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Statistical release

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Statistics of liquidations and insolvencies (Preliminary)

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SUMMARY OF FINDINGS: LIQUIDATIONS AND INSOLVENCIES (MARCH 2007)

Key findings regarding liquidations for March 2007

Total number of liquidations decreases

The total number of liquidations recorded for the first quarter of 2007 decreased by 2,6% (from 625 to 609) compared with the first quarter of 2006. Furthermore, the total number of liquidations recorded for March 2007 remained unchanged at 241 when compared with March 2006 (see Table A).

The decrease of 2,6% in the total number of liquidations for the first quarter of 2007 compared with the first quarter of 2006 was due to a decrease of 53,0% (from 83 to 39) in compulsory liquidations.

Although there was no change in the total number of liquidations for March 2007 compared with March 2006 there was however a decrease of 61,3% (from 31 to 12) in compulsory liquidations (see Table 5).

Key figures regarding liquidations for March 2007

Table A – Selected key figures regarding liquidations for March 2007

Actual estimates

Number of liquidations March 2007	% change between March 2006 and March 2007	% change between January 2006 to March 2006 and January 2007 to March 2007
241	0,0	-2,6

Figure 1 below shows the annual percentage change in the number of liquidations for the quarters ending March and covers the period from 2001 to 2007. The decrease of 2,6% for the quarter March 2007 compared with the quarter March 2006 is the third consecutive decrease recorded since the 3,9% quarterly increase ending March 2004. The decrease of 2,6% is the lowest decrease of these three periods.

Figure 1 – Percentage change for the first quarters of the number of liquidations from 2001 to 2007

