



health

Department:
Health
REPUBLIC OF SOUTH AFRICA



MEDIA STATEMENT

To: Editors & Health Journalists
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THE Minister of Health explains why he took a decision to terminate the PSA oxygen supply tender contracts with the IDT

In recent days, numerous media statements have emerged alleging corruption, malfeasance and outright irregular behaviour in the awarding of a tender meant to have some hospitals in the country producing their own oxygen.

The decision to have hospitals manufacturing their own supply of oxygen stems from the days of Covid-19, when some hospitals used to run out of oxygen.

The Department of Health decided then not to do this project on their own but hand it over to the IDT to follow their own procurement procedures, award the contract, sign in with the contractors and run with the project until completion.

Unfortunately, a proliferation of media statements resurfaced about these allegations corruption in the awarding of the said of tender. Since the IDT is an entity that reports to the Minister of Public Works and Infrastructure, the Minister of Health discussed with the Minister of Public Works and Infrastructure to take the lead in investigating these allegations, because the IDT reports directly to him.

Unfortunately it looks like in the exchange between the Minister of Public Works and Infrastructure and IDT, there was a lot of toeing and froing to an extent that it looked like the matter would end up in court.

The Minister of Health then got very worried because this project is funded by the Global Fund, a Geneva-based international health funder, which was established to fund HIV, AIDS and STIs, TB and Malaria. On average and presently the Department of Health gets R18 billion from the Global Fund for this purpose. It was through the generosity of the Global Fund that this funding is extended to the supply of Oxygen.

Naturally the Global Fund was also worried by these media reports emanating from South Africa and the Minister of Health was in constant contact with them. With this state of affairs the Minister of Health contacted his counterpart in Public Works to suggest that the contract be terminated altogether for the Department of Health to approach other state entities which deal with similar matters. There was therefore the understanding between the two ministers about this course of action.

More than 10 days ago, the Minister of Health instructed the Director-General of Health to write to the IDT about this decision.

We now wish to state very clearly that this course of action is taken out of pragmatism because whatever the final outcome, that is, whether the allegations are founded or unfounded, the Department of Health and the people of South Africa will be the ultimate losers. This is because the funding from Global Fund is time-bound and is designed to end in November 2025.

The Minister of Health therefore believes that his counterpart in Public Works must continue with the investigation until the truth is unveiled. But it will be a serious injustice to our hospitals and the patients who utilise such services, for the department to wait until the truth is finally unveiled.

The Minister of Health further believes that the state investigating agencies need to also get involved in this matter, a sentiment equally shared by the Minister of Public Works and Infrastructure.

We hope that the IDT will understand why this course of action is necessary at this juncture – it for the sake of our country and its international reputation.

“We will in the meantime be eagerly following the events and we believe that the law must to take its course”, said the Minister of Health

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