

CZECH REPUBLIC: THE NUMBER OF BANKRUPTCIES OF COMPANIES, NATURAL PERSONS, ENTREPRENEURS AND PERSONAL BANKRUPTCIES DECREASED IN JULY



The number of filed bankruptcy petitions also decreased month-on-month. In July this year, 54 bankruptcies of commercial companies, 605 bankruptcies of natural persons, entrepreneurs and 1,391 personal bankruptcies were declared. The number of bankruptcies thus decreased month-on-month. At the same time, 53 petitions for the bankruptcy of companies, 570 petitions for the bankruptcy of natural persons and entrepreneurs and 1,508 petitions for personal bankruptcy were filed. The number of bankruptcy petitions decreased month-on-month in July for natural persons, entrepreneurs and citizens, and stagnated in the case of commercial companies. This follows from the analysis performed by CRIF on the basis of data published on the portal www.informaceofirmach.cz.



The number of corporate bankruptcies (OS) decreased by 20 compared to June, while the number of proposals for corporate bankruptcies in July was the same as last month. The number of bankruptcies of natural persons entrepreneurs (FOP) decreased by 35 compared to June and the number of proposals for bankruptcy of FOP also decreased month-on-month by 47. The number of bankruptcies of natural persons also decreased by 153 month-on-month. decreased by 35 compared to the previous month.

"We do not see any impact of coronavirus in the bankruptcy data yet. In July, the number of bankruptcies of companies, natural persons, entrepreneurs and personal bankruptcies was lower month-on-month. The number of personal bankruptcies was also the second lowest since June last year and decreased significantly by 153 compared to the previous month," says Věra Kameníčková, analyst at CRIF. "We could see a faster response to the development of the economic situation in the number of proposals for bankruptcy, but there was no increase either. The number of petitions for bankruptcy of natural persons of entrepreneurs as well as petitions for personal bankruptcies decreased month-on-month. The number of petitions filed for the bankruptcy of companies in July was the same as in June.

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"Lex COVID" also plays a role, providing protection to debtors by, among other things, stipulating that courts will not take into account insolvency petitions filed from the entry into force of the law until the end of August this year. However, the creditor may file the same application for bankruptcy after that date. An increase in the number of bankruptcy petitions can therefore be expected as early as September," says Věra Kameníčková, an analyst at CRIF.



During the last 12 months, 664 bankruptcies of commercial companies were declared, which is 5 bankruptcies (1%) more than in the previous period. At the same time, 8,871 bankruptcies of natural persons entrepreneurs were declared, 3,209 bankruptcies (57%) more than in the previous 12 months. In the past 12 months, 932 motions for bankruptcy of the OS were also filed, 150 motions (14%) less than in the previous period. At the same time, 9,075 motions for FOP bankruptcy were filed, 2,737 (43%) more than in the previous period.

The year-on-year growth in the number of personal bankruptcies and FOP bankruptcies is also influenced by the fact that in the middle of last year the conditions for permitting personal bankruptcy softened. The vast majority of FOP bankruptcy proposals end in debt relief.

Most bankruptcies of OS were in July in trade, within the regions traditionally in Prague. In July, most corporate bankruptcies were declared in trade (11), followed by construction (9), accommodation and food service activities, and manufacturing (8 bankruptcies). In the last 12 months, most corporate bankruptcies have also been declared in trade (151) and manufacturing (125). However, in terms of 10,000 companies, the most affected sector was transport and storage, where 25.0 bankruptcies were declared for 10,000 companies. This was followed by the manufacturing industry, which involved 23.9 bankruptcies per 10,000 OS. The average for the entire Czech Republic was 12.8 bankruptcies per 10,000 companies.

As for the regions, in July most bankruptcies of the Armed Forces were declared in Prague (24) and in the Moravian-Silesian Region (8). No OS bankruptcy has been declared in the Pilsen Region.

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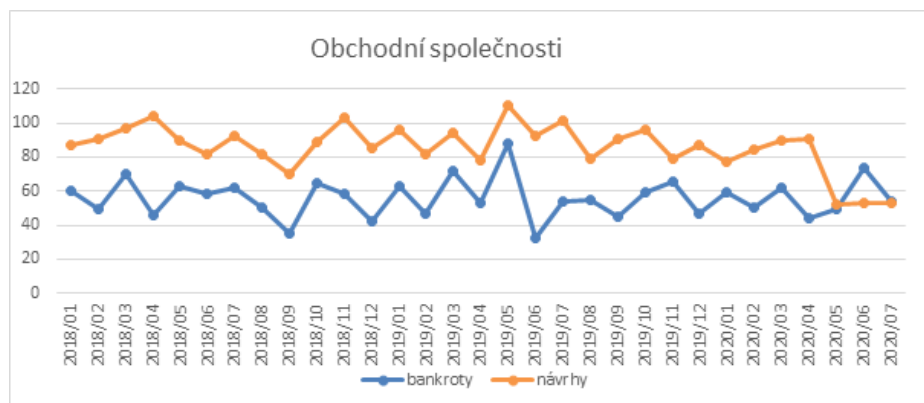
In the last 12 months, most bankruptcies of OS were also declared in Prague (279) and in the South Moravian Region (85). However, after conversion to 10,000 companies, most bankruptcies of OS were declared in the Karlovy Vary Region (20.8) and in the Olomouc Region (18.3). Least in the Pilsen Region (9.5) and in the Hradec Králové Region, where there were 9.7 bankruptcies per 10,000 OS. In the past 12 months, entrepreneurs went bankrupt most often in business. In July, most FOP bankruptcies were declared in construction (150), trade (133) and accommodation and food service activities (67). In the last 12 months, most FOP bankruptcies have been declared in trade (1,968) and construction (1,901). However, after recalculation to 10,000 entrepreneurs, the most endangered sector was transport and storage, where 84.8 bankruptcies were declared for 10,000 FOP and accommodation and catering, where 77.6 bankruptcies were involved.

