

# **Statistics of liquidations and insolvencies (preliminary) June 2006**

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**Table A - Key figures for June 2006 regarding liquidations**

Actual estimates	Number of liquidations June 2006	% change between June 2005 and June 2006	% change between January 2005 to June 2005 and January 2006 to June 2006
	262	-1,1	-16,6

**Key findings for June 2006 regarding liquidations**

**Total number of liquidations decreases**

The total number of liquidations recorded for the first six months of 2006 decreased by 16,6% (from 1 673 to 1 396) compared with the first six months of 2005. Furthermore, the total number of liquidations recorded for June 2006 reflected a 1,1% decrease (from 265 to 262) compared with June 2005 (see Table A).

The decrease of 16,6% in the total number of liquidations for the first six months of 2006 compared with the first six months of 2005 was due to a decrease of 32,2% (from 239 to 162) in compulsory liquidations and 13,9% (from 1 434 to 1 234) in voluntary liquidations.

The decrease of 1,1% in the total number of liquidations for June 2006 compared with June 2005 was due to a decrease of 11,7% (from 240 to 212) in voluntary liquidations (see Table 6).

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

Actual estimates	Number of insolvencies May 2006	% change between May 2005 and May 2006	% change between January 2005 to May 2005 and January 2006 to May 2006
	93	-26,2	-15,1

**Key findings for May 2006 regarding insolvencies**

**Total number of insolvencies decreases**

The total number of insolvencies recorded for the first five months of 2006 decreased by 15,1 % (from 602 to 511) compared with the first five months of 2005. The total number of insolvencies recorded for May 2006 decreased by 26,2% (from 126 to 93) compared with May 2005 (see Table B).

Figures 1 and 2 below outline the total number of liquidations and insolvencies from 2002 to 2006. Figure 1 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 August 2004 and moved sideways up to April 2005. Currently there is a continual decline up to June 2006.