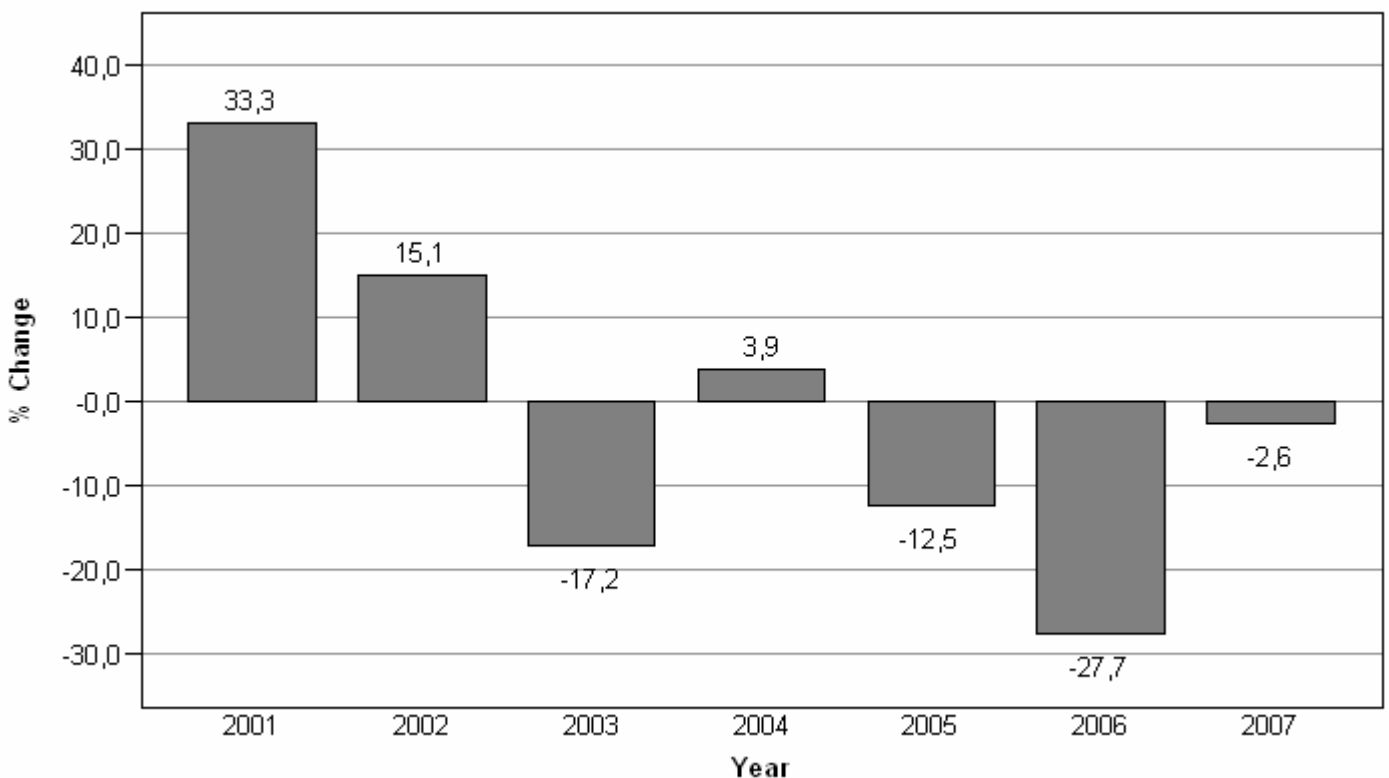
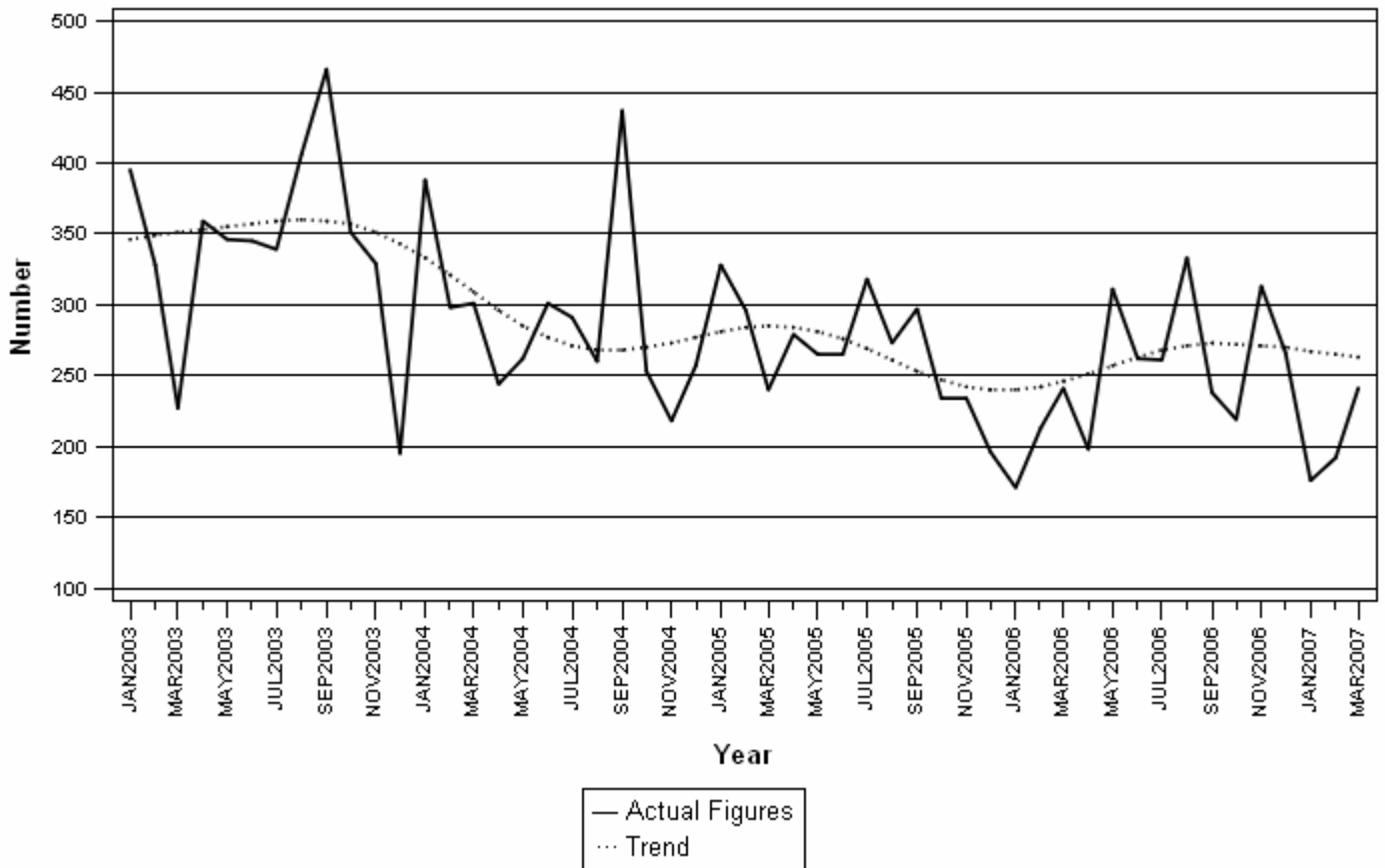