As for the regions, most bankruptcies of natural persons of entrepreneurs were declared in July in the Moravian-Silesian Region (80) and in the Ústí Region (77). On the other hand, the fewest FOP bankruptcies were declared in the Karlovy Vary Region (14) and in the Zlín Region (16).

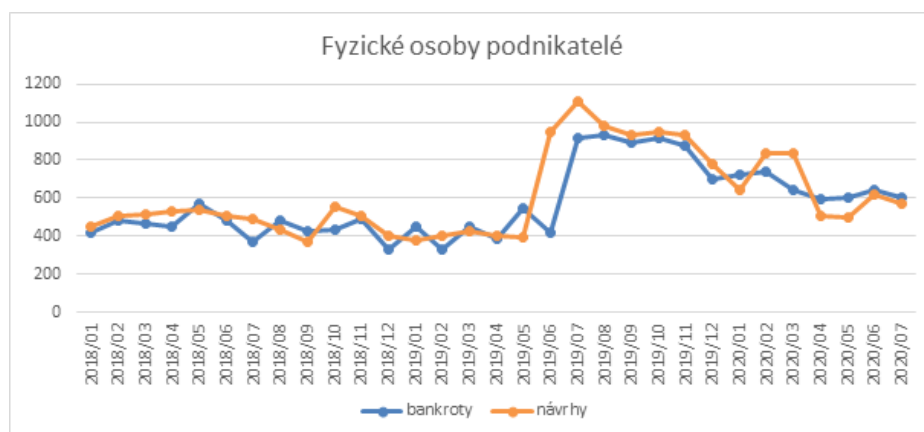
The number of personal bankruptcies and proposals for personal bankruptcy decreased compared to June, the lowest was in the Vysočina region. Most personal bankruptcies were declared in July in the Moravian-Silesian Region (214), the Central Bohemian Region (163) and the South Moravian Region (146). On the other hand, the fewest personal bankruptcies were declared in the Vysočina region (49) and the Karlovy Vary region (50). In the last 12 months, 21,002 personal bankruptcies were declared, which is 7,176 (52%) more than in the previous period. In terms of 10,000 inhabitants, the most personal bankruptcies were declared in the past 12 months in the Ústí nad Labem Region (31.9), the Karlovy Vary Region (28.8) and the Moravian-Silesian Region, which accounted for 26.7 bankruptcies per 10,000 inhabitants.



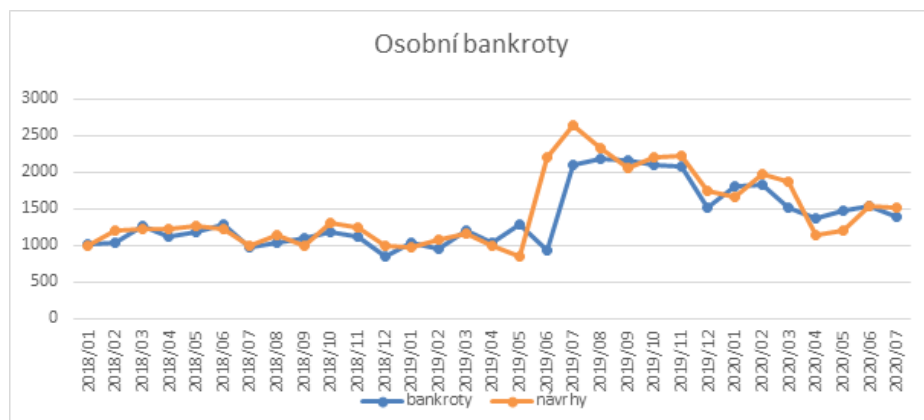
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Graph 1: Development of the number of petitions for bankruptcy and bankruptcies of commercial companies



Graph 2: Development of the number of petitions for bankruptcy and bankruptcies of natural persons entrepreneurs



Graph 3: Development of the number of proposals for personal bankruptcy and personal bankruptcies

Source: CRIF - Czech Credit Bureau