
EU Approves €2 Billion Dutch Plan to Boost Medical Radioisotopes for Cancer Diagnosis & Treatment



The European Commission has approved, under EU State aid rules, a €2 billion Dutch measure to support the **PALLAS project** aimed at producing medical radioisotopes for cancer diagnosis and treatment. The measure contributes to ensuring security of supply of essential and life-saving medicines in line with the [Pharmaceutical Strategy for Europe](#).

The Dutch measure

The Netherlands notified the Commission of its plan to support the PALLAS project, which consists in the construction of a reactor and a nuclear health centre in Petten, the Netherlands. Today's decision follows a [2013 Commission's decision](#) approving aid to the preparatory phase of the PALLAS project.

The **new reactor** will replace the existing high flux reactor, one of the world leaders in the production of medical isotopes, in operation since 1961. The new reactor is envisioned to start operating in the early 2030s. The **nuclear health centre** will process the medical isotopes produced by the reactor into radiochemicals, which will then be further processed into radiopharmaceuticals that can be administered to patients for the diagnosis and treatment of several diseases including cancer.

The reactor and the nuclear health centre will also be used to conduct research, development and innovation activities both in the field of nuclear medicine and nuclear power technology. However, they will not be used to produce energy.

Under the measure, the aid will take the form of **loans and equity** for a total amount of approximately €2 billion to a newly established company ('NewCo') that will build and operate the reactor and the nuclear health centre. NewCo will result from the merger of the PALLAS Foundation set up by the Netherlands in 2013 to manage the preparatory phase of the project, and the Nuclear Research and Consultancy Group that operates the existing high flux reactor.

The Commission's assessment

The Commission assessed the measure under EU State aid rules, in particular [Article 107\(3\)\(c\)](#) of the Treaty on the Functioning of the European Union, which enables Member States to support the development of certain economic activities subject to certain conditions, and found that:

- The measure is **necessary** and **appropriate**, as the PALLAS project would not materialise without the public support.
- The aid is **proportionate** as it is limited to the minimum necessary based on a proven funding gap (i.e. the aid amount necessary to trigger the investment that otherwise would not take place).
- The Netherlands put in place sufficient safeguards to ensure that the aid has a **limited impact on competition and trade**. In particular, the Dutch authorities have committed to ensuring that NewCo, when operating PALLAS, will price its products at a level covering all costs associated with their production and commercialisation, thereby reflecting the Full Cost Recovery principle ('FCR') at the company level. The FCR principle has been developed by the Organisation for Economic Co-operation and Development to make the supply chain of nuclear medicine more competitive and economically sustainable. The implementation by NewCo of FCR-compliant prices will be monitored by an independent trustee.

On this basis, the Commission has approved the Dutch measure under EU State aid rules.

Source: [European Commission](#)

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