**Figure 1 – Total number of liquidations**

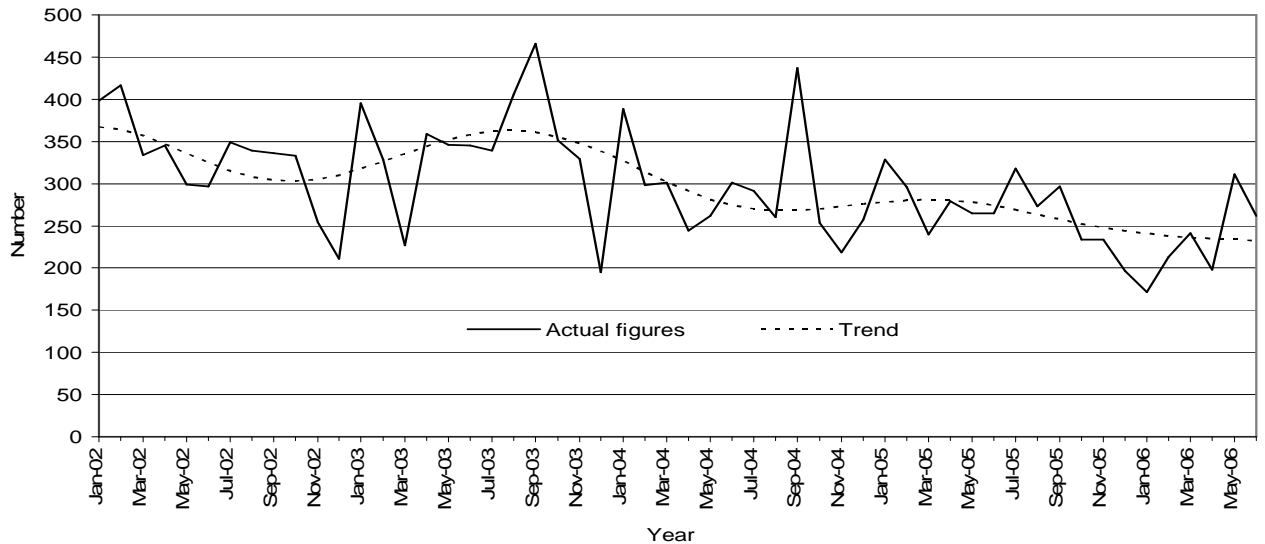
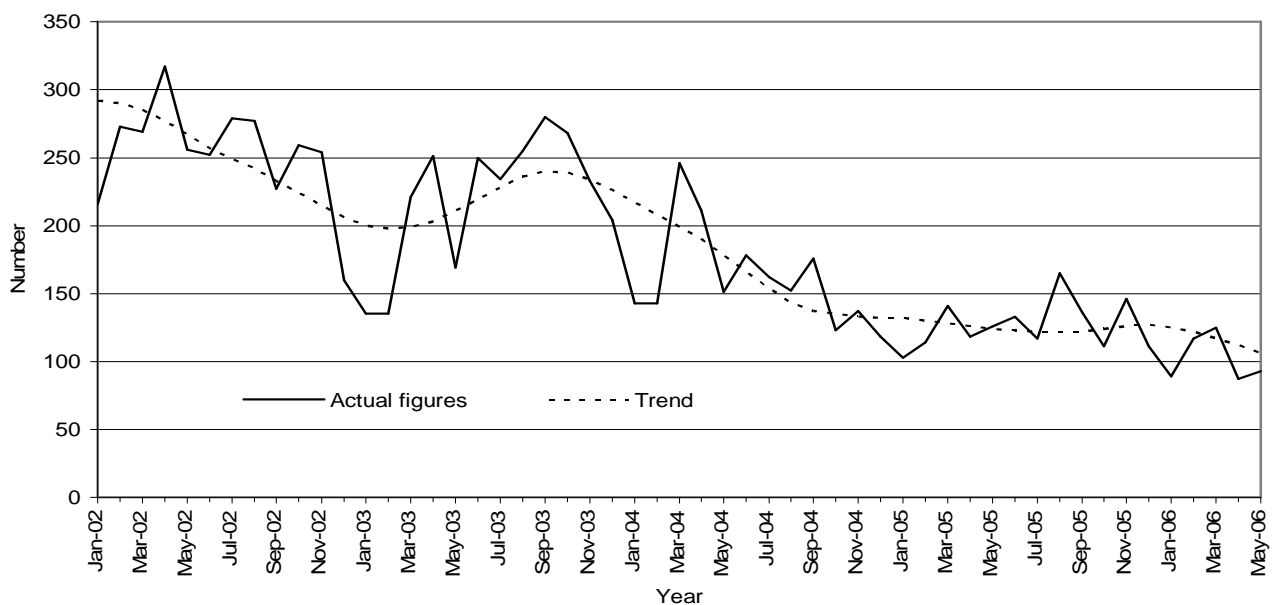


Figure 2 shows that the trend estimates for the total number of insolvencies from the beginning of 2002 shows a decreasing trend until February 2003 then started an upward trend with a peak in October 2003. Thereafter the trend shows a continual decrease up to date.

**Figure 2 - Total number of insolvencies**



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**Notes**

<b>Forthcoming issue</b>	<b>Issue</b>	<b>Expected release date</b>
	July 2006	31 August 2006

**Data source** 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.

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

Industry	Jan – June 2006			June 2005			May 2006			June 2006		
	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	2	13	15	1	2	3	0	5	5	0	0	0
Mining and quarrying	0	15	15	0	3	3	0	2	2	0	3	3
Manufacturing	13	82	95	2	14	16	3	16	19	2	19	21
Electricity, gas and water	1	4	5	0	0	0	0	0	0	0	2	2
Construction	19	92	111	1	16	17	1	29	30	8	16	24
Wholesale and retail trade, catering and accommodation	57	372	429	8	66	74	8	91	99	14	60	74
Transport, storage and communication	4	59	63	0	14	14	1	14	15	1	5	6
Financing, insurance, real estate and business services	44	490	534	11	89	100	6	113	119	16	89	105
Community, social and personal services	22	107	129	2	36	38	1	21	22	9	18	27
Total number of liquidations	162	1234	1396	25	240	265	20	291	311	50	212	262

