

Insolvencies and Incorporations in Portugal

October 2018

Summary

- The global number of insolvency procedures registered in September has increased 12,8% over the same period in 2017. This increase is due to the total number of lawsuits closed in October 2018.
- Incorporations have increased, from 3.378 to 3.680 incorporated companies in October 2018. Thus, an 8,9% increase in the number of new companies was registered.

Insolvencies

October 2018 registered an increase in insolvencies with 732 insolvent companies, 83 more companies than in the same period 2017 (+12,8%). Its accumulated value is superior than 2017, but inferior to 2016, with 133 more insolvencies when comparing to 2017.

Insolvencies 2018 / 2015										
	2015	2016	2017	2018	Acumulado (ac)			Variação ac Δ		
					2015 ac	2016 ac	2017ac	2018 ac	#	%
January	595	590	616	506	595	590	616	506	-110	-17,9%
February	592	677	570	538	1.187	1.267	1.186	1.044	-142	-12,0%
March	668	617	676	519	1.855	1.884	1.862	1.563	-299	-16,1%
April	592	652	386	540	2.447	2.536	2.248	2.103	-145	-6,5%
May	646	676	622	640	3.093	3.212	2.870	2.743	-127	-4,4%
June	692	674	521	560	3.785	3.886	3.391	3.303	-88	-2,6%
July	587	523	390	467	4.372	4.409	3.781	3.770	-11	-0,3%
August	215	210	159	169	4.587	4.619	3.940	3.939	-1	0,0%
September	702	637	543	594	5.289	5.256	4.483	4.533	50	1,1%
October	770	714	649	732	6.059	5.970	5.132	5.265	133	2,6%
November	730	715	655		6.789	6.685	5.787			
December	499	510	497		7.288	7.195	6.284			
Subtotal October	6.059	5.970	5.132	5.265						
monthly average	1212	1194	1026	1053						

Until this past October the declared insolvencies (mandatory) diminished by 15 (- 1,3%), Insolvency declarations in which the company voluntarily declares itself for insolvency have also registered a decrease by 8 (-0,7%), just as the insolvencies and the closed insolvency processes where a recovery plan is established diminished by 32 (- 33,7%) when in comparison with those from 2017.

Concerning insolvency declarations, there were 2.875 registered, 188 more than in 2017, this results in a global increase of insolvencies (plus 133 over 2017).

Type of insolvencies - accumulated			
	out-17	out-18	Variation
DI - Declared Insolvency	2.687	2.875	188
DIR - Declared Insolvency (Required)	1.184	1169	-15
DIA - Declared Insolvency (Presented)	1.166	1158	-8
PI - Insolvency Plan (Plano de Insolvência)	95	63	-32
TOTAL	5.132	5.265	133

Lisboa and Porto remain the districts presenting the highest insolvency number, 1.393 e 1.229 respectively. Facing 2017, it's noticed a 1,3% decrease in Lisboa and a 16,7% increase in Porto.

The districts that present a more pronounced decrease are: Leiria (- 23,2%), Madeira (- 22,7%), Évora (- 16,7%), Setúbal (- 15,3%), Viseu (-13,4%) and finally Portalegre (-10%).

The districts that reveal a greater increase are: Angra do Heroísmo (+142,9%); Horta (+ 60%); Guarda (+52,3%); Beja (+47,6%); Castelo Branco (+35,9%) e Faro (+23,8%).

