

# Statistical release

## P0043

# Statistics of liquidations and insolvencies (Preliminary)

**May 2011**

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## Key results for May 2011

**Table A – Total number of liquidations**

Number of liquidations May 2011	% change between May 2010 and May 2011	% change between March to May 2010 and March to May 2011	% change between January to May 2010 and January to May 2011
107	-72,1	-37,2	-14,8

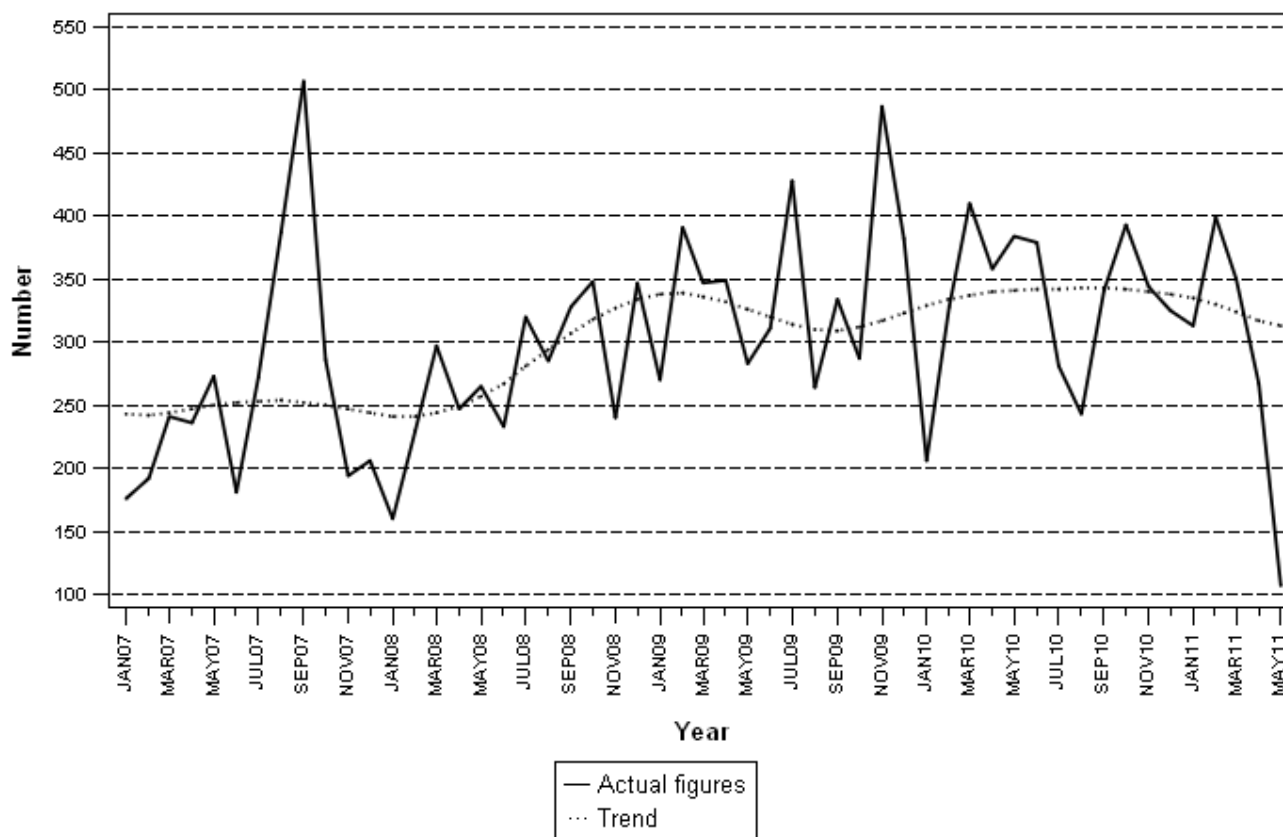
**The number of liquidations recorded for the first five months of 2011 decreased by 14,8% (from 1 686 to 1 436) compared with the first five months of 2010. A year-on-year decrease of 72,1% (from 384 to 107) was recorded for May 2011 (see Table A and Tables 6 and 7).**

The year-on-year decline in the number of liquidations for May 2011 was due to a 78,2% decrease reported for voluntary liquidations (from 354 to 77) (see Table 2.2). The biggest decreases in the number of voluntary liquidations during this period were reported in the financing, insurance, real estate and business services industry (-83,5% or 157 fewer liquidations) and the wholesale and retail trade, catering and accommodation industry (-73,1% or 68 fewer liquidations) (see Table 1).

