

**MINISTRY OF ENERGY**

REPUBLIC OF SOUTH AFRICA

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 **Memorandum from the Parliamentary Office**

**National Assembly : 171**

**Mr A P van der Westhuizen (DA) to ask the Minister of Energy:**

1. Whether, with reference to his reply to question 494 on 20 April 2018 in which he indicated that trial runs to commence with the production of isotopes at Pelindaba resumed on 21 February 2018 after its temporary closing on 17 November 2017, full and uninterrupted production of all previously produced isotopes has been restored since then; if not, what is the position in this regard; if so, what are the relevant details, including dates, production rates and types of isotopes produced;
2. what (a) was the estimated loss of income suffered by a certain company (name furnished) to date because of the interruption in production and (b) effect has the closure had on the (i) customers and (ii) image of the specified company;
3. what (a) were the findings of the investigation commissioned by the board of the specified company regarding the closure of the facility and (b) recommendations and/or decisions flowed from the investigation;
4. whether he has found that the decisions taken by the board and subsequent remedial actions will prevent a reoccurrence of similar unplanned closures; if not, what more needs to be done to achieve certainty regarding future production; if so, what are the relevant details? NW180E

**Reply:**

1. Production of Medical Isotopes did resume in February 2018 with limited runs and stopped in May 2018 following another safety incident.

The plant resumed production in November 2018 and has been producing steadily for local customers and international customers. Both MO-99 and I-131 are produced and dispatched.

Major improvements have been made in maintenance of the old facilities and enhancement of safety culture is ongoing.

(2)(a) NTP Radioisotopes reported a profit of R108 million in 2018 compared to R184 million in 2017. The estimated loss for 2019 is R224 million. NTP is confident it will rebuild market share in 15 months.

(b) NTP Radioisotopes did not lose any customers during this period; however, market share has severely eroded. With the support of international backup supply partners.

(i) Its customers were supplied with product based on the NTP Radioisotopes contracts.

(ii) There is continuous effort to communicate with customers on production status.

(3)(a) The decisions taken by the Board to cease disciplinary processes of Senior Executives and to take them through a counselling process aimed at addressing the mistakes identified, has had a positive impact on the performance of NTP. They also indicated how the challenges were to be managed and committed to reporting periodically to the Board on the progress. Safety and Security is included in the agenda of Board meetings, and the return to service plans highlighted both operational efficiencies and improvement on safety and security standards.

(b) New strategies, plans and systems were developed to strengthen the safety standards and performance of the operations. International and local experts were also allowed to come and assess the operations. In particular, the Regulator played a crucial role in guarding and monitoring to ensure compliance. A culture of heightened safety awareness and performance has been established which will promote sustainability and ongoing growth and development of the company. The Minister of Energy and the Department promoted policy alignment between the various institutions responsible for the cycle of production to enhance compliance.

1. The plant is building on its history of outstanding excellence and performance under the leadership of the outstanding executives. The staff morale is high and the lessons learnt from many months of the shutdown have enhanced focus on both safety and performance. Production levels are increasing and the global market is responding positively.