411	7	68	75	1	53	54	5	73	78

C = Compulsory

V = Voluntary

Table 2 – Total liquidations (number)

Month	2014	2015	2016	2017	2018	2019	2020
January	132	136	135	91	101	139	125
February	171	158	193	146	167	146	164
March	206	208	161	188	197	178	145
April	149	155	141	150	113	173	0
May	221	179	177	124	175	216	195
June	199	158	122	154	154	163	134
July	213	190	185	128	147	183	193
August	162	177	181	179	155	176	
September	151	149	172	161	159	137	
October	168	195	184	194	196	178	
November	169	138	160	216	140	219	
December	123	119	123	137	141	134	
Total	2 064	1 962	1 934	1 868	1 845	2 042	

Table 2.1 – Compulsory liquidations (number)

Month	2014	2015	2016	2017	2018	2019	2020
January	22	13	16	6	11	17	29
February	12	22	13	13	26	14	10
March	18	39	14	14	15	10	8
April	35	7	24	4	16	35	0
May	29	20	14	15	8	31	17
June	89	29	10	17	11	24	12
July	47	34	25	10	17	23	17
August	25	23	9	21	23	16	
September	20	15	29	45	39	11	
October	33	14	20	32	17	15	
November	23	12	14	23	9	50	
December	13	10	12	11	7	12	
Total	366	238	200	211	199	258	

Table 2.2 – Voluntary liquidations (number)

Month	2014	2015	2016	2017	2018	2019	2020
January	110	123	119	85	90	122	96
February	159	136	180	133	141	132	154
March	188	169	147	174	182	168	137
April	114	148	117	146	97	138	0
May	192	159	163	109	167	185	178
June	110	129	112	137	143	139	122
July	166	156	160	118	130	160	176
August	137	154	172	158	132	160	
September	131	134	143	116	120	126	
October	135	181	164	162	179	163	
November	146	126	146	193	131	169	
December	110	109	111	126	134	122	
Total	1 698	1 724	1 734	1 657	1 646	1 784	

Table 3 – Total liquidations of companies (number)

Month	2014	2015	2016	2017	2018	2019	2020
January	74	79	66	42	67	64	72
February	87	80	100	81	94	78	83
March	89	101	78	80	92	96	85
April	78	70	80	73	64	89	0
May	108	87	96	56	109	114	110
June	104	90	65	84	74	85	80
July	109	93	108	62	77	108	115
August	86	87	97	94	68	78	
September	75	79	85	85	65	82	
October	78	88	98	106	102	98	
November	75	59	72	107	71	119	
December	65	56	67	88	89	68	
Total	1 028	969	1 012	958	972	1 079	

Table 3.1 – Compulsory liquidations of companies (number)

Month	2014	2015	2016	2017	2018	2019	2020
January	16	9	9	3	5	8	16
February	7	16	9	12	22	7	1
March	6	18	6	6	5	5	4
April	24	5	17	3	14	16	0
May	20	16	9	5	5	19	9
June	54	22	4	11	8	13	11
July	26	21	9	4	9	16	12
August	20	12	6	14	15	5	
September	13	3	17	25	22	6	
October	22	8	13	23	11	8	
November	6	7	6	9	8	30	
December	8	3	8	8	4	2	
Total	222	140	113	123	128	135	

Table 3.2 – Voluntary liquidations of companies (number)

Month	2014	2015	2016	2017	2018	2019	2020
January	58	70	57	39	62	56	56
February	80	64	91	69	72	71	82
March	83	83	72	74	87	91	81
April	54	65	63	70	50	73	0
May	88	71	87	51	104	95	101
June	50	68	61	73	66	72	69
July	83	72	99	58	68	92	103
August	66	75	91	80	53	73	
September	62	76	68	60	43	76	
October	56	80	85	83	91	90	
November	69	52	66	98	63	89	
December	57	53	59	80	85	66	
Total	806	829	899	835	844	944	

Table 4 – Total liquidations of close corporations (number)

Month	2014	2015	2016	2017	2018	2019	2020
January	58	57	69	49	34	75	53
February	84	78	93	65	73	68	81
March	117	107	83	108	105	82	60
April	71	85	61	77	49	84	0
May	113	92	81	68	66	102	85
June	95	68	57	70	80	78	54
July	104	97	77	66	70	75	78
August	76	90	84	85	87	98	
September	76	70	87	76	94	55	
October	90	107	86	88	94	80	
November	94	79	88	109	69	100	
December	58	63	56	49	52	66	
Total	1 036	993	922	910	873	963	

Table 4.1 – Compulsory liquidations of close corporations (number)