The relatively low number of liquidations in May 2011 can be attributed to the new Companies Act of 2008, which came into effect on 1 May 2011 and which introduces provisions for business rescue and compromise with creditors.

During the first five months of 2011 company liquidations decreased by 22,1% year-on-year (from 813 to 633), while close corporation liquidations decreased by 8,0% year-on-year (from 873 to 803) (see Tables 3 and 4).

**Figure 1 – Total number of liquidations**



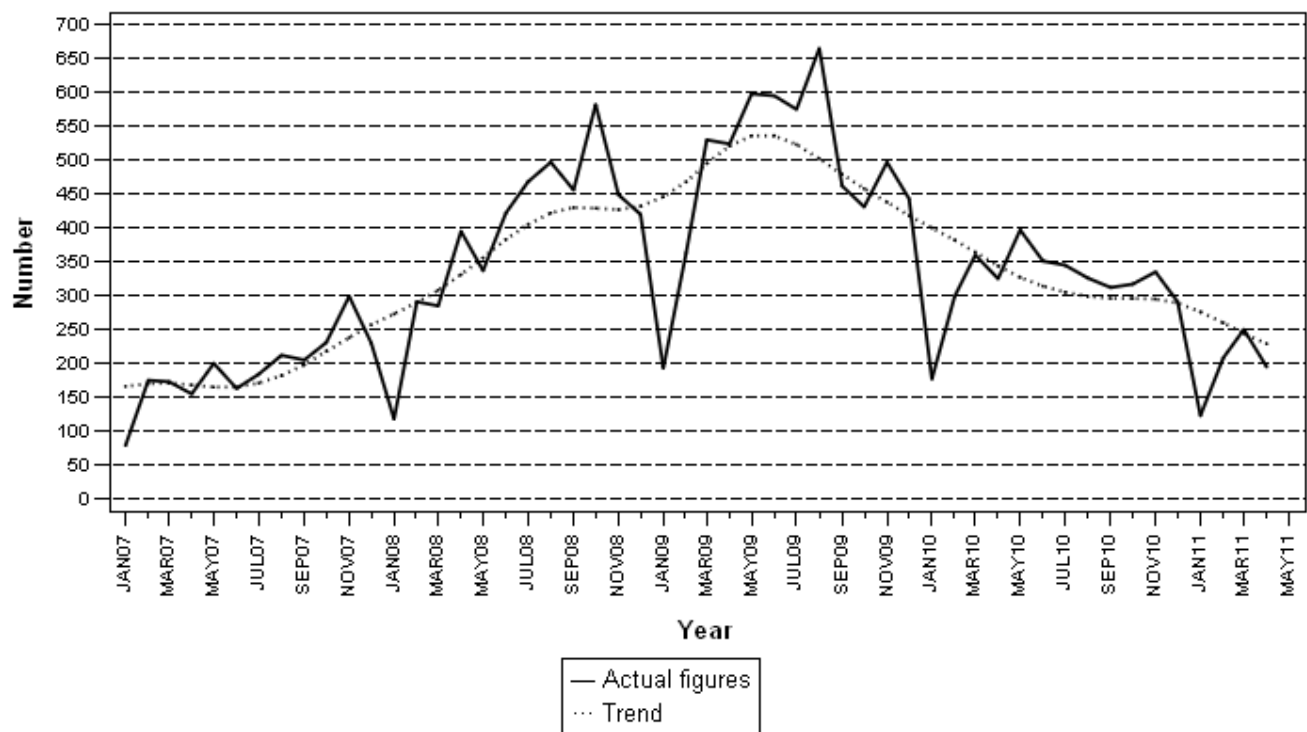
## Key findings regarding insolvencies for April 2011

**Table B – Total number of insolvencies**

Number of insolvencies April 2011	% change between April 2010 and April 2011	% change between February to April 2010 and February to April 2011	% change between January to April 2010 and January to April 2011
195	-40,0	-33,6	-33,2

The total number of insolvencies for the first four months of 2011 decreased by 33,2% (from 1 161 to 776) compared with the first four months of 2010. A year-on-year decrease of 40,0% (from 325 to 195) was estimated for April 2011 (see Table B and Tables 8 and 9).

