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Statistics of liquidations and insolvencies (Preliminary)

March 2021

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Liquidations: results for March 2021

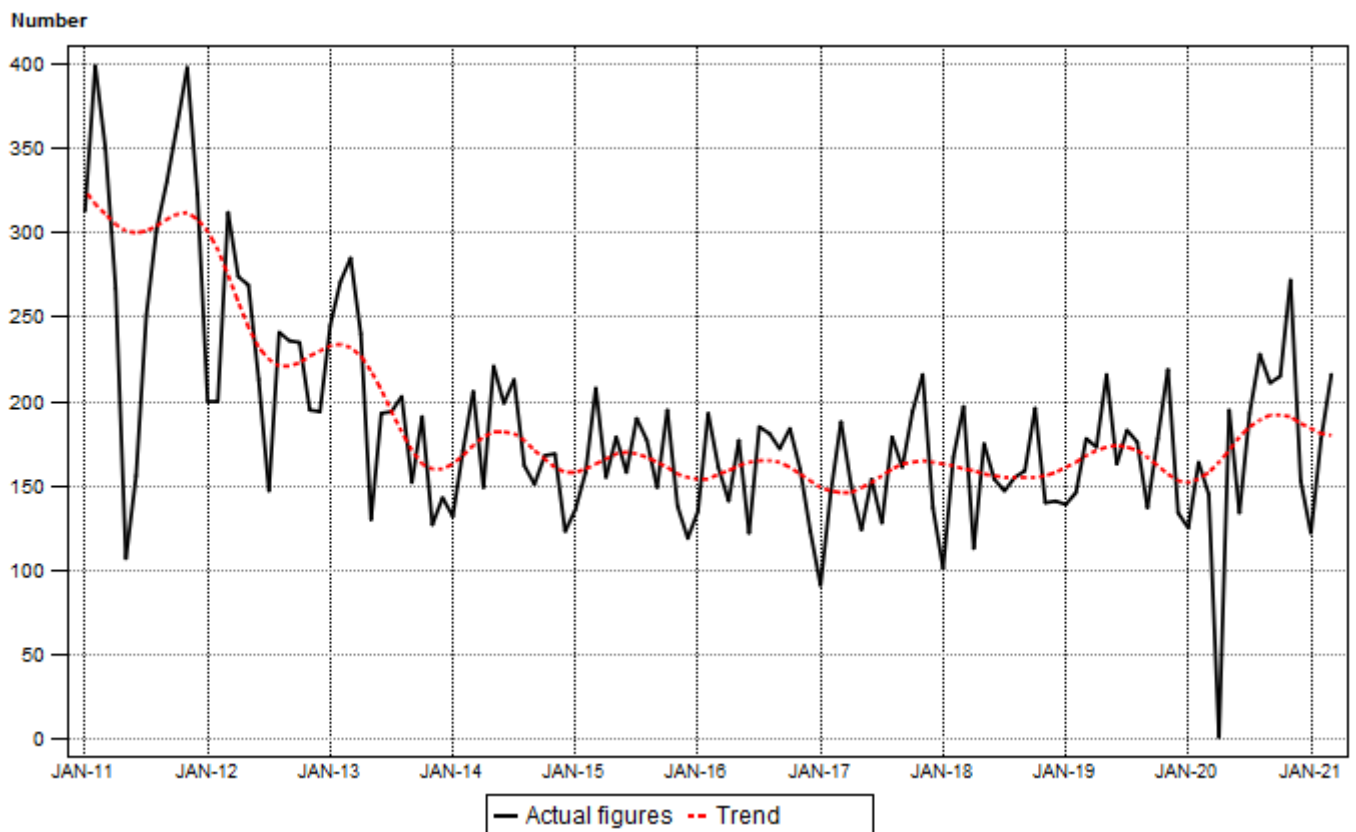
Table A – Number of liquidations

Number of liquidations March 2021	% change between March 2020 and March 2021	% change between January to March 2020 and January to March 2021
216	49,0	18,9

The total number of liquidations recorded increased by 49,0% (71 more cases) in March 2021 compared with March 2020. Voluntary liquidations increased by 61 cases and compulsory liquidations increased by 10 cases.

