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# Statistical release

**P0043**

## Statistics of liquidations and insolvencies (Preliminary)

**June 2007**

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### **Enquiries**

User Information Services

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<b>Contents</b>	<b>Page</b>
<b>SUMMARY OF FINDINGS: LIQUIDATIONS AND INSOLVENCIES (JUNE 2007)</b> .....	<b>2</b>
<b>Key findings regarding liquidations for June 2007</b> .....	<b>2</b>
Total number of liquidations decreases .....	2
<b>Key figures regarding liquidations for June 2007</b> .....	<b>2</b>
Table A – Selected key figures regarding liquidations for June 2007 .....	2
Figure 1 – Percentage change for the six months ended June compared with the corresponding period of the previous year for the number of liquidations from 2001 to 2007.....	2
Figure 2 – Total number of liquidations.....	3
<b>Key findings regarding insolvencies for May 2007</b> .....	<b>3</b>
Total number of insolvencies decreases.....	3
<b>Key figures regarding insolvencies for May 2007</b> .....	<b>3</b>
Table B – Selected key figures regarding insolvencies for May 2007 .....	3
Figure 3 – Percentage change in the number of insolvencies for the first five months of the year from 2001 to 2007.....	4
Figure 4 – Total number of insolvencies .....	4
<b>Detailed results: Tables</b> .....	<b>5</b>
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: 2001 to 2007.....	6
Table 5 – Total number of compulsory liquidations: 2001 to 2007 .....	6
Table 6 – Total number of voluntary liquidations: 2001 to 2007 .....	6
Table 7 – Number of liquidations of companies: 2001 to 2007.....	7
Table 8 – Number of compulsory liquidations of companies: 2001 to 2007 .....	7
Table 9 – Number of voluntary liquidations of companies: 2001 to 2007 .....	7
Table 10 – Number of liquidations of close corporations: 2001 to 2007.....	8
Table 11 – Number of compulsory liquidations of close corporations: 2001 to 2007 .....	8
Table 12 – Number of voluntary liquidations of close corporations: 2001 to 2007 .....	8
Table 13 – Total Number of insolvencies: 2001 to 2007.....	9
Table 14 – Percentage change between June 2007 and the corresponding month of the previous year regarding the number of liquidations .....	9
Table 15 – Percentage change between the first six months of 2007 and the first six months of 2006 regarding the number of liquidations .....	9
Table 16 – Percentage change between May 2007 and the corresponding month of the previous year regarding the number of insolvencies .....	9
Table 17 – Percentage change between the first five months of 2007 and the first five months of 2006 regarding the number of insolvencies .....	9
<b>Explanatory notes</b> .....	<b>10</b>
<b>Glossary</b> .....	<b>11</b>
<b>General information</b> .....	<b>12</b>

## SUMMARY OF FINDINGS: LIQUIDATIONS AND INSOLVENCIES (JUNE 2007)

### Key findings regarding liquidations for June 2007

#### Total number of liquidations decreases

The total number of liquidations recorded for the six months ended June 2007 decreased by 6,9% (from 1 396 to 1 299) when compared with the six months ended June 2006. Furthermore, the total number of liquidations recorded for June 2007 decreased by 30,9% (from 262 to 181) when compared with June 2006 (see Table A and Table 14). The reason for the decrease in the number of liquidations reported for June was due to the strike action of the public sector.

The decrease of 6,9% in the total number of liquidations for the six months ended June 2007 compared with the six months ended June 2006 was mainly due to a decrease of 42,6% (from 162 to 93) in compulsory liquidations.

### Key figures regarding liquidations for June 2007

Table A – Selected key figures regarding liquidations for June 2007

#### Actual estimates

Number of liquidations June 2007	% change between June 2006 and June 2007	% change between January 2006 to June 2006 and January 2007 to June 2007
181	-30,9	-6,9

Figure 1 below shows the annual percentage change in the number of liquidations for the six months ended June and covers the period from 2001 to 2007. The decrease of 6,9% for the six months ended June 2007 compared with the six months ended June 2006 is the fifth consecutive decrease recorded since the 5,6% increase during the six months ended June 2002.

