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Statistics of liquidations and insolvencies (Preliminary)

November 2019

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Liquidations: results for November 2019

Table A – Number of liquidations

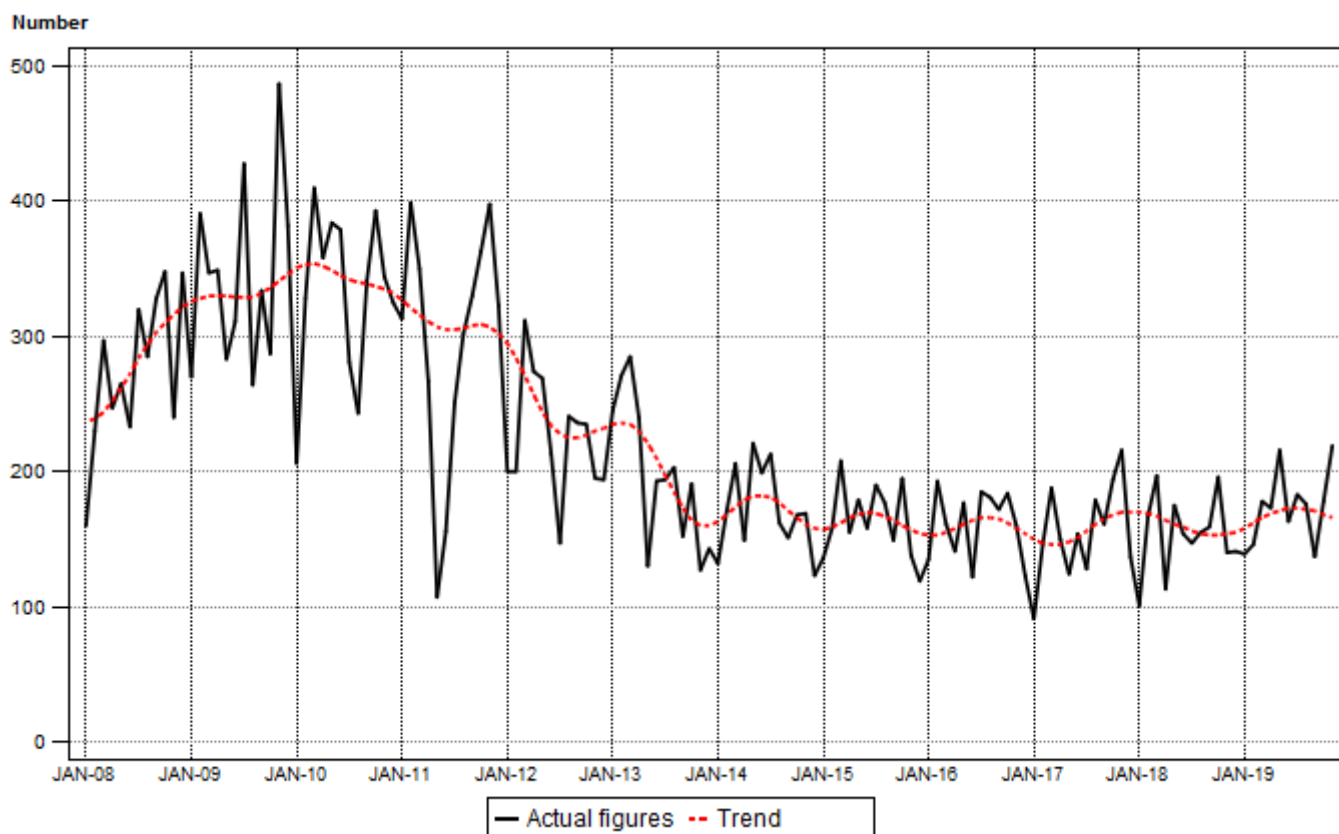
Number of liquidations November 2019	% change between November 2018 and November 2019	% change between September to November 2018 and September to November 2019	% change between January to November 2018 and January to November 2019
219	56,4	7,9	12,0

The total number of liquidations increased by 56,4% in November 2019 compared with November 2018. Compulsory liquidations increased by 41 cases while voluntary liquidations increased by 38 cases.