**Figure 2 – Total number of insolvencies**



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## Detailed results: Tables

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

Industry	January - May 2011			May 2010			April 2011			May 2011		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	7	17	24	0	5	5	4	1	5	0	2	2
2.Mining and quarrying	0	15	15	0	0	0	0	1	1	0	0	0
3.Manufacturing	14	49	63	2	22	24	5	8	13	4	2	6
4.Electricity, gas and water	0	5	5	0	1	1	0	3	3	0	0	0
5.Construction	10	64	74	1	11	12	0	6	6	5	8	13
6.Wholesale and retail trade, catering and accommodation	17	364	381	5	93	98	4	75	79	6	25	31
7.Transport, storage, communication	12	78	90	2	10	12	0	9	9	2	4	6
8.Financing, insurance, real estate, business services	38	499	537	18	188	206	1	118	119	13	31	44
9.Community, social, personal services	31	216	247	2	24	26	2	30	32	0	5	5
<b>Total number of liquidations</b>	<b>129</b>	<b>1 307</b>	<b>1 436</b>	<b>30</b>	<b>354</b>	<b>384</b>	<b>16</b>	<b>251</b>	<b>267</b>	<b>30</b>	<b>77</b>	<b>107</b>

**Table 1.1 – Number of liquidations of companies according to industry**

Industry	January - May 2011			May 2010			April 2011			May 2011		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	3	7	10	0	3	3	0	0	0	0	1	1
2.Mining and quarrying	0	8	8	0	0	0	0	0	0	0	0	0
3.Manufacturing	4	18	22	1	8	9	0	2	2	0	1	1
4.Electricity, gas and water	0	1	1	0	0	0	0	0	0	0	0	0
5.Construction	8	17	25	1	0	1	0	0	0	3	1	4
6.Wholesale and retail trade, catering and accommodation	5	159	164	2	36	38	0	36	36	0	8	8
7.Transport, storage, communication	1	18	19	2	3	5	0	5	5	0	1	1
8.Financing, insurance, real estate, business services	17	273	290	17	119	136	0	48	48	0	16	16
9.Community, social, personal services	11	83	94	1	10	11	0	6	6	0	5	5
<b>Total number of liquidations</b>	<b>49</b>	<b>584</b>	<b>633</b>	<b>24</b>	<b>179</b>	<b>203</b>	<b>0</b>	<b>97</b>	<b>97</b>	<b>3</b>	<b>33</b>	<b>36</b>

**Table 1.2 – Number of liquidations of close corporations according to industry**

Industry	January - May 2011			May 2010			April 2011			May 2011		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	4	10	14	0	2	2	4	1	5	0	1	1
2.Mining and quarrying	0	7	7	0	0	0	0	1	1	0	0	0
3.Manufacturing	10	31	41	1	14	15	5	6	11	4	1	5
4.Electricity, gas and water	0	4	4	0	1	1	0	3	3	0	0	0
5.Construction	2	47	49	0	11	11	0	6	6	2	7	9
6.Wholesale and retail trade, catering and accommodation	12	205	217	3	57	60	4	39	43	6	17	23
7.Transport, storage, communication	11	60	71	0	7	7	0	4	4	2	3	5
8.Financing, insurance, real estate, business services	21	226	247	1	69	70	1	70	71	13	15	28
9.Community, social, personal services	20	133	153	1	14	15	2	24	26	0	0	0
<b>Total number of liquidations</b>	<b>80</b>	<b>723</b>	<b>803</b>	<b>6</b>	<b>175</b>	<b>181</b>	<b>16</b>	<b>154</b>	<b>170</b>	<b>27</b>	<b>44</b>	<b>71</b>

C = Compulsory  
V = Voluntary

**Table 2 – Total number of liquidations: 2005 to 2011**

Month	2005	2006	2007	2008	2009	2010	2011
January	328	171	176	160	270	206	313
February	296	213	192	230	391	328	399
March	240	241	241	297	347	410	350
April	279	198	236	247	349	358	267
May	265	311	273	265	283	384	107
June	265	262	181	233	311	379	
July	318	261	272	320	428	281	
August	273	333	387	285	264	243	
September	297	238	507	328	334	341	
October	234	219	286	348	287	393	
November	234	313	194	240	487	344	
December	196	266	206	347	382	325	
<b>Year Total</b>	<b>3 225</b>	<b>3 026</b>	<b>3 151</b>	<b>3 300</b>	<b>4 133</b>	<b>3 992</b>	

