



Press release

Statistics Netherlands

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New law results in 25% drop in bankruptcies

In the first half of 1999 Statistics Netherlands observed almost 2000 bankruptcies. This is more than 25% less than in the same period last year. Much of this can be attributed to the new law on bankruptcies that went into effect on 1 December 1998, pertaining to debt settlements for private persons. The drop occurred in all provinces. The study by Statistics Netherlands further showed that the bankruptcies pronounced in 1998 will leave behind 3 billion guilders in unsettled debt.

New law effective

The new law that went into effect on 1 December 1998 (Wet Schuldsanering Natuurlijke Personen) has clearly influenced the number of bankruptcies pronounced. In the first six months of 1999 a debt restructuring settlement was pronounced applicable for 2381 private individuals. This means a 51% drop on 1998 for private individuals and a 43% drop among single-owner companies. The latter caused a 20% drop in the overall figure for bankruptcies among businesses and institutions.

Large differences between branches of industry

If we leave single-owner companies out of consideration, the drop in bankruptcies among companies and institutions fell by 4% in the first six months of 1999. However, not all branches of industry were affected in the same way. Bankruptcies even increased substantially in construction, repair of consumer goods, trade and financial institutions.

Effects in all provinces

The total number of bankruptcies pronounced in the first half of 1999 was down on the same period in 1998 in all provinces. The lowest number of bankruptcies observed by Statistics Netherlands was in the province of Zeeland (26), followed by Flevoland (46). Despite a 26% drop South Holland remains the highest with 443 bankruptcies, followed by North Holland with 353.

1998 leaves 3 billion of unsettled debt

A study by Statistics Netherlands of the financial consequences of the bankruptcies pronounced in 1998 shows that each bankruptcy pronounced leaves an average debt of some 635 thousand guilders unpaid.

In limited liability companies this unpaid debt averaged 973 thousand guilders, with single owner companies 309 thousand and with private individuals 235 thousand guilders. These figures mean that the bankruptcies pronounced in 1998 will leave 3.1 billion guilders unpaid.

For Further information

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