Figure 1 – Percentage change for the six months ended June compared with the corresponding period of the previous year for the number of liquidations from 2001 to 2007

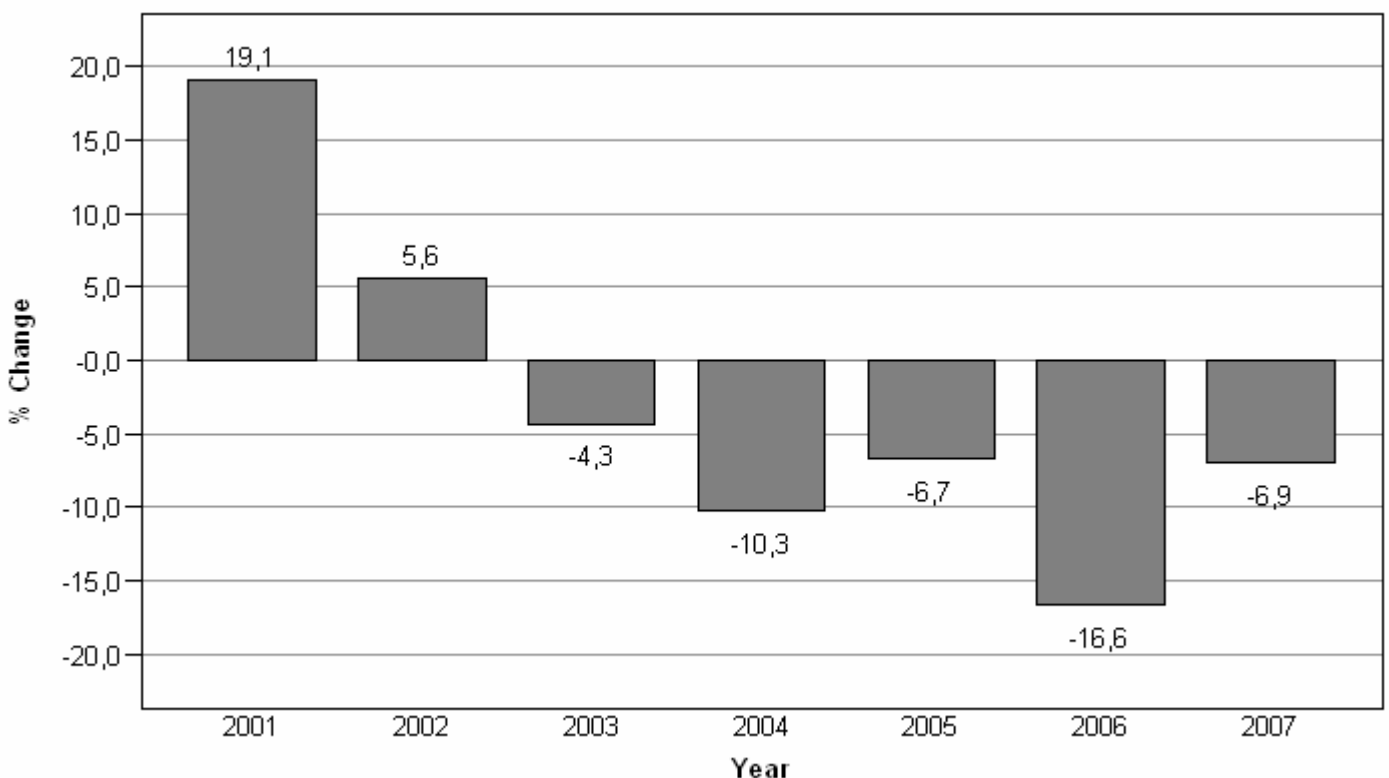
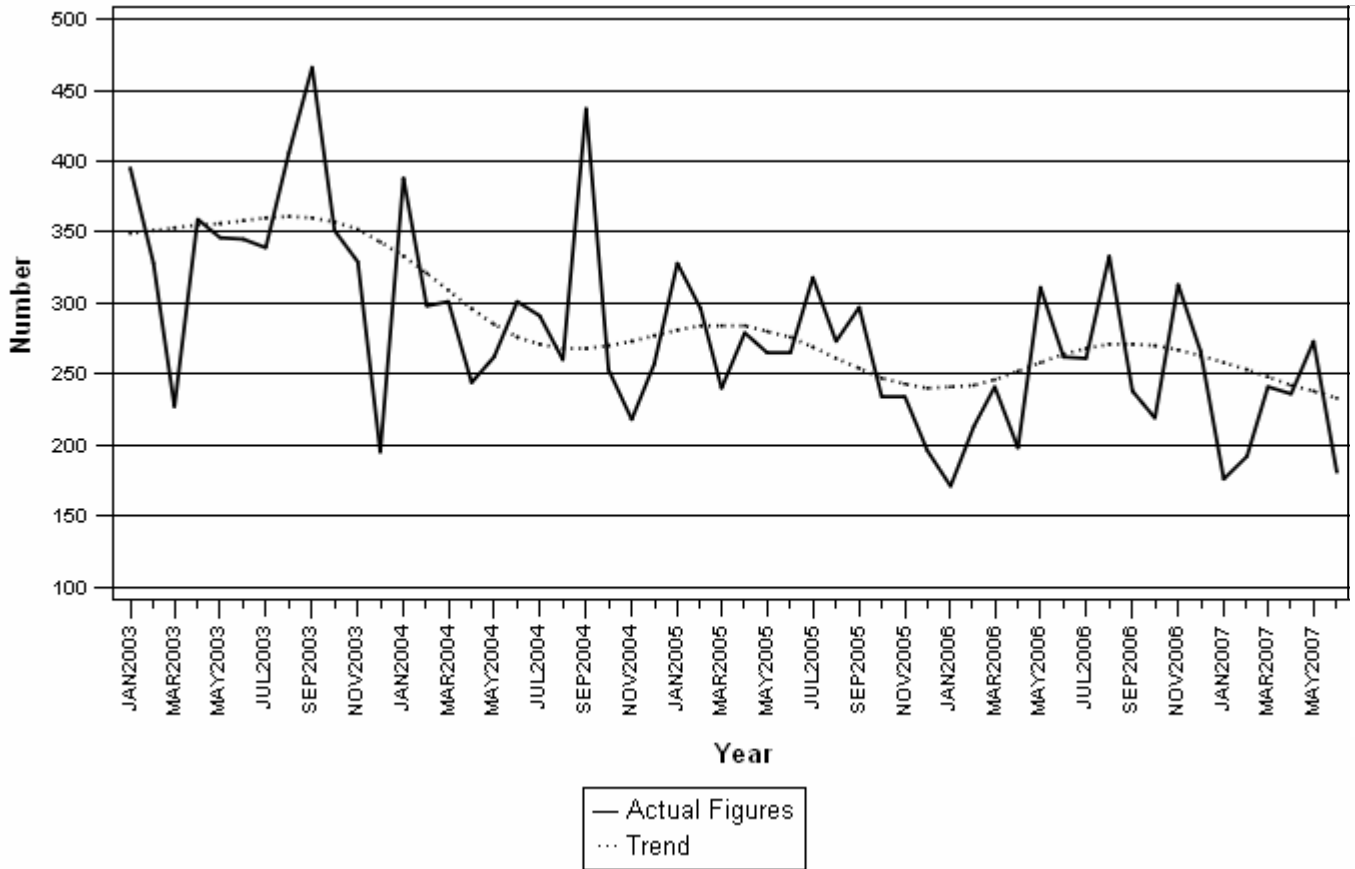