**Table 2.1 – Total number of compulsory liquidations: 2005 to 2011**

Month	2005	2006	2007	2008	2009	2010	2011
January	30	37	12	29	54	3	45
February	70	15	15	15	26	19	26
March	35	31	12	41	10	23	12
April	18	9	32	22	41	17	16
May	61	20	13	26	26	30	30
June	25	50	9	17	20	12	
July	84	16	14	13	37	35	
August	69	46	111	26	49	22	
September	27	22	47	22	2	20	
October	40	20	39	48	17	49	
November	47	56	13	15	12	20	
December	18	53	9	2	1	34	
<b>Year Total</b>	<b>524</b>	<b>375</b>	<b>326</b>	<b>276</b>	<b>295</b>	<b>284</b>	

**Table 2.2 – Total number of voluntary liquidations: 2005 to 2011**

Month	2005	2006	2007	2008	2009	2010	2011
January	298	134	164	131	216	203	268
February	226	198	177	215	365	309	373
March	205	210	229	256	337	387	338
April	261	189	204	225	308	341	251
May	204	291	260	239	257	354	77
June	240	212	172	216	291	367	
July	234	245	258	307	391	246	
August	204	287	276	259	215	221	
September	270	216	460	306	332	321	
October	194	199	247	300	270	344	
November	187	257	181	225	475	324	
December	178	213	197	345	381	291	
<b>Year Total</b>	<b>2 701</b>	<b>2 651</b>	<b>2 825</b>	<b>3 024</b>	<b>3 838</b>	<b>3 708</b>	

**Table 3 – Number of liquidations of companies: 2005 to 2011**

Month	2005	2006	2007	2008	2009	2010	2011
January	130	85	99	87	114	96	156
February	154	107	96	117	229	161	199
March	123	127	114	108	152	177	145
April	176	100	143	104	148	176	97
May	122	131	157	108	109	203	36
June	132	140	104	100	147	194	
July	177	145	129	170	201	128	
August	124	143	243	98	100	93	
September	143	122	416	177	162	136	
October	115	132	175	165	136	204	
November	95	183	94	111	161	174	
December	113	167	127	228	230	197	
<b>Year Total</b>	<b>1 604</b>	<b>1 582</b>	<b>1 897</b>	<b>1 573</b>	<b>1 889</b>	<b>1 939</b>	

**Table 3.1 – Number of compulsory liquidations of companies: 2005 to 2011**

Month	2005	2006	2007	2008	2009	2010	2011
January	6	18	4	8	18	3	18
February	43	4	4	15	11	12	16
March	23	23	5	10	8	19	12
April	13	5	19	8	27	13	0
May	30	5	3	17	9	24	3
June	7	35	2	6	14	3	
July	62	6	4	4	20	25	
August	21	11	89	6	10	11	
September	17	18	34	3	1	3	
October	22	13	26	34	10	38	
November	18	43	7	10	3	15	
December	13	37	8	1	0	30	
<b>Year Total</b>	<b>275</b>	<b>218</b>	<b>205</b>	<b>122</b>	<b>131</b>	<b>196</b>	

**Table 3.2 – Number of voluntary liquidations of companies: 2005 to 2011**

Month	2005	2006	2007	2008	2009	2010	2011
January	124	67	95	79	96	93	138
February	111	103	92	102	218	149	183
March	100	104	109	98	144	158	133
April	163	95	124	96	121	163	97
May	92	126	154	91	100	179	33
June	125	105	102	94	133	191	
July	115	139	125	166	181	103	
August	103	132	154	92	90	82	
September	126	104	382	174	161	133	
October	93	119	149	131	126	166	
November	77	140	87	101	158	159	
December	100	130	119	227	230	167	
<b>Year Total</b>	<b>1 329</b>	<b>1 364</b>	<b>1 692</b>	<b>1 451</b>	<b>1 758</b>	<b>1 743</b>	

**Table 4 – Number of liquidations of close corporations: 2005 to 2011**

Month	2005	2006	2007	2008	2009	2010	2011
January	198	86	77	73	156	110	157
February	142	106	96	113	162	167	200
March	117	114	127	189	195	233	205
April	103	98	93	143	201	182	170
May	143	180	116	157	174	181	71
June	133	122	77	133	164	185	
July	141	116	143	150	227	153	
August	149	190	144	187	164	150	
September	154	116	91	151	172	205	
October	119	87	111	183	151	189	
November	139	130	100	129	326	170	
December	83	99	79	119	152	128	
<b>Year Total</b>	<b>1 621</b>	<b>1 444</b>	<b>1 254</b>	<b>1 727</b>	<b>2 244</b>	<b>2 053</b>	