The total number of liquidations increased by 18,9% in the first quarter of 2021 compared with the first quarter of 2020.

Figure 1 – Number of liquidations



Insolvencies: results for February 2021

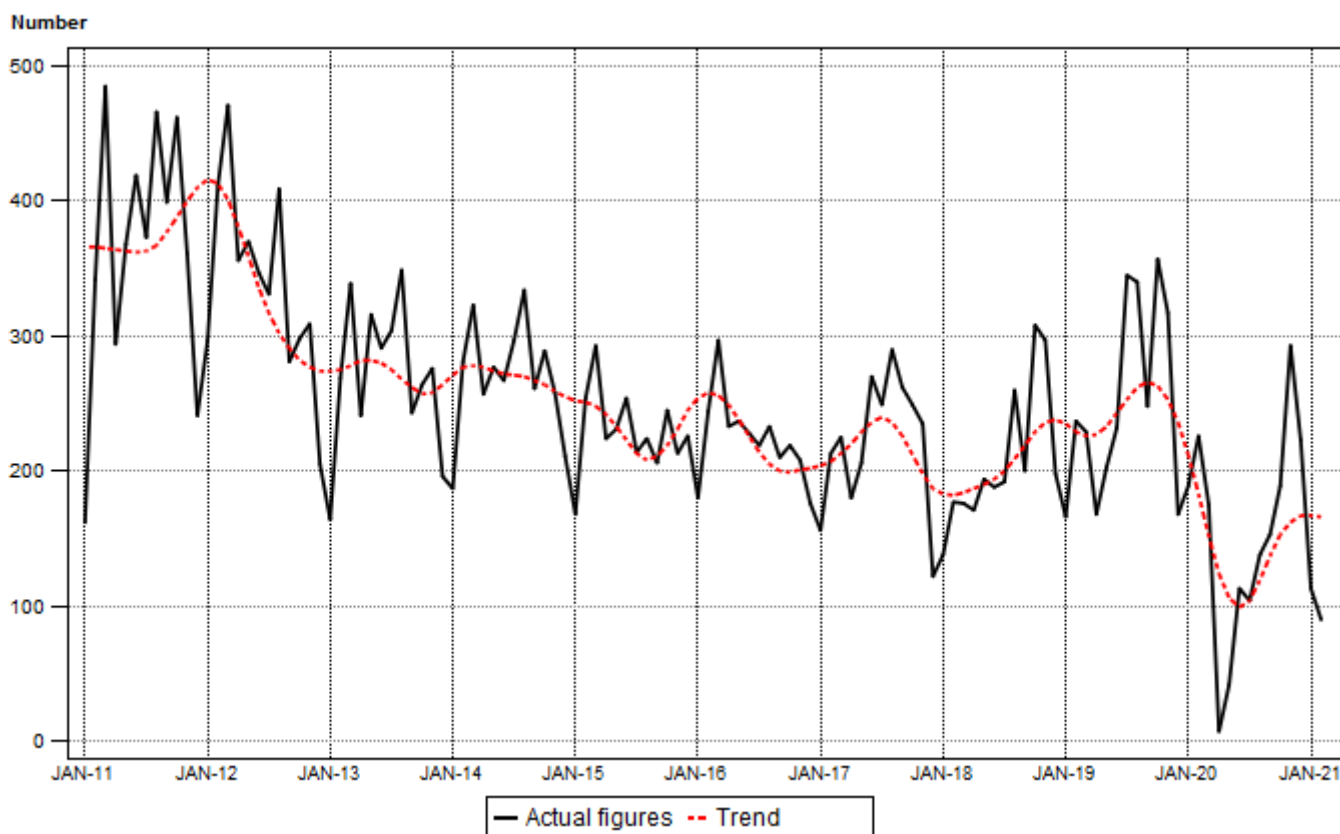
Table B – Number of insolvencies

Number of insolvencies February 2021	% change between February 2020 and February 2021	% change between December 2019 to February 2020 and December 2020 to February 2021	% change between January to February 2020 and January to February 2021
90	-60,2	-26,9	-51,1