Figure 2 shows that the trend for the total number of liquidations increased from the beginning of 2003 until August of the same year. It then followed a downward trend that bottomed in September 2004, and from October 2004 the trend increased again until March 2005. After March 2005 the trend decreased until January 2006, and from February 2006 the trend increased until September 2006. From October 2006 the trend has been decreasing again.

**Figure 2 – Total number of liquidations**



**Key findings regarding insolvencies for May 2007**

**Total number of insolvencies decreases**

The total number of insolvencies recorded for the five months ended May 2007 decreased by 30,1% (from 614 to 429) compared with the five months ended May 2006. Furthermore, the total number of insolvencies recorded for May 2007 decreased by 33,6% (from 140 to 93) when compared with May 2006 (see Table B and Table 16).

**Key figures regarding insolvencies for May 2007**

**Table B – Selected key figures regarding insolvencies for May 2007**

**Actual estimates**

Number of insolvencies May 2007	% change between May 2006 and May 2007	% change between January 2006 to May 2006 and January 2007 to May 2007
93	-33,6	-30,1

Figure 3 below shows the annual percentage change in the number of insolvencies for the five months ended May of each year, compared with the corresponding period of the year before, and covers the period 2001 to 2007. The number of insolvencies decreased by 30,1% for the first five months of 2007 and it is the seventh consecutive decrease since the start of the time series.