Figure 2 shows that the trend for the total number of liquidations increased from the beginning of 2003 until August of the same year. It then followed a downward trend that bottomed in September 2004, and from October 2004 the trend increased again until April 2005. After April 2005 the trend decreased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

Figure 2 – Total number of liquidations



Key findings regarding insolvencies for February 2007

Total number of insolvencies decreases

The total number of insolvencies recorded for the three months ended February 2007 decreased by 16,7% (from 342 to 285) compared with the three months ended February 2006. The total number of insolvencies recorded for February 2007 decreased by 30,7% (from 137 to 95) compared with February 2006 (see Table B).

Key figures regarding insolvencies for February 2007

Table B – Selected key figures regarding insolvencies for February 2007

Actual estimates

Number of insolvencies February 2007	% change between February 2006 and February 2007	% change between December 2005 to February 2006 and December 2006 to February 2007
95	-30,7	-16,7

Figure 3 below shows the annual percentage change in the number of insolvencies for the two months January to February and covers the period 2001 to 2007. The number of insolvencies decreased by 15,7% and it was the third consecutive period that a decrease took place. The only increase occurred during 2004 (5,9%).

Figure 3 – Percentage change in the number of insolvencies for the two months January to February from 2001 to 2007

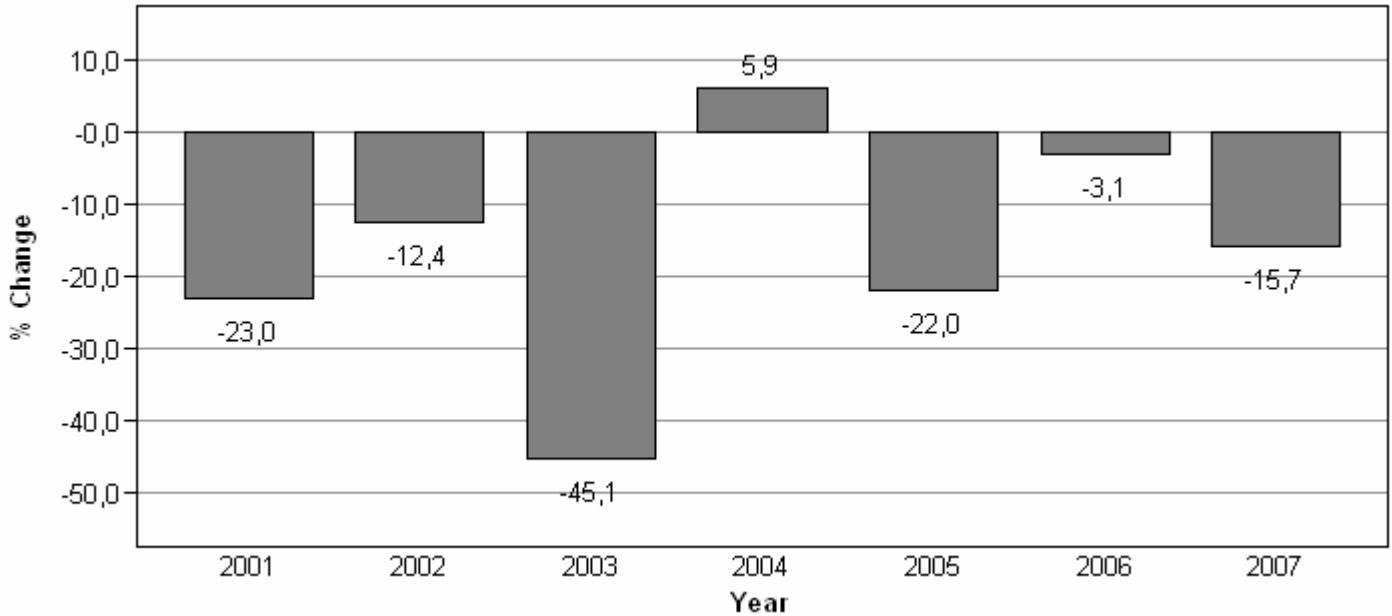
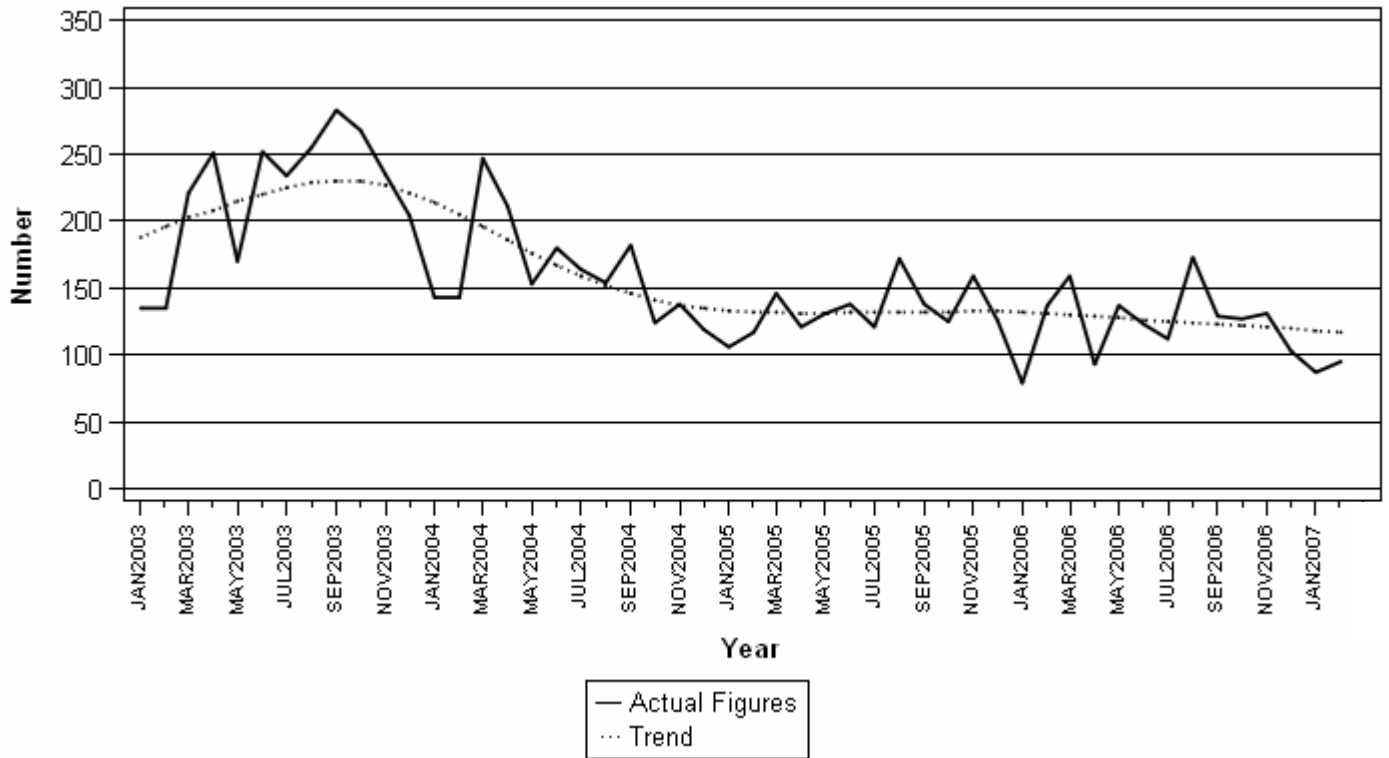


Figure 4 shows that the trend for the total number of insolvencies increased from the beginning of 2003 and reached a peak in October 2003. From November 2003 the trend decreased until November 2004 whereas from then on it stabilized throughout to February 2007. Since February 2006 the trend has declined.

Figure 4 – Total number of insolvencies



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Detailed results: Tables

Table 1 – Total number of liquidations according to industry

Industry	January - March 2007			March 2006			February 2007			March 2007		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, rorestry & fishing	1	7	8	1	2	3	1	4	5	0	2	2
2.Mining & quarrying	0	0	0	0	7	7	0	0	0	0	0	0
3.Manufacturing	2	37	39	0	11	11	1	16	17	0	17	17
4.Electricity, gas & water	0	2	2	0	0	0	0	1	1	0	1	1
5.Construction	2	34	36	3	19	22	0	9	9	1	11	12
6.Wholesale and retail trade, catering & accommodation	13	171	184	13	58	71	4	41	45	4	74	78
7.Transport, storage, communication	3	9	12	1	10	11	1	4	5	0	5	5
8.Financing, insurance, real estate, business services	16	249	265	9	90	99	7	84	91	7	100	107
9.Community, social, personal services	2	61	63	4	13	17	1	18	19	0	19	19
Total number of liquidations	39	570	609	31	210	241	15	177	192	12	229	241