Insolvencias per District

District	2017 ac		2018 ac		Variation	
	#	%	#	%	#	%
non-identified	1		0			
Aveiro	394	7,3%	401	7,6%	7	1,8%
Beja	21	0,6%	31	0,6%	10	47,6%
Braga	446	10,2%	455	8,6%	9	2,0%
Bragança	42	0,6%	42	0,8%	0	0,0%
Castelo Branco	64	1,6%	87	1,7%	23	35,9%
Coimbra	133	3,8%	158	3,0%	25	18,8%
Évora	66	1,5%	55	1,0%	-11	-16,7%
Faro	143	2,0%	177	3,4%	34	23,8%
Guarda	44	0,9%	67	1,3%	23	52,3%
Leiria	233	4,4%	179	3,4%	-54	-23,2%
Lisboa	1.412	24,8%	1.393	26,5%	-19	-1,3%
Portalegre	40	0,7%	36	0,7%	-4	-10,0%
Porto	1.053	22,2%	1.229	23,3%	176	16,7%
Santarém	190	3,6%	191	3,6%	1	0,5%
Setúbal	372	6,5%	315	6,0%	-57	-15,3%
Viana do Castelo	89	1,6%	90	1,7%	1	1,1%
Vila Real	62	1,2%	66	1,3%	4	6,5%
Viseu	134	2,9%	116	2,2%	-18	-13,4%
Angra do Heroísmo	7	0,4%	17	0,3%	10	142,9%
Horta	5	0,1%	8	0,2%	3	60,0%
Ponta Delgada	31	0,9%	36	0,7%	5	16,1%
Madeira	150	2,3%	116	2,2%	-34	-22,7%
TOTAL	5.132	100%	5.265	100%	134	2,6%

Up to October 2018, the sectors that present an insolvency decrease are: Telecommunications (- 44,4%); Hotels and Restaurants (-6,4%); Construction & Public Works (-2,9%); Retail (- 2,2%) and Transports (- 2%).

The sectors that present a more positive and significant variation are: Extractive Industry (+ 137,5%); Agriculture, Hunting and fishing (+ 20%); Whole Sale (+ 16,1%); Electricity, Gas, Water (+ 5,3%), and Other Services (+ 4,4%); Sale of Motor Vehicles (+ 3,4%) and Manufacturing (3,3%).

Insolvencias per Sector

Activity Sector	October	October	Variation	
	2017 ac	2018 ac	#	%
non-identified	7	10	3	43%
Agriculture, Hunting and Phishing	65	78	13	20,0%
Retail sales	786	769	-17	-2,2%
Sale of motor vehicles	174	180	6	3,4%
Wholesale sales	607	705	98	16,1%
Construction & Public Works	805	782	-23	-2,9%
Electricity, Gas, Water	19	20	1	5,3%
Accommodation and Food Services	451	422	-29	-6,4%
Mining Industry	8	19	11	137,5%
Manufacturing	962	994	32	3,3%
Other services	1.043	1.089	46	4,4%
Telecommunications	9	5	-4	-44,4%
Transports	196	192	-4	-2,0%
TOTAL	5.132	5.265	133	2,6%

Incorporations

Incorporations, in October 2018 increased from 3.378 companies in 2017 to 3.680 in 2018, an additional 302 companies on year-on-year terms (+ 8,9%). In accumulate terms there is an increase since 2016.

Companies Incorporations

	2016	2017	2018	Δ 2018	Accumulated			Δ 2018	
					#	ac 2016	ac 2017	ac 2018	#
January	4.194	4.435	5.286	851	4.194	4.435	5.286	851	19,2%
February	3.488	3.408	3.769	361	7.682	7.843	9.055	1.212	15,5%
March	3.419	4.239	4.326	87	11.101	12.082	13.381	1.299	10,8%
April	3.151	2.895	3.830	935	14.252	14.977	17.211	2.234	14,9%
May	3.076	3.525	3.905	380	17.328	18.502	21.116	2.614	14,1%
June	3.162	3.415	3.528	113	20.490	21.917	24.644	2.727	12,4%
July	2.505	3.059	3.341	282	22.995	24.976	27.985	3.009	12,0%
August	2.539	2.810	2.852	42	25.534	27.786	30.837	3.051	11,0%
September	3.047	3.254	3.308	54	28.581	31.040	34.145	3.105	10,0%
October	2.898	3.378	3.680	302	31.479	34.418	37.825	3.407	9,9%
November	2.773	3.351			34.252	37.769			
December	2.831	2.696			37.083	40.465			
Subtotal October	31.479	34.418	37.825	3.407					
Monthly average	3.148	3.442	3.783						

The most significant number of incorporations was registered in Lisboa with 13.164 companies (+ 14,3%), Porto also presents a high value of incorporations, 6.798 companies (+ 13,5%), Setúbal with 2.837 companies (+ 20%), Braga with 2.735 companies (+ 8,6%), Faro with 2.088 companies (+ 8,9%), Aveiro with 1.690 companies (+ 3%), Leiria with 1.373 companies (+ 4,3%), Coimbra com 980 companies (+ 2,6%), Santarém with 978 companies (+1,1%) and Madeira com 901 companies (+ 4,4%).