Eight of the ten industries showed year-on-year increases with financing, insurance, real estate and business services being the major contributor (30 more liquidations), followed by unclassified (24 more liquidations) and trade, catering and accommodation (17 more liquidations) – see Table 1.

The total number of liquidations recorded for the first eleven months of 2019 increased by 12,0% compared with the first eleven months of 2018.

Figure 1 – Number of liquidations



Insolvencies: results for October 2019

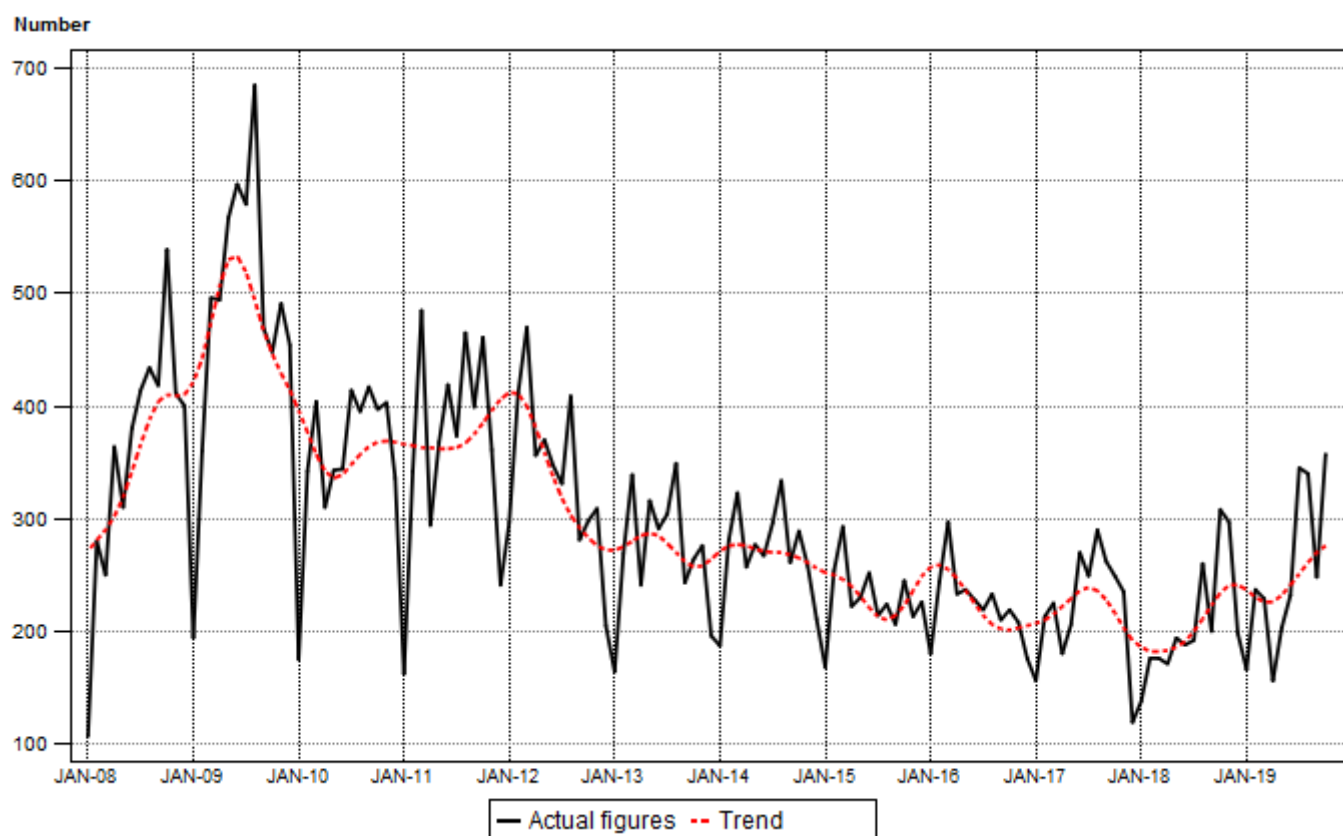
Table B – Number of insolvencies

Number of insolvencies October 2019	% change between October 2018 and October 2019	% change between August to October 2018 and August to October 2019	% change between January to October 2018 and January to October 2019
357	15,9	23,0	25,5