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

Industry	Jan – June 2006			June 2005			May 2006			June 2006		
	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	5	5	1	0	1	0	3	3	0	0	0
Mining and quarrying	0	9	9	0	1	1	0	2	2	0	2	2
Manufacturing	6	48	54	0	4	4	1	10	11	1	11	12
Electricity, gas and water	0	2	2	0	0	0	0	0	0	0	0	0
Construction	8	25	33	0	6	6	0	9	9	7	6	13
Wholesale and retail trade, catering and accommodation	26	163	189	3	28	31	2	39	41	7	22	29
Transport, storage and communication	3	16	19	0	7	7	0	2	2	1	4	5
Financing, insurance, real estate and business services	26	243	269	2	50	52	1	42	43	11	45	56
Community, social and personal services	21	89	110	1	29	30	1	19	20	8	15	23
Total number of liquidations	90	600	690	7	125	132	5	126	131	35	105	140

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

Industry	Jan – June 2006			June 2005			May 2006			June 2006		
	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	2	8	10	0	2	2	0	2	2	0	0	0
Mining and quarrying	0	6	6	0	2	2	0	0	0	0	1	1
Manufacturing	7	34	41	2	10	12	2	6	8	1	8	9
Electricity, gas and water	1	2	3	0	0	0	0	0	0	0	2	2
Construction	11	67	78	1	10	11	1	20	21	1	10	11
Wholesale and retail trade, catering and accommodation	31	209	240	5	38	43	6	52	58	7	38	45
Transport, storage and communication	1	43	44	0	7	7	1	12	13	0	1	1
Financing, insurance, real estate and business services	18	247	265	9	39	48	5	71	76	5	44	49
Community, social and personal services	1	18	19	1	7	8	0	2	2	1	3	4
Total number of liquidations	72	634	706	18	115	133	15	165	180	15	107	122

**Table 4 - Total number of liquidations: 2000 to 2006**

Month	2000	2001	2002	2003	2004	2005	2006
January	193	298	398	395	388	328	171
February	229	382	416	328	298	296	213
March	326	317	334	227	301	240	241
April	273	357	345	359	244	279	198
May	258	331	299	346	262	265	311
June	383	294	297	345	301	265	262
July	314	307	349	339	291	318	
August	511	504	339	406	260	273	
September	490	337	336	466	437	297	
October	269	410	333	351	253	234	
November	348	346	254	329	218	234	
December	211	273	211	195	257	196	
<b>Year</b>	<b>3 805</b>	<b>4 156</b>	<b>3 911</b>	<b>4 086</b>	<b>3 510</b>	<b>3 225</b>	

**Table 5 - Total number of compulsory liquidations: 2000 to 2006**

Month	2000	2001	2002	2003	2004	2005	2006
January	85	71	78	76	42	30	37
February	78	114	87	65	38	70	15
March	172	68	68	46	57	35	31
April	125	125	87	63	32	18	9
May	57	81	60	52	37	61	20
June	190	88	69	74	63	25	50
July	77	81	69	85	68	84	
August	247	256	74	120	39	69	
September	241	118	70	109	83	27	
October	44	137	54	70	43	40	
November	128	74	64	60	23	47	
December	71	71	45	37	39	18	
<b>Year</b>	<b>1 515</b>	<b>1 284</b>	<b>825</b>	<b>857</b>	<b>564</b>	<b>524</b>	