Month	2014	2015	2016	2017	2018	2019	2020
January	6	4	7	3	6	9	13
February	5	6	4	1	4	7	9
March	12	21	8	8	10	5	4
April	11	2	7	1	2	19	0
May	9	4	5	10	3	12	8
June	35	7	6	6	3	11	1
July	21	13	16	6	8	7	5
August	5	11	3	7	8	11	
September	7	12	12	20	17	5	
October	11	6	7	9	6	7	
November	17	5	8	14	1	20	
December	5	7	4	3	3	10	
Total	144	98	87	88	71	123	

Table 4.2 – Voluntary liquidations of close corporations (number)

Month	2014	2015	2016	2017	2018	2019	2020
January	52	53	62	46	28	66	40
February	79	72	89	64	69	61	72
March	105	86	75	100	95	77	56
April	60	83	54	76	47	65	0
May	104	88	76	58	63	90	77
June	60	61	51	64	77	67	53
July	83	84	61	60	62	68	73
August	71	79	81	78	79	87	
September	69	58	75	56	77	50	
October	79	101	79	79	88	73	
November	77	74	80	95	68	80	
December	53	56	52	46	49	56	
Total	892	895	835	822	802	840	

Table 5 – Insolvencies of individuals and partnerships (number)

Month	1/ 2014	1/ 2015	1/ 2016	1/ 2017	1/ 2018	1/ 2019	1/ 2020
January	187	168	180	156	138	166	189
February	281	254	244	213	177	237	226
March	323	293	297	225	176	229	175
April	257	223	233	180	171	156	7
May	277	230	237	206	194	203	42
June	267	254	228	270	188	232	113
July	296	214	219	249	192	345	
August	334	224	233	290	260	340	
September	261	206	210	262	200	248	
October	289	245	219	249	308	357	
November	258	213	208	235	297	317	
December	211	226	176	120	198	168	
Total	3 241	2 750	2 684	2 655	2 499	2 998	

1/ Preliminary.

Table 6 – Seasonally adjusted number of insolvencies

Month	Number				Month-on-month % change			
	2017	2018	2019	2020	2017	2018	2019	2020
January	217	182	213	241	3,8	20,5	-16,5	12,1
February	213	177	236	231	-1,8	-2,7	10,8	-4,1
March	193	182	236	180	-9,4	2,8	0,0	-22,1
April	221	193	197	9	14,5	6,0	-16,5	-95,0
May	213	203	216	50	-3,6	5,2	9,6	455,6
June	255	190	244	113	19,7	-6,4	13,0	126,0
July	250	186	317		-2,0	-2,1	29,9	
August	235	205	277		-6,0	10,2	-12,6	
September	275	214	256		17,0	4,4	-7,6	
October	210	241	265		-23,6	12,6	3,5	
November	197	243	269		-6,2	0,8	1,5	
December	151	255	215		-23,4	4,9	-20,1	

Explanatory notes

- | | | |
|----------------------------------|----------|---|
| Introduction | 1 | Statistics South Africa (Stats SA) collects administrative information on liquidations from Companies and Intellectual Property Commission, Department of Trade, Industry and Competition, while information on insolvencies is gathered from Notices of the Master of the High Court that appear 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 the total number of: <ul style="list-style-type: none"> • companies and close corporations which were liquidated; and • individuals and partnerships placed under final sequestration. |
| Symbols and abbreviations | 6 | Stats SA – Statistics South Africa |
| Seasonal adjustment | 7 | Seasonally adjusted estimates are generated each month using the X-12-ARIMA Seasonal Adjustment Program developed by the US Bureau of the Census, 1968. Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences on the series can be recognised more clearly. Seasonal adjustment does not aim to remove irregular or non-seasonal influences which may be present in any particular month. |
| | 8 | Influences that are volatile or unsystematic can still make it difficult to interpret the movement of the series even after adjustment for seasonal variations. This means the month-to-month movements of seasonally adjusted estimates may not be reliable indicators of trend behaviour. The X-12-ARIMA procedure for liquidations and insolvencies is described in more detail on the Stats SA website:
click to download seasonal adjustment P0043 April 2018 <p>Note: Owing to the impact of the COVID-19 lockdown, additive outlier adjustments were performed; the methodology will be reviewed as more data points are added to the time series.</p> |
| Trend cycle | 9 | The trend is the long-term pattern or movement of a time series. The X-12- ARIMA Seasonal Adjustment Program is used for smoothing seasonally adjusted estimates to estimate the underlying trend cycle. |

Glossary

Compulsory liquidation	A compulsory liquidation takes place when the affairs of a company or close corporation are wound 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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