The estimated number of insolvencies decreased by 60,2% in February 2021 compared with February 2020. A 26,9% decrease was estimated in the three months ended February 2021 compared with the three months ended February 2020.

Seasonally adjusted insolvencies decreased by 43,4% in February 2021 compared with January 2021. This followed month-on-month changes of -40,2% in January 2021 and 10,4% in December 2020 – see Table 6.

Figure 2 – Number of insolvencies



Risenga Maluleke
Statistician-General

Tables

Table 1 – Total liquidations according to industry (number)

Industry	January – March 2021			March 2020			February 2021			March 2021		
	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	2	2	0	0	0
2.Mining and quarrying	0	1	1	0	0	0	0	0	0	0	0	0
3.Manufacturing	0	26	26	1	9	10	0	8	8	0	10	10
4.Electricity, gas and water	1	1	2	0	0	0	0	0	0	1	1	2
5.Construction	2	22	24	1	6	7	1	7	8	0	7	7
6.Trade, catering and accommodation	13	90	103	1	27	28	3	31	34	7	40	47
7.Transport, storage, communication	2	10	12	1	6	7	1	4	5	1	4	5
8.Financing, insurance, real estate, business services	18	159	177	3	40	43	4	57	61	4	73	77
9.Community, social, personal services	3	30	33	0	11	11	0	8	8	1	16	17
10.Unclassified	11	124	135	1	37	38	3	49	52	4	47	51
Total number of liquidations	50	466	516	8	137	145	12	166	178	18	198	216

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

Industry	January – March 2021			March 2020			February 2021			March 2021		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	0	1	1	0	0	0	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	11	11	0	2	2	0	4	4	0	5	5
4.Electricity, gas and water	0	0	0	0	0	0	0	0	0	0	0	0
5.Construction	1	5	6	1	0	1	0	3	3	0	2	2
6.Trade, catering and accommodation	4	27	31	0	16	16	0	6	6	2	11	13
7.Transport, storage, communication	0	5	5	0	3	3	0	2	2	0	1	1
8.Financing, insurance, real estate, business services	10	85	95	2	22	24	2	28	30	2	44	46
9.Community, social, personal services	1	4	5	0	3	3	0	2	2	0	2	2
10.Unclassified	9	104	113	1	35	36	3	43	46	4	38	42
Total number of liquidations	25	242	267	4	81	85	5	88	93	8	103	111

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

Industry	January – March 2021			March 2020			February 2021			March 2021		
	C	V	Total	C	V	Total	C	V	Total	C	V	Total
1.Agriculture, hunting, forestry and fishing	0	2	2	0	1	1	0	2	2	0	0	0
2.Mining and quarrying	0	1	1	0	0	0	0	0	0	0	0	0
3.Manufacturing	0	15	15	1	7	8	0	4	4	0	5	5
4.Electricity, gas and water	1	1	2	0	0	0	0	0	0	1	1	2
5.Construction	1	17	18	0	6	6	1	4	5	0	5	5
6.Trade, catering and accommodation	9	63	72	1	11	12	3	25	28	5	29	34
7.Transport, storage, communication	2	5	7	1	3	4	1	2	3	1	3	4
8.Financing, insurance, real estate, business services	8	74	82	1	18	19	2	29	31	2	29	31
9.Community, social, personal services	2	26	28	0	8	8	0	6	6	1	14	15
10.Unclassified	2	20	22	0	2	2	0	6	6	0	9	9
Total number of liquidations	25	224	249	4	56	60	7	78	85	10	95	105

C = Compulsory.