**Table 6 - Total number of voluntary liquidations: 2000 to 2006**

Month	2000	2001	2002	2003	2004	2005	2006
January	108	227	320	319	346	298	134
February	151	268	329	263	260	226	198
March	154	249	266	181	244	205	210
April	148	232	258	296	212	261	189
May	201	250	239	294	225	204	291
June	193	206	228	271	238	240	212
July	237	226	280	254	223	234	
August	264	248	265	286	221	204	
September	249	219	266	357	354	270	
October	225	273	279	281	210	194	
November	220	272	190	269	195	187	
December	140	202	166	158	218	178	
<b>Year</b>	<b>2 290</b>	<b>2 872</b>	<b>3 086</b>	<b>3 229</b>	<b>2 946</b>	<b>2 701</b>	

**Table 7 – Number of liquidations of companies: 2000 to 2006**

Month	2000	2001	2002	2003	2004	2005	2006
January	91	107	130	200	191	130	85
February	151	119	212	188	132	154	107
March	241	132	183	127	148	123	127
April	166	129	161	151	119	176	100
May	130	156	117	162	128	122	131
June	173	129	145	178	136	132	140
July	89	144	183	141	132	177	
August	152	149	173	202	114	124	
September	93	136	164	260	141	143	
October	106	166	118	235	126	115	
November	112	181	106	136	90	95	
December	122	123	166	130	75	113	
<b>Year</b>	<b>1 626</b>	<b>1 671</b>	<b>1 858</b>	<b>2 110</b>	<b>1 532</b>	<b>1 604</b>	

**Table 8 – Number of compulsory liquidations of companies: 2000 to 2006**

Month	2000	2001	2002	2003	2004	2005	2006
January	32	34	19	37	16	6	18
February	57	17	46	28	15	43	4
March	147	28	32	17	32	23	23
April	87	27	53	17	6	13	5
May	40	41	12	28	20	30	5
June	100	53	29	31	16	7	35
July	32	41	33	29	31	62	
August	48	38	17	69	11	21	
September	31	54	22	60	33	17	
October	21	51	22	42	22	22	
November	25	35	25	38	12	18	
December	39	24	29	27	9	13	
<b>Year</b>	<b>659</b>	<b>443</b>	<b>339</b>	<b>423</b>	<b>223</b>	<b>275</b>	

**Table 9 - Number of voluntary liquidations of companies: 2000 to 2006**

Month	2000	2001	2002	2003	2004	2005	2006
January	59	73	111	163	175	124	67
February	94	102	166	160	117	111	103
March	94	104	151	110	116	100	104
April	79	102	108	134	113	163	95
May	90	115	105	134	108	92	126
June	73	76	116	147	120	125	105
July	57	103	150	112	101	115	
August	104	111	156	133	103	103	
September	62	82	142	200	108	126	
October	85	115	96	193	104	93	
November	87	146	81	98	78	77	
December	83	99	137	103	66	100	
<b>Year</b>	<b>967</b>	<b>1 228</b>	<b>1 519</b>	<b>1 687</b>	<b>1 309</b>	<b>1 329</b>	



**Table 10 - Number of liquidations of close corporations: 2000 to 2006**

Month	2000	2001	2002	2003	2004	2005	2006
January	102	191	268	195	197	198	86
February	78	263	204	140	166	142	106
March	85	185	151	100	153	117	114
April	107	228	184	208	125	103	98
May	128	175	182	184	134	143	180
June	210	165	152	167	165	133	122
July	225	163	166	198	159	141	
August	359	355	166	204	146	149	
September	397	201	172	206	296	154	
October	163	244	215	116	127	119	
November	236	165	148	193	128	139	
December	89	150	45	65	182	83	
<b>Year</b>	<b>2 179</b>	<b>2 485</b>	<b>2 053</b>	<b>1 976</b>	<b>1 978</b>	<b>1 621</b>	

