

From the desk of the CEO

Dear valued partners

Many of you may have seen an inaccurate article carried by the independent online yesterday. OBP has engaged with the publication and drawn its attention to the inaccuracies it published. As a result, the Independent Group has removed the article from its online platforms. However, we wish to share with you the facts of the matter, in order to prevent any further inaccuracies or rumour-mongering.

We trust that you will have a pleasant festive season, and look forward to re-engaging in our partnership in the New Year.

Please see below for our statement to the publication.

Onderstepoort Biological Products is not facing financial woes

Onderstepoort Biological Products (OBP) is a state-owned company (SOC), which manufactures and distributes more than 50 livestock vaccines. It received funding from National Treasury in 2013 to the tune of R492 million to establish a Good Manufacturing Practice (GMP) compliant manufacturing facility. The construction of the facility is ongoing and started in 2016/17. It has not stalled and no industrial action has occurred recently.

Currently OBP is working towards obtaining GMP certification – not on the verge of losing its certification as erroneously stated in media accounts.

OBP is already ISO 9001 compliant and accredited, a certification that allows it to supply the export market including the European Union (EU).

OBP is not and has never been a manufacturer of the Foot and Mouth Disease (FMD) vaccine and nor is it working on a project to become such a manufacturer. It does supply several other vaccines both locally and for export.

The original report alleged that OBP is owed money by the Department of Environmental Affairs - this is not the case - OBP has never had any dealings with Environmental Affairs.

Also contrary to allegations in the report, OBP has met all its financial obligations to date with all its contractors, most of whom are currently on a December festive season break.

OBP is not in any financial difficulties - its turn-over in the past five years has ranged between R150 to R220 million.

A new CEO, Dr Baptiste (Baty) Dungu, was appointed in March 2019. He is a highly qualified Veterinary Specialist, with a PhD in Vaccinology. He has a solid and practical technical expertise in all aspects of vaccine development and production, acquired over more than 20 years locally and internationally.

His mandate from the Board of Directors is to position OBP to be a leading manufacturer of livestock vaccine in Southern Africa region and to reclaim lost market share due to production challenges that led to amongst others, unavailability of some vaccines such as Bluetongue and Brucella.

OBP has a strong track record of fiscal responsibility and ethical oversight.

In 2018/19, the Auditor General (AG) identified irregular expenditure that led to the Board approving a forensic investigation into the company.

In a zero-tolerance approach, issues of mismanagement, some of which were identified in the AG report and also in the preliminary forensic audit report, led to some executives being put on precautionary suspensions.

Disciplinary charges were proffered against one of the executives.

These executives subsequently resigned from the company and a process is underway to identify suitable replacements. Appropriate acting personnel have been appointed to ensure a smooth continuation of day to day activities.

Contrary to reports of staff unhappiness, we are pleased to be able to say that, since the appointment of the new CEO, the organisation has been in a position to attract more experienced and qualified staff. Furthermore, OBP is rebuilding its skill force by bringing expertise lost in the past years, to train and impart knowledge to the young graduates in its employment.

Recently a strategy session was held with the Board and Shareholder to develop a strategy that will be implemented during the 2020/21 financial year to take the company forward in fulfilling its mandate.

Regards

Baty