

STATISTICAL RELEASE
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Statistics of liquidations and insolvencies
(Preliminary)

March 2017

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Liquidations: results for March 2017

Table A – Number of liquidations

Number of liquidations March 2017	% change between March 2016 and March 2017	% change between January to March 2016 and January to March 2017
188	16,8	-13,1

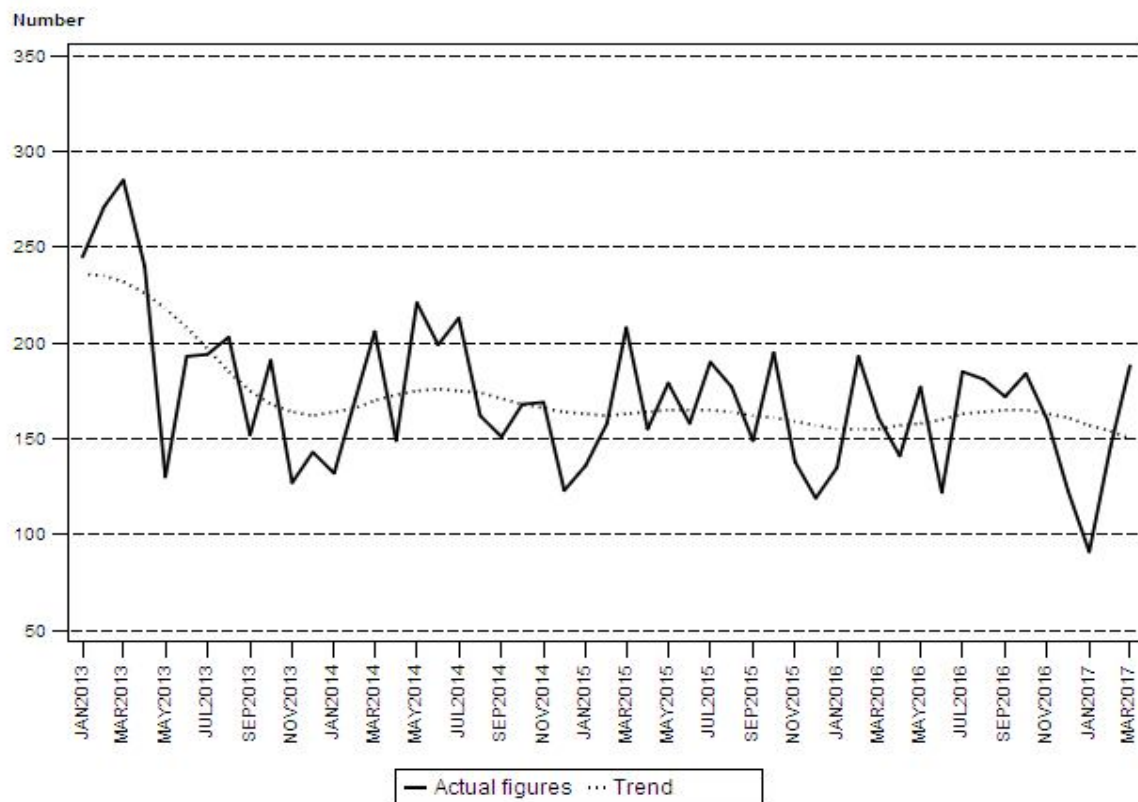
The total number of liquidations recorded increased by 16,8% (27 more cases) year-on-year in March 2017. Voluntary liquidations increased by 27 cases while compulsory liquidations remained unchanged during this period.

The largest year-on-year increases in total liquidations in March 2017 related to businesses in the following industries:

- trade, catering and accommodation (13 more liquidations, from 38 to 51);
- unclassified (10 more liquidations, from 28 to 38);
- community, social and personal services (7 more liquidations, from 14 to 21); and
- transport, storage and communication (4 more liquidations, from 4 to 8) – see Table 1.