**Figure 3 – Percentage change in the number of insolvencies for the first five months of the year from 2001 to 2007**

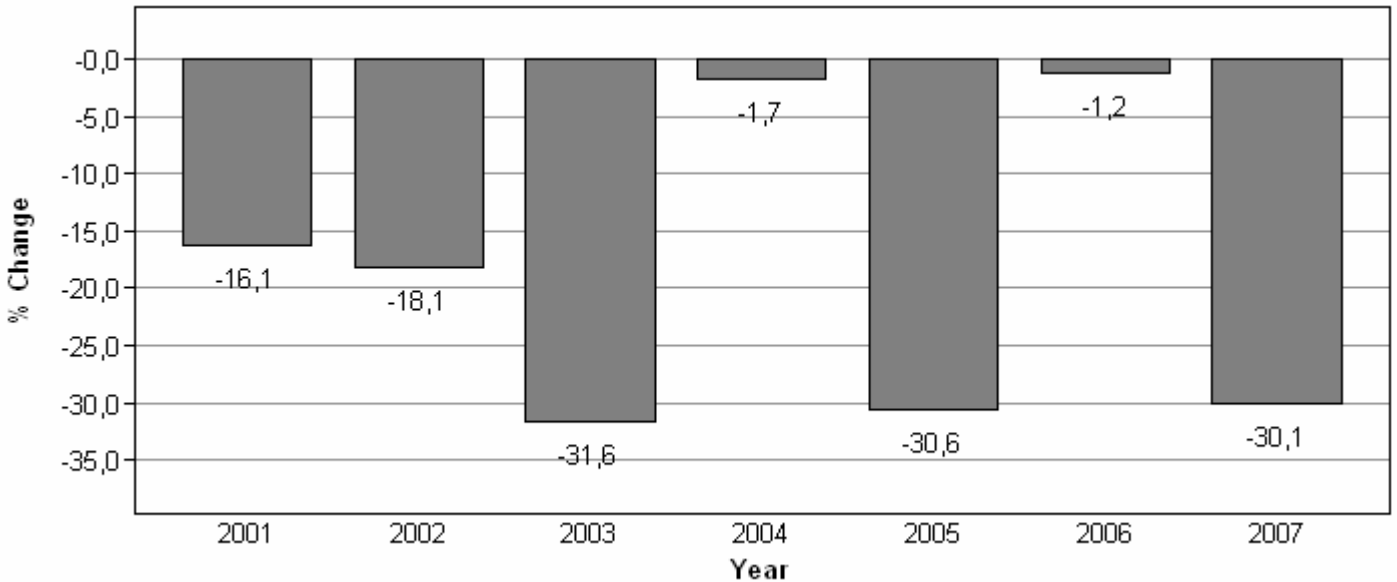
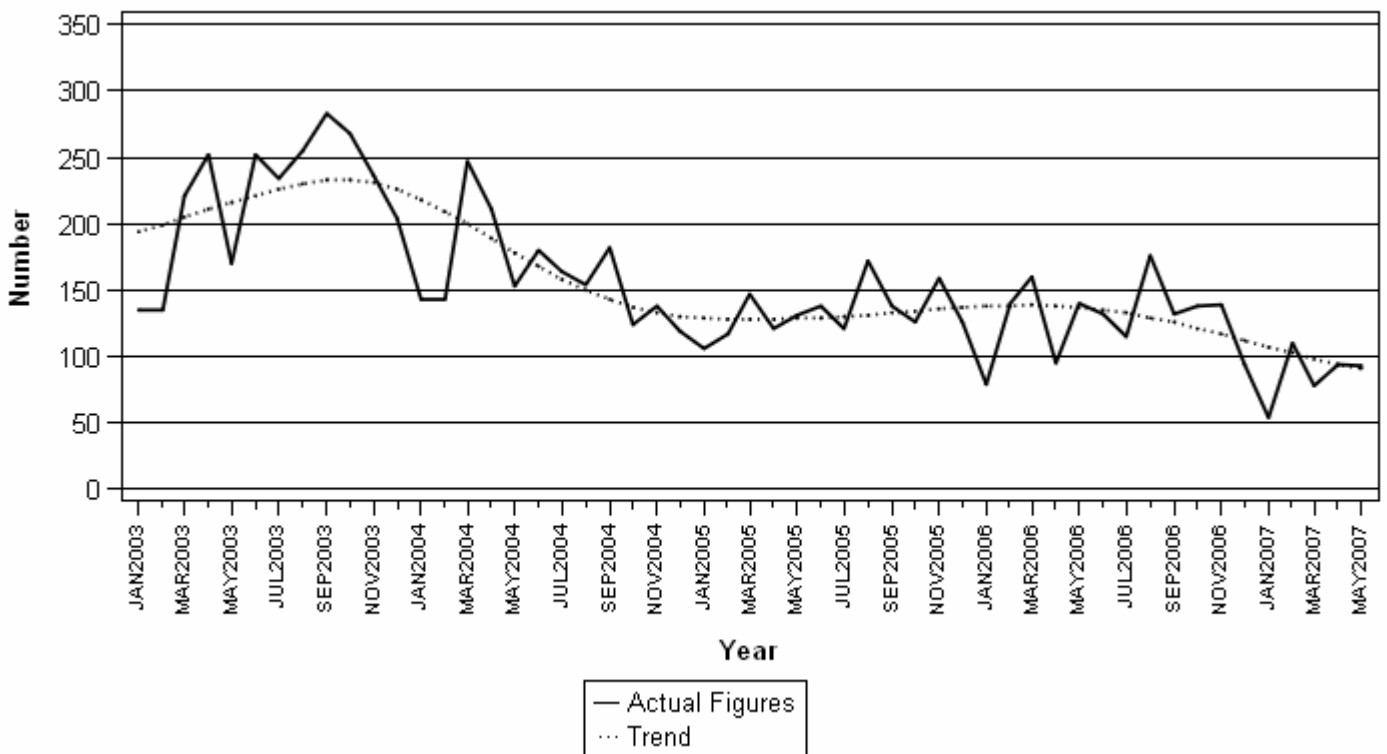


Figure 4 shows that the trend for the total number of insolvencies increased from the beginning of 2003 and reached a peak in October 2003. The trend decreased from November 2003 until November 2004 but then stabilised throughout to August 2006. From September 2006 the trend has declined.