Table 2 – Number of liquidations of companies according to industry

Industry	January - March 2007			March 2006			February 2007			March 2007		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, rorestry & fishing	0	2	2	0	1	1	0	2	2	0	0	0
2.Mining & quarrying	0	0	0	0	2	2	0	0	0	0	0	0
3.Manufacturing	1	13	14	0	7	7	1	3	4	0	9	9
4.Electricity, gas & water	0	1	1	0	0	0	0	0	0	0	1	1
5.Construction	0	11	11	1	3	4	0	2	2	0	1	1
6.Wholesale and retail trade, catering & accommodation	4	69	73	10	28	38	1	20	21	2	24	26
7.Transport, storage, communication	2	2	4	1	2	3	0	0	0	0	2	2
8.Financing, insurance, real estate, business services	4	147	151	7	50	57	1	50	51	3	56	59
9.Community, social, personal services	2	51	53	4	11	15	1	15	16	0	16	16
Total number of liquidations	13	296	309	23	104	127	4	92	96	5	109	114

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

Industry	January - March 2007			March 2006			February 2007			March 2007		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, rorestry & fishing	1	5	6	1	1	2	1	2	3	0	2	2
2.Mining & quarrying	0	0	0	0	5	5	0	0	0	0	0	0
3.Manufacturing	1	24	25	0	4	4	0	13	13	0	8	8
4.Electricity, gas & water	0	1	1	0	0	0	0	1	1	0	0	0
5.Construction	2	23	25	2	16	18	0	7	7	1	10	11
6.Wholesale and retail trade, catering & accommodation	9	102	111	3	30	33	3	21	24	2	50	52
7.Transport, storage, communication	1	7	8	0	8	8	1	4	5	0	3	3
8.Financing, insurance, real estate, business services	12	102	114	2	40	42	6	34	40	4	44	48
9.Community, social, personal services	0	10	10	0	2	2	0	3	3	0	3	3
Total number of liquidations	26	274	300	8	106	114	11	85	96	7	120	127

C = Compulsory.
V= Voluntary.

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	.
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	.

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	.
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	.
Year	1 284	825	857	564	524	375	39

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	.
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	.
Year	2 872	3 086	3 229	2 946	2 701	2 651	570

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	.
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	.
Year	1 671	1 858	2 110	1 532	1 604	1 582	309

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	.
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	.
Year	443	339	423	223	275	218	13

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	.
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	.
Year	1 228	1 519	1 687	1 309	1 329	1 364	296

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	.
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	.
Year	2 485	2 053	1 976	1 978	1 621	1 444	300

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	.
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	.
Year	841	486	434	341	249	157	26

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	.
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	.
Year	1 644	1 567	1 542	1 637	1 372	1 287	274

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	87
February	308	276	135	143	117	137	95
March	356	269	221	247	146	159	.
April	319	318	251	211	121	93	.
May	394	256	170	153	131	137	.
June	325	252	252	180	138	123	.
July	403	281	234	164	121	112	.
August	374	277	255	154	172	173	.
September	308	229	283	182	138	129	.
October	334	261	268	124	125	127	.
November	323	254	235	138	159	131	.
December	238	161	204	119	126	103	.
Year	3 936	3 050	2 643	1 958	1 600	1 503	182

1/ Preliminary.

* Revised.

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

Number of liquidations March 2006	Number of liquidations March 2007	% change between March 2006 and March 2007	Difference between March 2006 and March 2007
241	241	0,0	0

Table 15 – Percentage change between the first quarter of 2007 and the first quarter of 2006 regarding the number of liquidations

Number of liquidations January 2006 to March 2006	Number of liquidations January 2007 to March 2007	% change between January 2006 to March 2006 and January 2007 to March 2007	Difference between January 2006 to March 2006 and January 2007 to March 2007
625	609	-2,6	-16

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

Number of insolvencies February 2006	Number of insolvencies February 2007	% change between February 2006 and February 2007	Difference between February 2006 and February 2007
137	95	-30,7	-42

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

Number of insolvencies January 2006 to February 2006	Number of insolvencies January 2007 to February 2007	% change between January 2006 to February 2006 and January 2007 to February 2007	Difference between January 2006 to February 2006 and January 2007 to February 2007
216	182	-15,7	-34

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; and • the total number of individuals and partnerships placed under final sequestration. |
| Related publications | 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. |
| 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 wound up by order of the court.
Insolvency	An 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	A 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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