

## Bankruptcies and hearings on composition without bankruptcy 2009

During 2009, the district courts issued decisions on 7 892 bankruptcies, of which 7 638 involved companies and 254 involved private persons. This represented an increase of 21 per cent compared with 2008 for companies, but a reduction of 16 per cent for private persons. During 2009 the number of bankruptcy-related job losses amounted to 29 095, an increase of 50 per cent compared with 2008. Unless otherwise stated, all comparisons relate to the preceding year of 2008.

By type of business, bankruptcies of limited companies increased by 28 per cent, whilst among other company forms (including sole proprietorships) there was a reduction of 5 per cent. Bankruptcies of limited companies amounted to 6 428 in number, in sole proprietorships 765, and in partnerships etc<sup>1</sup> the figure amounted to 445.

The increase in the number of bankruptcies by 21 per cent during 2009 can be compared to changes during the period 1989 to 1992. During each of these years, the rate of increase was higher, and reached its peak in 1991 when the number of company bankruptcies increased by 76 per cent.

The highest percentage increase in company bankruptcies was 94 per cent in the County of Kalmar, followed by the County of Kronoberg with 70 per cent, and the County of Blekinge with 49 per cent. In terms of bankruptcy-related job losses, however, the picture in these counties varied. In the County of Kalmar the number of bankruptcy-related job losses decreased by 14 per cent, whilst in the County of Kronoberg, the number increased by 204 per cent, and in the County of Blekinge by 16 per cent.

In the County of Stockholm, the number of company bankruptcies and related job losses increased by 21 and 75 per cent respectively. Corresponding figures for the County of Götaland amounted to increases of 20 and 42 per cent, and in the County of Skåne to 25 and 62 per cent respectively. The number of company bankruptcies in the County of Stockholm during the year amounted to 2 577, in the County of Västra Götaland the figure was 1 136, and in the County of Skåne 1 028.

The proportion of companies declared bankrupt in relation to total number of companies<sup>2</sup> by county during 2009 was highest in the County of Stockholm where 1.1 per cent of companies were declared bankrupt. The proportion of bankruptcy-related job losses in relation to total number of employees was highest in the County of Jämtland where the figure was 1.4 per cent for job losses. Over the whole country the proportion of company bankruptcies amounted to 0.8 per cent, and the proportion of job losses to 0.7 per cent.

Companies declared bankrupt had on average 3.8 employees per company. The average in the County of Stockholm was 3.6 employees, in the County of Västra Götaland 4.4 employees, and in the County of Skåne 3.3 employees per company. The highest average

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<sup>1</sup> *If all companies are included except for limited companies and sole proprietorships i.e. partnerships, limited partnerships, economic associations, tenant owned housing associations, societies for administering jointly owned land, non-profit associations, foundations etc., the number*

<sup>2</sup> *Statistics Sweden's Business Register (FDB)*

was in the County of Jämtland with 6.7 employees, and the lowest in the County of Kalmar with 1.6 employees per company.

In Manufacturing (excluding Mining and quarrying)<sup>3</sup>, the number of bankruptcies increased by 46 per cent and the number of bankruptcy-related job losses by 70 per cent. In the Construction industry<sup>4</sup>, the corresponding figures were increases of 17 and 46 per cent respectively. In Service industries<sup>5</sup>, bankruptcies increased by 16 per cent, and the number of related job losses by 45 per cent. In Wholesale and retail trade<sup>6</sup>, the increases amounted to 20 and 48 per cent for companies and job losses respectively.

In more disaggregated industry categories, the largest number of companies declared bankrupt in relation to total number of companies was in the category Industry for basic metals<sup>7</sup>, where 2.2 per cent of companies were declared bankrupt during 2009. The total number of companies in the group is relatively low. In the category of Hotels and restaurants<sup>8</sup> 1.7 per cent of the companies were declared bankrupt. The proportion of bankruptcy-related job losses in relation to the total number of employees was highest in the category Printers; other industry for recorded media<sup>9</sup>, where job losses amounted to 4.4 per cent.

Slightly less than 2 per cent of companies declared bankrupt in 2009 were registered in the Business Register during 2009, and for 2008 the figure was just under 12 per cent, and in 2007 14 per cent. Registration in the Business Register takes place when a new business starts, as well as when there is a change in owner, legal form or similar. A little more than 55 per cent of the companies declared bankrupt in 2009 were registered during the period 2004 to 2009. The Counties of Uppsala and Kalmar had the highest proportions with 64 and 63 per cent respectively, and the lowest was in the Counties of Örebro and Västmanland, where in both cases the figure was 43 per cent.

In the Construction industry, 65 per cent of companies declared bankrupt in 2009 were registered during the period 2004 to 2009. This figure can be compared with that for Manufacturing where 41 per cent of companies were registered during the same period.

The number of public compositions during the year amounted to 108, compared with 38 during 2008. The number of employees in these companies was 8 487, compared to 719 persons during 2008. The largest increase took place in the County of Västra Götaland where 25 companies were in public composition, compared with 2 companies during 2008.

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<sup>3</sup> SNI 2007 Group 10 - 33

<sup>4</sup> SNI 2007 Group 41 - 43

<sup>5</sup> SNI 2007 Group 49 - 99

<sup>6</sup> SNI 2007 Group 45 - 47

<sup>7</sup> SNI 2007 Group 24

<sup>8</sup> SNI 2007 Group 55 - 56

<sup>9</sup> SNI 2007 Group 18