The number of liquidations showed a 13,1% decrease in the first quarter of 2017 compared with the first quarter of 2016. Company liquidations decreased by 16,8% (from 244 to 203) and close corporation liquidations decreased by 9,4% (from 245 to 222) during this period – see Tables 3 and 4.

Figure 1 – Number of liquidations



Insolvencies: results for February 2017

Table B – Number of insolvencies

Number of insolvencies February 2017	% change between February 2016 and February 2017	% change between December 2015 to February 2016 and December 2016 to February 2017	% change between January to February 2016 and January to February 2017
213	-12,7	-16,2	-13,0

The estimated number of insolvencies decreased by 12,7% in February 2017 compared with February 2016. The number of insolvencies showed a decrease of 16,2% (from 650 to 545) in the three months ended February 2017 compared with the three months ended February 2016 – see Table 5.

Seasonally adjusted insolvencies decreased by 4,7% in February 2017 compared with January 2017. This followed month-on-month changes of -0,5% in January 2017 and 2,4% in December 2016 – see Table 6.

Figure 2 – Number of insolvencies



PJ Lehohla
Statistician-General

Tables

Table 1 – Total liquidations according to industry (number)

Industry	January – March 2017			March 2016			February 2017			March 2017		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	0	3	3	0	1	1	0	0	0	0	3	3
2.Mining and quarrying	0	1	1	0	0	0	0	0	0	0	1	1
3.Manufacturing	0	10	10	0	7	7	0	5	5	0	3	3
4.Electricity, gas and water	0	1	1	0	0	0	0	0	0	0	0	0
5.Construction	5	11	16	1	3	4	4	5	9	1	4	5
6.Trade, catering and accommodation	3	95	98	4	34	38	1	22	23	2	49	51
7.Transport, storage, communication	4	10	14	1	3	4	3	1	4	0	8	8
8.Financing, insurance, real estate, business services	11	120	131	4	61	65	0	43	43	7	51	58
9.Community, social, personal services	4	44	48	2	12	14	1	16	17	3	18	21
10.Unclassified	6	97	103	2	26	28	4	41	45	1	37	38
Total number of liquidations	33	392	425	14	147	161	13	133	146	14	174	188

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

Industry	January – March 2017			March 2016			February 2017			March 2017		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	0	3	3	0	0	0	0	0	0	0	3	3
2.Mining and quarrying	0	1	1	0	0	0	0	0	0	0	1	1
3.Manufacturing	0	2	2	0	5	5	0	2	2	0	0	0
4.Electricity, gas and water	0	0	0	0	0	0	0	0	0	0	0	0
5.Construction	4	4	8	0	1	1	4	1	5	0	1	1
6.Trade, catering and accommodation	3	33	36	2	12	14	1	10	11	2	16	18
7.Transport, storage, communication	3	2	5	0	2	2	3	0	3	0	1	1
8.Financing, insurance, real estate, business services	5	50	55	2	29	31	0	16	16	3	21	24
9.Community, social, personal services	0	3	3	0	2	2	0	2	2	0	1	1
10.Unclassified	6	84	90	2	21	23	4	38	42	1	30	31
Total number of liquidations	21	182	203	6	72	78	12	69	81	6	74	80

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

Industry	January – March 2017			March 2016			February 2017			March 2017		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	0	0	0	0	1	1	0	0	0	0	0	0
2.Mining and quarrying	0	0	0	0	0	0	0	0	0	0	0	0
3.Manufacturing	0	8	8	0	2	2	0	3	3	0	3	3
4.Electricity, gas and water	0	1	1	0	0	0	0	0	0	0	0	0
5.Construction	1	7	8	1	2	3	0	4	4	1	3	4
6.Trade, catering and accommodation	0	62	62	2	22	24	0	12	12	0	33	33
7.Transport, storage, communication	1	8	9	1	1	2	0	1	1	0	7	7
8.Financing, insurance, real estate, business services	6	70	76	2	32	34	0	27	27	4	30	34
9.Community, social, personal services	4	41	45	2	10	12	1	14	15	3	17	20
10.Unclassified	0	13	13	0	5	5	0	3	3	0	7	7
Total number of liquidations	12	210	222	8	75	83	1	64	65	8	100	108

C = Compulsory.