The estimated number of insolvencies increased by 23,0% in the three months ended October 2019 compared with the three months ended October 2018. A 15,9% increase was estimated in October 2019 compared with October 2018.

Seasonally adjusted insolvencies increased by 5,8% in October 2019 compared with September 2019. This followed month-on-month changes of -8,2% in September 2019 and -11,9% in August 2019 – see Table 6.

Figure 2 – Number of insolvencies



Risenga Maluleke
Statistician-General

Tables

Table 1 – Total liquidations according to industry (number)

Industry	January – November 2019			November 2018			October 2019			November 2019		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	6	15	21	0	0	0	0	0	0	1	3	4
2.Mining and quarrying	3	6	9	0	2	2	0	0	0	2	0	2
3.Manufacturing	11	66	77	1	3	4	2	6	8	3	3	6
4.Electricity, gas and water	0	9	9	0	0	0	0	1	1	0	2	2
5.Construction	10	70	80	1	8	9	2	8	10	0	11	11
6.Trade, catering and accommodation	54	374	428	1	22	23	2	37	39	10	30	40
7.Transport, storage, communication	9	31	40	0	2	2	3	6	9	1	3	4
8.Financing, insurance, real estate, business services	84	535	619	3	45	48	3	43	46	21	57	78
9.Community, social, personal services	16	98	114	0	12	12	1	8	9	1	7	8
10.Unclassified	53	458	511	3	37	40	2	54	56	11	53	64
Total number of liquidations	246	1 662	1 908	9	131	140	15	163	178	50	169	219

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

Industry	January – November 2019			November 2018			October 2019			November 2019		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	2	4	6	0	0	0	0	0	0	0	1	1
2.Mining and quarrying	2	4	6	0	0	0	0	0	0	2	0	2
3.Manufacturing	10	25	35	1	1	2	2	3	5	3	0	3
4.Electricity, gas and water	0	1	1	0	0	0	0	0	0	0	0	0
5.Construction	2	19	21	1	1	2	1	3	4	0	3	3
6.Trade, catering and accommodation	21	140	161	1	11	12	0	13	13	4	13	17
7.Transport, storage, communication	3	14	17	0	0	0	1	3	4	0	1	1
8.Financing, insurance, real estate, business services	47	275	322	2	18	20	1	21	22	12	27	39
9.Community, social, personal services	2	17	19	0	2	2	1	2	3	0	1	1
10.Unclassified	44	379	423	3	30	33	2	45	47	9	43	52
Total number of liquidations	133	878	1 011	8	63	71	8	90	98	30	89	119

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

Industry	January – November 2019			November 2018			October 2019			November 2019		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	4	11	15	0	0	0	0	0	0	1	2	3
2.Mining and quarrying	1	2	3	0	2	2	0	0	0	0	0	0
3.Manufacturing	1	41	42	0	2	2	0	3	3	0	3	3
4.Electricity, gas and water	0	8	8	0	0	0	0	1	1	0	2	2
5.Construction	8	51	59	0	7	7	1	5	6	0	8	8
6.Trade, catering and accommodation	33	234	267	0	11	11	2	24	26	6	17	23
7.Transport, storage, communication	6	17	23	0	2	2	2	3	5	1	2	3
8.Financing, insurance, real estate, business services	37	260	297	1	27	28	2	22	24	9	30	39
9.Community, social, personal services	14	81	95	0	10	10	0	6	6	1	6	7
10.Unclassified	9	79	88	0	7	7	0	9	9	2	10	12
Total number of liquidations	113	784	897	1	68	69	7	73	80	20	80	100

C = Compulsory.