**Table 11 - Number of compulsory liquidations of close corporations: 2000 to 2006**

Month	2000	2001	2002	2003	2004	2005	2006
January	53	37	59	39	26	24	19
February	21	97	41	37	23	27	11
March	25	40	36	29	25	12	8
April	38	98	34	46	26	5	4
May	17	40	48	24	17	31	15
June	90	35	40	43	47	18	15
July	45	40	36	56	37	22	
August	199	218	57	51	28	48	
September	210	64	48	49	50	10	
October	23	86	32	28	21	18	
November	103	39	39	22	11	29	
December	32	47	16	10	30	5	
<b>Year</b>	<b>856</b>	<b>841</b>	<b>486</b>	<b>434</b>	<b>341</b>	<b>249</b>	

**Table 12 – Number of voluntary liquidations of close corporations: 2000 to 2006**

Month	2000	2001	2002	2003	2004	2005	2006
January	49	154	209	156	171	174	67
February	57	166	163	103	143	115	95
March	60	145	115	71	128	105	106
April	69	130	150	162	99	98	94
May	111	135	134	160	117	112	165
June	120	130	112	124	118	115	107
July	180	123	130	142	122	119	
August	160	137	109	153	118	101	
September	187	137	124	157	246	144	
October	140	158	183	88	106	101	
November	133	126	109	171	117	110	
December	57	103	29	55	152	78	
<b>Year</b>	<b>1 323</b>	<b>1 644</b>	<b>1 567</b>	<b>1 542</b>	<b>1 637</b>	<b>1 372</b>	

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

Month	2000	2001	2002	2003	2004	2005*	2006 1/
January	285	253	216	135	143	103	89
February	445	308	273	135	143	114	117
March	*398	356	269	221	246	141	125
April	*404	319	317	251	211	118	87
May	413	394	256	169	*151	126	93
June	412	325	*252	*250	178	133	
July	384	403	279	234	162	117	
August	499	374	277	*255	152	165	
September	317	308	227	280	*176	136	
October	388	334	259	268	*123	111	
November	420	323	254	*233	*137	146	
December	*327	238	160	204	118	111	
<b>Year</b>	<b>4 692</b>	<b>3 935</b>	<b>3 039</b>	<b>2 635</b>	<b>1 940</b>	<b>1 521</b>	

1/ Preliminary.

\*Revised.

**Table 14 – Percentage change between June 2006 and the corresponding month of the previous year regarding the number of liquidations**

<b>Actual estimates</b>	<b>Number of liquidations June 2005</b>	<b>Number of liquidations June 2006</b>	<b>% change between June 2005 and June 2006</b>	<b>Difference between June 2005 and June 2006</b>
	265	262	-1,1	-3

**Table 15 – Percentage change between the first six months of 2006 and the first six months of 2005 regarding the number of liquidations**

<b>Actual estimates</b>	<b>Number of liquidations January 2005 to June 2005</b>	<b>Number of liquidations January 2006 to June 2006</b>	<b>% change between January 2005 to June 2005 and January 2006 to June 2006</b>	<b>Difference between January 2005 to June 2005 and January 2006 to June 2006</b>
	1 673	1 396	-16,6	-277

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

<b>Actual estimates</b>	<b>Number of insolvencies May 2005</b>	<b>Number of insolvencies May 2006</b>	<b>% change between May 2005 and May 2006</b>	<b>Difference between May 2005 and May 2006</b>
	126	93	-26,2	-33

**Table 17 - Percentage change between the first five months of 2006 and the first five months of 2005 regarding the number of insolvencies**

<b>Actual estimates</b>	<b>Number of insolvencies January 2005 to May 2005</b>	<b>Number of insolvencies January 2006 to May 2006</b>	<b>% change between January 2005 to May 2005 and January 2006 to May 2006</b>	<b>Difference between January 2005 to May 2005 and January 2006 to May 2006</b>
	602	511	-15,1	-91

## 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.
- Scope of the survey**
- 3 This survey covers -
- 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**
- 4 Users may also wish to refer to the following publications which are available from Stats SA -
- *Bulletin of Statistics.*
  - *SA Statistics.*
- Unpublished statistics**
- 5 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**
- 6 CD            Compact Disc  
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>	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.
<b>Liquidation</b>	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.
<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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