
Open Letter to the President of the Republic of South Africa and the Premier of Gauteng

Subject: Urgent Request for Intervention: Gauteng Department of Health's R700 Million Debt to Medical Technology Suppliers*

For Immediate Release

Dear Mr President and Honourable Premier,

We, the South African Medical Technology Industry Association (SAMED), respectfully write to express our profound concern regarding the escalating financial crisis within the Gauteng Department of Health, which currently owes the medical technology industry in excess of R700 million for the supply of essential, legitimate medical devices and equipment.

These supplies are not inflated or irregular procurements, such as those exposed in the Tembisa Hospital scandal, but are critical medical technologies that enable healthcare professionals to deliver life-saving care on a daily basis. Despite the unquestionable legitimacy and urgency of these procurements, many suppliers have remained unpaid for extended periods, effectively being compelled to finance the public health system at considerable risk to their own viability.

Representatives from the National Department of Health have engaged with industry stakeholders and conveyed both embarrassment and deep concern at the scale of this debt. However, despite a direct request from the Minister of Health for constructive engagement, the Gauteng MEC for Health and other senior officials have to date not responded or met with affected suppliers. This continued lack of accountability and responsiveness is deeply troubling and has eroded confidence in the province's administrative and financial governance.

Particularly disheartening is the contrast between the Department's current fiscal mismanagement and the Gauteng Provincial Government's recent expenditure of millions of rand on promotional activities for international delegates attending the G20 Summit. While Gauteng seeks to position itself as a centre of opportunity and investment, the unfortunate reality is that its public health system is being sustained by unpaid local suppliers who are struggling to remain operational.

It is pertinent to ask whether these international delegates — many representing nations that invest in and trade with South Africa — are aware of this crisis, and to what extent such mismanagement is already undermining international confidence, foreign trade relations, and local industry stability.

For a government committed to fostering investment and inclusive economic growth, this financial dysfunction sends an unintended but profoundly damaging message. Local suppliers,

meanwhile, are being forced to seek emergency financing, reduce operations, and in some cases, retrench skilled staff simply to maintain solvency. This situation represents not only a commercial crisis but also a humanitarian one, with direct implications for employment, economic resilience, and the consistent delivery of quality patient care.

Mr President and Honourable Premier, it is clear that the root causes of this crisis lie not in a lack of financial resources, but in systemic weaknesses in governance, financial management, and accountability within the Gauteng Department of Health. Continued inaction risks further compromising healthcare delivery, destabilising local industry, and diminishing South Africa's standing among its international partners.

In light of the above, SAMED calls for:

- The immediate settlement of all verified and outstanding supplier invoices;
- The establishment of an independent inquiry into the Department's financial management, governance, and payment systems; and
- The introduction of a transparent and sustainable payment framework to ensure the integrity and reliability of future procurement processes.

SAMED remains steadfast in its commitment to supporting the public healthcare system and to working collaboratively with government to strengthen healthcare delivery. However, our members cannot continue to operate as involuntary financiers of a department that fails to honour its legal and ethical obligations.

Mr President and Honourable Premier, this matter demands decisive and principled leadership. We urge you to act swiftly to restore confidence in public institutions, protect vital healthcare supply chains, safeguard jobs, and reaffirm to both the South African public and the international community that accountability, good governance, and integrity remain the cornerstones of your administration.

Yours faithfully,

Scott De Oliveira
Chairman of the Board
South African Medical Technology Industry Association (SAMED)