V = Voluntary.

Table 2 – Total liquidations (number)

Month	2015	2016	2017	2018	2019	2020	2021
January	136	135	91	101	139	125	122
February	158	193	146	167	146	164	178
March	208	161	188	197	178	145	216
April	155	141	150	113	173	0	
May	179	177	124	175	216	195	
June	158	122	154	154	163	134	
July	190	185	128	147	183	193	
August	177	181	179	155	176	228	
September	149	172	161	159	137	211	
October	195	184	194	196	178	215	
November	138	160	216	140	219	272	
December	119	123	137	141	134	153	
Total	1 962	1 934	1 868	1 845	2 042	2 035	

Table 2.1 – Compulsory liquidations (number)

Month	2015	2016	2017	2018	2019	2020	2021
January	13	16	6	11	17	29	20
February	22	13	13	26	14	10	12
March	39	14	14	15	10	8	18
April	7	24	4	16	35	0	
May	20	14	15	8	31	17	
June	29	10	17	11	24	12	
July	34	25	10	17	23	17	
August	23	9	21	23	16	13	
September	15	29	45	39	11	20	
October	14	20	32	17	15	36	
November	12	14	23	9	50	81	
December	10	12	11	7	12	19	
Total	238	200	211	199	258	262	

Table 2.2 – Voluntary liquidations (number)

Month	2015	2016	2017	2018	2019	2020	2021
January	123	119	85	90	122	96	102
February	136	180	133	141	132	154	166
March	169	147	174	182	168	137	198
April	148	117	146	97	138	0	
May	159	163	109	167	185	178	
June	129	112	137	143	139	122	
July	156	160	118	130	160	176	
August	154	172	158	132	160	215	
September	134	143	116	120	126	191	
October	181	164	162	179	163	179	
November	126	146	193	131	169	191	
December	109	111	126	134	122	134	
Total	1 724	1 734	1 657	1 646	1 784	1 773	

Table 3 – Total liquidations of companies (number)

Month	2015	2016	2017	2018	2019	2020	2021
January	79	66	42	67	64	72	63
February	80	100	81	94	78	83	93
March	101	78	80	92	96	85	111
April	70	80	73	64	89	0	
May	87	96	56	109	114	110	
June	90	65	84	74	85	80	
July	93	108	62	77	108	115	
August	87	97	94	68	78	135	
September	79	85	85	65	82	118	
October	88	98	106	102	98	119	
November	59	72	107	71	119	150	
December	56	67	88	89	68	97	
Total	969	1 012	958	972	1 079	1 164	

Table 3.1 – Compulsory liquidations of companies (number)

Month	2015	2016	2017	2018	2019	2020	2021
January	9	9	3	5	8	16	12
February	16	9	12	22	7	1	5
March	18	6	6	5	5	4	8
April	5	17	3	14	16	0	
May	16	9	5	5	19	9	
June	22	4	11	8	13	11	
July	21	9	4	9	16	12	
August	12	6	14	15	5	9	
September	3	17	25	22	6	13	
October	8	13	23	11	8	21	
November	7	6	9	8	30	46	
December	3	8	8	4	2	14	
Total	140	113	123	128	135	156	

Table 3.2 – Voluntary liquidations of companies (number)

Month	2015	2016	2017	2018	2019	2020	2021
January	70	57	39	62	56	56	51
February	64	91	69	72	71	82	88
March	83	72	74	87	91	81	103
April	65	63	70	50	73	0	
May	71	87	51	104	95	101	
June	68	61	73	66	72	69	
July	72	99	58	68	92	103	
August	75	91	80	53	73	126	
September	76	68	60	43	76	105	
October	80	85	83	91	90	98	
November	52	66	98	63	89	104	
December	53	59	80	85	66	83	
Total	829	899	835	844	944	1 008	

Table 4 – Total liquidations of close corporations (number)

