Hospitality Sector

September 2024 Update

Industry sector insights

Sector	Δ Credit Demand	Δ Credit Defaults	Avg Credit Score	Δ Company Liquidations	Liquidation Rating
Construction	+4%	+22%	756 ↓	+17%	2.2X
Hospitality	+7%	-10%	740 ↓	+31%	2.3X
Retail Trade	+8%	-2%	767 ↓	+6%	1.1X
Transport	+0%	+25%	729 ↓	+44%	2.0X
Property / Rental	+11%	+13%	813 ↓	+36%	0.9X
Manufacturing	+5%	-4%	777 ↓	+17%	1.6X
All Sectors	+7%	+5%	786 ↓	+19%	1.0X

Table above shows 'Year-on-year ' comparisons using 12 month rolling averages

The Liquidation rating is the proportion of liquidations divided by the proportion of businesses in a given sector.

Company insolvency statistics summary

Reporting Month	Jul-24	Aug-24	Sep-24*
Total number of company insolvencies	224	261	196
Number of companies placed into liquidation	201	200	191
Number of company receiverships	14	10 + 48 (In Statutory Management)	4
Number of voluntary administrations	9	3	1
Top Industry Sectors	Construction (29%)	Construction (24%)	Construction (26%)
	Property (13%)	Property (19%)	Property (10%)
	Hospitality (8%)	Prof Services (10%)	Prof Services (9%)
	Prof Services (8%)	Financial (8%)	Transport (8%)
	Retail Trade (7%)	Hospitality (8%)	Hospitality (8%)
	Manufacturing (5%)	Retail Trade (6%)	Wholesalers (7%)

Source: Centrix business data

*Correct as at 17th Sept

- There were **261** company **insolvencies** in **August 2024**, compared to 192 in August 2023.
- There were **200** company **liquidations** in **August 2024**, compared to 181 in August 2023.
- **24%** of the company insolvencies in August were from the **construction sector**. Followed by 19% property/hiring and 10% in professional services.
- **Property operators, residential building construction** and **cafes/takeaway food** companies are the most common to be placed in liquidation during the last year.
- So far there have been **196** company insolvencies in **September 2024** (as at the time of writing).

Hospitality sector

Industry Classification Description	Registered Companies #	Registered Companies %	Key Credit Indicators (YoY Change) Δ Credit Demand	Δ Defaults	Credit Score	Δ Company Liquidations	Liquidation Rating
Accommodation and Food Services	**30,315**	**4.2%**	**7%**	**-10%**	**740**	**31%**	**2.3X**
Accommodation	5,517	0.8%	14%	-39%	794	25%	0.9X
Cafes	4,101	0.6%	2%	-31%	735	12%	3.2X
Catering Services	1,264	0.2%	-2%	-21%	730	-43%	1.1X
Coffee shops	1,174	0.2%	31%	-28%	731	100%	2.3X
Restaurants	5,940	0.8%	3%	-3%	717	15%	3.5X
Takeaway Food Services	7,704	1.1%	5%	-5%	726	71%	1.6X
Clubs (Hospitality)	656	0.1%	8%	0%	706	200%	3.1X
Pubs, Taverns and Bars	1,604	0.2%	18%	41%	700	79%	5.3X

- There are over **30,000** registered companies in the hospitality sector (4% of all registered companies).
- Hospitality businesses are more than **two times more likely to fail** (2.3X) than the typical NZ business, with cafes, coffee shops, restaurants, pubs and clubs particularly badly hit.
- **143** hospitality companies have been placed in liquidation so far in 2024 (to the 31st August), compared to 106 for the same period last year. Showing signs that the hospitality industry is still facing challenges with rising costs, weak customer demand and staff shortages.
- **Rising credit defaults** persist for pubs, taverns, and bars, up 41% year-on-year. Meanwhile, the rest of the industry is showing some encouraging improvement trends.

Read our latest Credit Indicator update here

For more information on how Centrix can help your business contact:

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