V = Voluntary.

Table 2 – Total liquidations (number)

Month	2011	2012	2013	2014	2015	2016	2017
January	313	200	245	132	136	135	91
February	399	200	271	171	158	193	146
March	350	312	285	206	208	161	188
April	267	274	240	149	155	141	
May	107	269	130	221	179	177	
June	156	213	193	199	158	122	
July	251	147	194	213	190	185	
August	302	241	203	162	177	181	
September	330	236	152	151	149	172	
October	363	235	191	168	195	184	
November	398	195	127	169	138	160	
December	323	194	143	123	119	123	
Total	3 559	2 716	2 374	2 064	1 962	1 934	

Table 2.1 – Compulsory liquidations (number)

Month	2011	2012	2013	2014	2015	2016	2017
January	45	61	3	22	13	16	6
February	26	27	26	12	22	13	13
March	12	39	53	18	39	14	14
April	16	4	17	35	7	24	
May	30	3	9	29	20	14	
June	2	14	16	89	29	10	
July	8	1	18	47	34	25	
August	14	63	19	25	23	9	
September	18	58	13	20	15	29	
October	61	21	9	33	14	20	
November	74	18	4	23	12	14	
December	75	8	24	13	10	12	
Total	381	317	211	366	238	200	

Table 2.2 – Voluntary liquidations (number)

Month	2011	2012	2013	2014	2015	2016	2017
January	268	139	242	110	123	119	85
February	373	173	245	159	136	180	133
March	338	273	232	188	169	147	174
April	251	270	223	114	148	117	
May	77	266	121	192	159	163	
June	154	199	177	110	129	112	
July	243	146	176	166	156	160	
August	288	178	184	137	154	172	
September	312	178	139	131	134	143	
October	302	214	182	135	181	164	
November	324	177	123	146	126	146	
December	248	186	119	110	109	111	
Total	3 178	2 399	2 163	1 698	1 724	1 734	

Table 3 – Total liquidations of companies (number)

Month	2011	2012	2013	2014	2015	2016	2017
January	156	97	121	74	79	66	42
February	199	75	123	87	80	100	81
March	145	115	147	89	101	78	80
April	97	105	104	78	70	80	
May	36	130	56	108	87	96	
June	52	105	96	104	90	65	
July	81	74	92	109	93	108	
August	180	133	97	86	87	97	
September	190	136	82	75	79	85	
October	167	109	100	78	88	98	
November	152	72	55	75	59	72	
December	151	108	75	65	56	67	
Total	1 606	1 259	1 148	1 028	969	1 012	

Table 3.1 – Compulsory liquidations of companies (number)

Month	2011	2012	2013	2014	2015	2016	2017
January	18	37	3	16	9	9	3
February	16	11	5	7	16	9	12
March	12	11	32	6	18	6	6
April	0	2	10	24	5	17	
May	3	3	7	20	16	9	
June	1	14	11	54	22	4	
July	4	0	9	26	21	9	
August	0	34	11	20	12	6	
September	18	41	9	13	3	17	
October	59	14	4	22	8	13	
November	42	6	2	6	7	6	
December	47	2	14	8	3	8	
Total	220	175	117	222	140	113	

Table 3.2 – Voluntary liquidations of companies (number)

Month	2011	2012	2013	2014	2015	2016	2017
January	138	60	118	58	70	57	39
February	183	64	118	80	64	91	69
March	133	104	115	83	83	72	74
April	97	103	94	54	65	63	
May	33	127	49	88	71	87	
June	51	91	85	50	68	61	
July	77	74	83	83	72	99	
August	180	99	86	66	75	91	
September	172	95	73	62	76	68	
October	108	95	96	56	80	85	
November	110	66	53	69	52	66	
December	104	106	61	57	53	59	
Total	1 386	1 084	1 031	806	829	899	