The most significant decreases, taking into account the variations, occurred in the following districts: Horta (- 25,4%), Portalegre (- 20,3%), Bragança (-13,6%); Beja (- 6,5%), Vila Real (-4,8%).

Incorporations per District							
District	2016	2017	Up to	Up to	var	weight	weight
			October	October	18/17 - out	2017	2018
non-identified	2	0	0	4			
Aveiro	2.004	1.925	1.639	1.690	3,0%	4,8%	4,5%
Beja	523	559	476	445	-6,5%	1,4%	1,2%
Braga	2.812	2.963	2.519	2.735	8,6%	7,3%	7,2%
Bragança	286	334	279	241	-13,6%	0,8%	0,6%
Castelo Branco	426	415	363	356	-1,9%	1,1%	0,9%
Coimbra	1.090	1.124	955	980	2,6%	2,8%	2,6%
Évora	469	532	444	487	9,7%	1,3%	1,3%
Faro	1.882	2.256	1.918	2.088	8,9%	5,6%	5,5%
Guarda	301	331	287	286	-0,3%	0,8%	0,8%
Leiria	1.508	1.482	1.316	1.373	4,3%	3,8%	3,6%
Lisboa	11.952	13.687	11.522	13.164	14,3%	33,5%	34,8%
Portalegre	272	310	281	224	-20,3%	0,8%	0,6%
Porto	6.767	7.107	5.990	6.798	13,5%	17,4%	18,0%
Santarém	1.140	1.073	967	978	1,1%	2,8%	2,6%
Setúbal	2.323	2.748	2.364	2.837	20,0%	6,9%	7,5%
Viana do Castelo	693	712	606	629	3,8%	1,8%	1,7%
Vila Real	475	532	457	435	-4,8%	1,3%	1,2%
Viseu	822	887	763	782	2,5%	2,2%	2,1%
Angra do Heroísmo	99	117	103	106	2,9%	0,3%	0,3%
Horta	60	68	59	44	-25,4%	0,2%	0,1%
Ponta Delgada	266	288	247	242	-2,0%	0,7%	0,6%
Madeira	911	1.015	863	901	4,4%	2,5%	2,4%
TOTAL	37.083	40.465	34.418	37.825	9,9%	100%	100%

Up to October 2018, the sectors that present a wider variation are: Transports (+ 57,1%); Mining Industry (+22,2%); Construction and Public Works (+ 19,9%), Trade of Motor Vehicles (+ 13,9%) and Other Services (+ 13%).

The most significant decreases were registered in: Agriculture Hunting and Fishing (- 23,2%) and in Telecommunications (-3,2%).

Incorporations per Activity Sector

Sector	2016		october 2017	october 2018	Variation		Weight	
	2016	2017	2017	2018	#	%	201710	201810
non-identified	4	7	3	11	8			
Agriculture, Hunting and Phishing	1.491	1.609	1467	1.126	-341	-23,2%	4,3%	3,0%
Retail sales	3.826	3.562	3100	3.092	-8	-0,3%	9,0%	8,2%
Sale of motor vehicles	1.220	1.268	1104	1.258	154	13,9%	3,2%	3,3%
Wholesale sales	2.698	2.611	2278	2.365	87	3,8%	6,6%	6,3%
Construction & Public Works	2.951	3.471	2983	3.576	593	19,9%	8,7%	9,5%
Electricity, Gas, Water	120	152	134	144	10	7,5%	0,4%	0,4%
Accommodation and Food Services	4.476	4.986	4249	4.432	183	4,3%	12,3%	11,7%
Mining Industry	34	21	18	22	4	22,2%	0,1%	0,1%
Manufacturing	2.409	2.346	2033	2.103	70	3,4%	5,9%	5,6%
Other services	16.793	19.137	15934	18.000	2.066	13,0%	46,3%	47,6%
Telecommunications	92	102	93	90	-3	-3,2%	0,3%	0,2%
Transports	969	1.193	1022	1.606	584	57,1%	3,0%	4,2%
TOTAL	37.083	40.465	34.418	37.825	3.407	9,9%	100%	100%