V = Voluntary.

Table 2 – Total liquidations (number)

Month	2013	2014	2015	2016	2017	2018	2019
January	245	132	136	135	91	101	139
February	271	171	158	193	146	167	146
March	285	206	208	161	188	197	178
April	240	149	155	141	150	113	173
May	130	221	179	177	124	175	216
June	193	199	158	122	154	154	163
July	194	213	190	185	128	147	183
August	203	162	177	181	179	155	176
September	152	151	149	172	161	159	137
October	191	168	195	184	194	196	178
November	127	169	138	160	216	140	219
December	143	123	119	123	137	141	
Total	2 374	2 064	1 962	1 934	1 868	1 845	

Table 2.1 – Compulsory liquidations (number)

Month	2013	2014	2015	2016	2017	2018	2019
January	3	22	13	16	6	11	17
February	26	12	22	13	13	26	14
March	53	18	39	14	14	15	10
April	17	35	7	24	4	16	35
May	9	29	20	14	15	8	31
June	16	89	29	10	17	11	24
July	18	47	34	25	10	17	23
August	19	25	23	9	21	23	16
September	13	20	15	29	45	39	11
October	9	33	14	20	32	17	15
November	4	23	12	14	23	9	50
December	24	13	10	12	11	7	
Total	211	366	238	200	211	199	

Table 2.2 – Voluntary liquidations (number)

Month	2013	2014	2015	2016	2017	2018	2019
January	242	110	123	119	85	90	122
February	245	159	136	180	133	141	132
March	232	188	169	147	174	182	168
April	223	114	148	117	146	97	138
May	121	192	159	163	109	167	185
June	177	110	129	112	137	143	139
July	176	166	156	160	118	130	160
August	184	137	154	172	158	132	160
September	139	131	134	143	116	120	126
October	182	135	181	164	162	179	163
November	123	146	126	146	193	131	169
December	119	110	109	111	126	134	
Total	2 163	1 698	1 724	1 734	1 657	1 646	

Table 3 – Total liquidations of companies (number)

Month	2013	2014	2015	2016	2017	2018	2019
January	121	74	79	66	42	67	64
February	123	87	80	100	81	94	78
March	147	89	101	78	80	92	96
April	104	78	70	80	73	64	89
May	56	108	87	96	56	109	114
June	96	104	90	65	84	74	85
July	92	109	93	108	62	77	108
August	97	86	87	97	94	68	78
September	82	75	79	85	85	65	82
October	100	78	88	98	106	102	98
November	55	75	59	72	107	71	119
December	75	65	56	67	88	89	
Total	1 148	1 028	969	1 012	958	972	

Table 3.1 – Compulsory liquidations of companies (number)

Month	2013	2014	2015	2016	2017	2018	2019
January	3	16	9	9	3	5	8
February	5	7	16	9	12	22	7
March	32	6	18	6	6	5	5
April	10	24	5	17	3	14	16
May	7	20	16	9	5	5	19
June	11	54	22	4	11	8	13
July	9	26	21	9	4	9	16
August	11	20	12	6	14	15	5
September	9	13	3	17	25	22	6
October	4	22	8	13	23	11	8
November	2	6	7	6	9	8	30
December	14	8	3	8	8	4	
Total	117	222	140	113	123	128	

Table 3.2 – Voluntary liquidations of companies (number)

Month	2013	2014	2015	2016	2017	2018	2019
January	118	58	70	57	39	62	56
February	118	80	64	91	69	72	71
March	115	83	83	72	74	87	91
April	94	54	65	63	70	50	73
May	49	88	71	87	51	104	95
June	85	50	68	61	73	66	72
July	83	83	72	99	58	68	92
August	86	66	75	91	80	53	73
September	73	62	76	68	60	43	76
October	96	56	80	85	83	91	90
November	53	69	52	66	98	63	89
December	61	57	53	59	80	85	
Total	1 031	806	829	899	835	844	