**Figure 4 – Total number of insolvencies**



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**Detailed results: Tables**

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

Industry	January - June 2007			June 2006			May 2007			1/June 2007		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry & fishing	1	10	11	0	0	0	0	0	0	0	0	0
2.Mining & quarrying	0	2	2	0	3	3	0	1	1	0	1	1
3.Manufacturing	6	67	73	2	19	21	2	14	16	1	11	12
4.Electricity, gas & water	0	6	6	0	2	2	0	1	1	0	1	1
5.Construction	6	50	56	8	16	24	0	4	4	0	4	4
6.Wholesale and retail trade, catering & accommodation	28	366	394	14	60	74	1	87	88	1	54	55
7.Transport, storage, communication	4	30	34	1	5	6	0	7	7	0	7	7
8.Financing, insurance, real estate, business services	45	567	612	16	89	105	10	131	141	7	83	90
9.Community, social, personal services	3	108	111	9	18	27	0	15	15	0	11	11
<b>Total number of liquidations</b>	<b>93</b>	<b>1206</b>	<b>1299</b>	<b>50</b>	<b>212</b>	<b>262</b>	<b>13</b>	<b>260</b>	<b>273</b>	<b>9</b>	<b>172</b>	<b>181</b>

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

Industry	January - June 2007			June 2006			May 2007			1/June 2007		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry & fishing	0	3	3	0	0	0	0	0	0	0	0	0
2.Mining & quarrying	0	2	2	0	2	2	0	1	1	0	1	1
3.Manufacturing	4	24	28	1	11	12	2	4	6	1	4	5
4.Electricity, gas & water	0	1	1	0	0	0	0	0	0	0	0	0
5.Construction	0	18	18	7	6	13	0	1	1	0	1	1
6.Wholesale and retail trade, catering & accommodation	13	161	174	7	22	29	0	40	40	0	23	23
7.Transport, storage, communication	2	16	18	1	4	5	0	4	4	0	4	4
8.Financing, insurance, real estate, business services	15	361	376	11	45	56	1	91	92	1	60	61
9.Community, social, personal services	3	90	93	8	15	23	0	13	13	0	9	9
<b>Total number of liquidations</b>	<b>37</b>	<b>676</b>	<b>713</b>	<b>35</b>	<b>105</b>	<b>140</b>	<b>3</b>	<b>154</b>	<b>157</b>	<b>2</b>	<b>102</b>	<b>104</b>

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

Industry	January - June 2007			June 2006			May 2007			1/June 2007		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry & fishing	1	7	8	0	0	0	0	0	0	0	0	0
2.Mining & quarrying	0	0	0	0	1	1	0	0	0	0	0	0
3.Manufacturing	2	43	45	1	8	9	0	10	10	0	7	7
4.Electricity, gas & water	0	5	5	0	2	2	0	1	1	0	1	1
5.Construction	6	32	38	1	10	11	0	3	3	0	3	3
6.Wholesale and retail trade, catering & accommodation	15	205	220	7	38	45	1	47	48	1	31	32
7.Transport, storage, communication	2	14	16	0	1	1	0	3	3	0	3	3
8.Financing, insurance, real estate, business services	30	206	236	5	44	49	9	40	49	6	23	29
9.Community, social, personal services	0	18	18	1	3	4	0	2	2	0	2	2
<b>Total number of liquidations</b>	<b>56</b>	<b>530</b>	<b>586</b>	<b>15</b>	<b>107</b>	<b>122</b>	<b>10</b>	<b>106</b>	<b>116</b>	<b>7</b>	<b>70</b>	<b>77</b>

C = Compulsory.  
 V= Voluntary.  
 1/= Preliminary.

**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	241
April	357	345	359	244	279	198	236
May	331	299	346	262	265	311	273
June	294	297	345	301	265	262	1/ 181
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>1 299</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	12
April	125	87	63	32	18	9	32
May	81	60	52	37	61	20	13
June	88	69	74	63	25	50	1/ 9
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>93</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	229
April	232	258	296	212	261	189	204
May	250	239	294	225	204	291	260
June	206	228	271	238	240	212	1/ 172
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>1 206</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	96
March	132	183	127	148	123	127	114
April	129	161	151	119	176	100	143
May	156	117	162	128	122	131	157
June	129	145	178	136	132	140	1/ 104
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>713</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	4
March	28	32	17	32	23	23	5
April	27	53	17	6	13	5	19
May	41	12	28	20	30	5	3
June	53	29	31	16	7	35	1/ 2
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>37</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	92
March	104	151	110	116	100	104	109
April	102	108	134	113	163	95	124
May	115	105	134	108	92	126	154
June	76	116	147	120	125	105	1/ 102
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>676</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	127
April	228	184	208	125	103	98	93
May	175	182	184	134	143	180	116
June	165	152	167	165	133	122	1/77
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	
Year	2 485	2 053	1 976	1 978	1 621	1 444	586