Month	2015	2016	2017	2018	2019	2020	2021
January	57	69	49	34	75	53	59
February	78	93	65	73	68	81	85
March	107	83	108	105	82	60	105
April	85	61	77	49	84	0	
May	92	81	68	66	102	85	
June	68	57	70	80	78	54	
July	97	77	66	70	75	78	
August	90	84	85	87	98	93	
September	70	87	76	94	55	93	
October	107	86	88	94	80	96	
November	79	88	109	69	100	122	
December	63	56	49	52	66	56	
Total	993	922	910	873	963	871	

Table 4.1 – Compulsory liquidations of close corporations (number)

Month	2015	2016	2017	2018	2019	2020	2021
January	4	7	3	6	9	13	8
February	6	4	1	4	7	9	7
March	21	8	8	10	5	4	10
April	2	7	1	2	19	0	
May	4	5	10	3	12	8	
June	7	6	6	3	11	1	
July	13	16	6	8	7	5	
August	11	3	7	8	11	4	
September	12	12	20	17	5	7	
October	6	7	9	6	7	15	
November	5	8	14	1	20	35	
December	7	4	3	3	10	5	
Total	98	87	88	71	123	106	

Table 4.2 – Voluntary liquidations of close corporations (number)

Month	2015	2016	2017	2018	2019	2020	2021
January	53	62	46	28	66	40	51
February	72	89	64	69	61	72	78
March	86	75	100	95	77	56	95
April	83	54	76	47	65	0	
May	88	76	58	63	90	77	
June	61	51	64	77	67	53	
July	84	61	60	62	68	73	
August	79	81	78	79	87	89	
September	58	75	56	77	50	86	
October	101	79	79	88	73	81	
November	74	80	95	68	80	87	
December	56	52	46	49	56	51	
Total	895	835	822	802	840	765	

Table 5 – Insolvencies of individuals and partnerships (number)

Month	1/ 2015	1/ 2016	1/ 2017	1/ 2018	1/ 2019	1/ 2020	1/ 2021
January	168	180	156	138	166	189	113
February	254	244	213	177	237	226	90
March	293	297	225	176	229	175	
April	224	233	180	171	168	7	
May	231	237	206	194	203	42	
June	254	228	270	188	232	113	
July	214	219	249	192	345	104	
August	224	233	290	260	340	138	
September	206	210	262	200	248	153	
October	245	219	249	308	357	189	
November	213	208	235	297	317	293	
December	226	176	122	198	168	223	
Total	2 752	2 684	2 657	2 499	3 010	1 852	

1/ Preliminary.

Table 6 – Seasonally adjusted number of insolvencies

Month	Number				Month-on-month % change			
	2018	2019	2020	2021	2018	2019	2020	2021
January	181	211	239	159	19,1	-15,9	13,3	-40,2
February	178	238	233	90	-1,7	12,8	-2,5	-43,4
March	182	239	183		2,2	0,4	-21,5	
April	195	212	9		7,1	-11,3	-95,1	
May	202	216	51		3,6	1,9	466,7	
June	191	247	115		-5,4	14,4	125,5	
July	185	314	90		-3,1	27,1	-21,7	
August	206	277	117		11,4	-11,8	30,0	
September	214	255	152		3,9	-7,9	29,9	
October	241	265	144		12,6	3,9	-5,3	
November	243	268	241		0,8	1,1	67,4	
December	251	211	266		3,3	-21,3	10,4	

Explanatory notes

- | | | |
|----------------------------------|----------|--|
| Introduction | 1 | Statistics South Africa (Stats SA) collects administrative information on liquidations from Companies and Intellectual Property Commission, Department of Trade, Industry and Competition, 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 | This survey covers the total number of: <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 | 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: click to download seasonal adjustment P0043 April 2018

Note: Owing to the impact of the COVID-19 lockdown, additive outlier adjustments were performed. The methodology will be reviewed as more data points are added to the time series. |
| 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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