Table 4 – Total liquidations of close corporations (number)

Month	2013	2014	2015	2016	2017	2018	2019
January	124	58	57	69	49	34	75
February	148	84	78	93	65	73	68
March	138	117	107	83	108	105	82
April	136	71	85	61	77	49	84
May	74	113	92	81	68	66	102
June	97	95	68	57	70	80	78
July	102	104	97	77	66	70	75
August	106	76	90	84	85	87	98
September	70	76	70	87	76	94	55
October	91	90	107	86	88	94	80
November	72	94	79	88	109	69	100
December	68	58	63	56	49	52	
Total	1 226	1 036	993	922	910	873	

Table 4.1 – Compulsory liquidations of close corporations (number)

Month	2013	2014	2015	2016	2017	2018	2019
January	0	6	4	7	3	6	9
February	21	5	6	4	1	4	7
March	21	12	21	8	8	10	5
April	7	11	2	7	1	2	19
May	2	9	4	5	10	3	12
June	5	35	7	6	6	3	11
July	9	21	13	16	6	8	7
August	8	5	11	3	7	8	11
September	4	7	12	12	20	17	5
October	5	11	6	7	9	6	7
November	2	17	5	8	14	1	20
December	10	5	7	4	3	3	
Total	94	144	98	87	88	71	

Table 4.2 – Voluntary liquidations of close corporations (number)

Month	2013	2014	2015	2016	2017	2018	2019
January	124	52	53	62	46	28	66
February	127	79	72	89	64	69	61
March	117	105	86	75	100	95	77
April	129	60	83	54	76	47	65
May	72	104	88	76	58	63	90
June	92	60	61	51	64	77	67
July	93	83	84	61	60	62	68
August	98	71	79	81	78	79	87
September	66	69	58	75	56	77	50
October	86	79	101	79	79	88	73
November	70	77	74	80	95	68	80
December	58	53	56	52	46	49	
Total	1 132	892	895	835	822	802	

Table 5 – Insolvencies of individuals and partnerships (number)

Month	1/ 2013	1/ 2014	1/ 2015	1/ 2016	1/ 2017	1/ 2018	1/ 2019
January	164	187	168	180	156	138	166
February	269	281	254	244	213	176	237
March	339	323	293	297	225	176	229
April	241	257	222	233	180	171	156
May	316	277	230	237	206	194	203
June	291	267	252	228	270	188	232
July	304	296	214	219	249	192	345
August	349	334	224	233	290	260	340
September	243	261	206	210	262	200	248
October	264	289	245	219	249	308	357
November	276	258	213	208	235	297	
December	196	211	226	176	119	198	
Total	3 252	3 241	2 747	2 684	2 654	2 498	

1/ Preliminary.

Table 6 – Seasonally adjusted number of insolvencies

Month	Number				Month-on-month % change			
	2016	2017	2018	2019	2016	2017	2018	2019
January	268	218	188	219	3,5	4,8	28,8	-10,6
February	243	214	177	239	-9,3	-1,8	-5,9	9,1
March	265	188	176	224	9,1	-12,1	-0,6	-6,3
April	249	220	187	189	-6,0	17,0	6,3	-15,6
May	242	211	198	210	-2,8	-4,1	5,9	11,1
June	208	251	190	240	-14,0	19,0	-4,0	14,3
July	223	252	183	319	7,2	0,4	-3,7	32,9
August	196	235	207	281	-12,1	-6,7	13,1	-11,9
September	210	282	218	258	7,1	20,0	5,3	-8,2
October	202	211	248	273	-3,8	-25,2	13,8	5,8
November	190	203	254		-5,9	-3,8	2,4	
December	208	146	245		9,5	-28,1	-3,5	

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 High 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 April 2018</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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