Table 4 – Total liquidations of close corporations (number)

Month	2011	2012	2013	2014	2015	2016	2017
January	157	103	124	58	57	69	49
February	200	125	148	84	78	93	65
March	205	197	138	117	107	83	108
April	170	169	136	71	85	61	
May	71	139	74	113	92	81	
June	104	108	97	95	68	57	
July	170	73	102	104	97	77	
August	122	108	106	76	90	84	
September	140	100	70	76	70	87	
October	196	126	91	90	107	86	
November	246	123	72	94	79	88	
December	172	86	68	58	63	56	
Total	1 953	1 457	1 226	1 036	993	922	

Table 4.1 – Compulsory liquidations of close corporations (number)

Month	2011	2012	2013	2014	2015	2016	2017
January	27	24	0	6	4	7	3
February	10	16	21	5	6	4	1
March	0	28	21	12	21	8	8
April	16	2	7	11	2	7	
May	27	0	2	9	4	5	
June	1	0	5	35	7	6	
July	4	1	9	21	13	16	
August	14	29	8	5	11	3	
September	0	17	4	7	12	12	
October	2	7	5	11	6	7	
November	32	12	2	17	5	8	
December	28	6	10	5	7	4	
Total	161	142	94	144	98	87	

Table 4.2 – Voluntary liquidations of close corporations (number)

Month	2011	2012	2013	2014	2015	2016	2017
January	130	79	124	52	53	62	46
February	190	109	127	79	72	89	64
March	205	169	117	105	86	75	100
April	154	167	129	60	83	54	
May	44	139	72	104	88	76	
June	103	108	92	60	61	51	
July	166	72	93	83	84	61	
August	108	79	98	71	79	81	
September	140	83	66	69	58	75	
October	194	119	86	79	101	79	
November	214	111	70	77	74	80	
December	144	80	58	53	56	52	
Total	1 792	1 315	1 132	892	895	835	

Table 5 – Insolvencies of individuals and partnerships (number)

Month	1/ 2011	1/ 2012	1/ 2013	1/ 2014	1/ 2015	1/ 2016	1/ 2017
January	161	292	164	187	168	180	156
February	338	402	269	281	254	244	213
March	478	465	339	323	293	297	
April	291	345	241	245	207	233	
May	363	364	306	270	230	237	
June	418	342	291	267	236	228	
July	371	327	304	273	214	219	
August	463	403	349	325	216	233	
September	395	275	243	261	203	210	
October	459	295	264	280	215	219	
November	354	303	264	258	212	208	
December	241	205	196	211	226	176	
Total	4 332	4 018	3 230	3 181	2 674	2 684	

1/ Preliminary.

Table 6 – Seasonally adjusted number of insolvencies

Month	Number				Month-on-month % change			
	2014	2015	2016	2017	2014	2015	2016	2017
January	279	252	262	214	13,0	-3,8	-1,5	-0,5
February	281	248	237	204	0,7	-1,6	-9,5	-4,7
March	255	236	238		-9,3	-4,8	0,4	
April	267	201	237		4,7	-14,8	-0,4	
May	263	225	223		-1,5	11,9	-5,9	
June	249	227	211		-5,3	0,9	-5,4	
July	256	201	225		2,8	-11,5	6,6	
August	280	196	205		9,4	-2,5	-8,9	
September	276	212	215		-1,4	8,2	4,9	
October	263	216	225		-4,7	1,9	4,7	
November	270	214	210		2,7	-0,9	-6,7	
December	262	266	215		-3,0	24,3	2,4	

Explanatory notes

- | | | |
|----------------------------------|----------|--|
| Introduction | 1 | Statistics South Africa (Stats SA) collects administrative information on liquidations from Companies and Intellectual Property Commission, Department of Trade and Industry, while information on insolvencies is gathered from Notices of the Master of the Supreme 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 | <p>This survey covers the total number of:</p> <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 | <p>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:</p> <p>click to Download Seasonal adjustment P0043 March 2017</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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