**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	7
April	98	34	46	26	5	4	13
May	40	48	24	17	31	15	10
June	35	40	43	47	18	15	1/7
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	
Year	841	486	434	341	249	157	56

**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	120
April	130	150	162	99	98	94	80
May	135	134	160	117	112	165	106
June	130	112	124	118	115	107	1/70
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	
Year	1 644	1 567	1 542	1 637	1 372	1 287	530

1/= Preliminary.

**Table 13 – Total Number of insolvencies: 2001 to 2007**

Month	2001	2002	2003	2004	2005	2006	1/2007
January	254	216	135	143	106	79	54
February	308	276	135	143	117	140	110
March	356	269	221	247	147	*160	78
April	319	318	252	211	121	*95	94
May	394	256	170	153	131	140	93
June	325	252	252	180	138	*132	
July	403	281	234	164	121	115	
August	374	277	255	154	172	176	
September	308	229	283	182	138	*132	
October	334	261	268	124	126	*138	
November	323	254	236	138	159	139	
December	238	161	204	119	126	94	
Year	3 936	3 050	2 645	1 958	1 602	1 540	429

1/ Preliminary.

\* Revised.

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

Number of liquidations June 2006	Number of liquidations June 2007	% change between June 2006 and June 2007	Difference between June 2006 and June 2007
262	181	-30,9	-81

**Table 15 – Percentage change between the first six months of 2007 and the first six months of 2006 regarding the number of liquidations**

Number of liquidations January 2006 to June 2006	Number of liquidations January 2007 to June 2007	% change between January 2006 to June 2006 and January 2007 to June 2007	Difference between January 2006 to June 2006 and January 2007 to June 2007
1 396	1 299	-6,9	-97

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

Number of insolvencies May 2006	Number of insolvencies May 2007	% change between May 2006 and May 2007	Difference between May 2006 and May 2007
140	93	-33,6	-47

**Table 17 – Percentage change between the first five months of 2007 and the first five months of 2006 regarding the number of insolvencies**

Number of insolvencies January 2006 to May 2006	Number of insolvencies January 2007 to May 2007	% change between January 2006 to May 2006 and January 2007 to May 2007	Difference between January 2006 to May 2006 and January 2007 to May 2007
614	429	-30,1	-185

## Explanatory notes

- |                                  |          |   |
|----------------------------------|----------|---|
| <b>Introduction</b>              | <b>1</b> | 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. |
|                                  | <b>2</b> | This statistical release reflects voluntary and compulsory liquidations of companies and close corporations and insolvencies of individuals and partnerships.   |
| <b>Purpose of the survey</b>     | <b>3</b> | 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.   |
|                                  | <b>4</b> | Due to insolvencies figures being available late, the data on insolvencies are published a month later than liquidations.   |
| <b>Scope of the survey</b>       | <b>5</b> | This survey covers <ul style="list-style-type: none"> <li>• The total number of companies and close corporations which were liquidated.</li> <li>• The total number of individuals and partnerships placed under final sequestration.</li> </ul>  |
| <b>Related publications</b>      | <b>6</b> | Users may also wish to refer to the following publications which are available from Stats SA - <ul style="list-style-type: none"> <li>• Bulletin of Statistics.</li> <li>• SA Statistics.</li> </ul>  |
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| <b>Symbols and abbreviations</b> | <b>8</b> | CD - Compact Disc<br>Stats SA - Statistics South Africa   |

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## Glossary

<b>Compulsory liquidation</b>	A compulsory liquidation takes place when the affairs of a company or close corporation are wind-up by order of the court.
<b>Insolvency</b>	Insolvencies refer 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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