**Table 4.1 – Number of compulsory liquidations of close corporations: 2005 to 2011**

Month	2005	2006	2007	2008	2009	2010	2011
January	24	19	8	21	36	0	27
February	27	11	11	0	15	7	10
March	12	8	7	31	2	4	0
April	5	4	13	14	14	4	16
May	31	15	10	9	17	6	27
June	18	15	7	11	6	9	
July	22	10	10	9	17	10	
August	48	35	22	20	39	11	
September	10	4	13	19	1	17	
October	18	7	13	14	7	11	
November	29	13	6	5	9	5	
December	5	16	1	1	1	4	
<b>Year Total</b>	<b>249</b>	<b>157</b>	<b>121</b>	<b>154</b>	<b>164</b>	<b>88</b>	

**Table 4.2 – Number of voluntary liquidations of close corporations: 2005 to 2011**

Month	2005	2006	2007	2008	2009	2010	2011
January	174	67	69	52	120	110	130
February	115	95	85	113	147	160	190
March	105	106	120	158	193	229	205
April	98	94	80	129	187	178	154
May	112	165	106	148	157	175	44
June	115	107	70	122	158	176	
July	119	106	133	141	210	143	
August	101	155	122	167	125	139	
September	144	112	78	132	171	188	
October	101	80	98	169	144	178	
November	110	117	94	124	317	165	
December	78	83	78	118	151	124	
<b>Year Total</b>	<b>1 372</b>	<b>1 287</b>	<b>1 133</b>	<b>1 573</b>	<b>2 080</b>	<b>1 965</b>	



**Table 5 – Total number of insolvencies of individuals and partnerships: 2005 to 2011**

Month	2005	2006	2007	* 2008	* 2009	1/ 2010	1/ 2011
January	106	85	79	118	193	177	123
February	118	146	* 175	291	363	299	208
March	148	164	173	285	530	360	250
April	124	105	155	395	524	325	195
May	131	146	* 200	337	598	397	
June	141	144	* 163	422	595	351	
July	122	118	184	468	575	345	
August	176	185	212	497	665	326	
September	145	140	205	456	462	312	
October	134	* 172	231	582	431	317	
November	166	162	299	449	497	335	
December	131	111	230	420	443	291	
<b>Year Total</b>	<b>1 642</b>	<b>1 678</b>	<b>2 306</b>	<b>4 720</b>	<b>5 876</b>	<b>3 835</b>	

1/ Preliminary.

\* Revised.

**Table 6 – Percentage change between May 2010 and May 2011 regarding the number of liquidations**

Number of liquidations May 2010	Number of liquidations May 2011	% change between May 2010 and May 2011	Difference between May 2010 and May 2011
384	107	-72,1	-277

**Table 7 – Percentage change between the first five months of 2010 and the first five months of 2011 regarding the number of liquidations**

Number of liquidations January to May 2010	Number of liquidations January to May 2011	% change between January to May 2010 and January to May 2011	Difference between January to May 2010 and January to May 2011
1 686	1 436	-14,8	-250

**Table 8 – Percentage change between April 2010 and April 2011 regarding the number of insolvencies**

Number of insolvencies April 2010	Number of insolvencies April 2011	% change between April 2010 and April 2011	Difference between April 2010 and April 2011
325	195	-40,0	-130

**Table 9 – Percentage change between the first four months of 2010 and the first four months of 2011 regarding the number of insolvencies**

Number of insolvencies January to April 2010	Number of insolvencies January to April 2011	% change between January to April 2010 and January to April 2011	Difference between January to April 2010 and January to April 2011
1 161	776	-33,2	-385

## 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>Purpose of the survey</b>	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.
<b>Scope of the survey</b>	5	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>	6	Users may also wish to refer to the following publications which are available from Stats SA : <ul style="list-style-type: none"> <li>• <i>Bulletin of Statistics.</i></li> <li>• <i>SA Statistics.</i></li> </ul>
<b>Symbols and abbreviations</b>	7	Stats SA - Statistics South Africa

## 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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