

## HEALTH SECTOR

### -- Holds Update --

(As at 4 March 2002)

1. The total level of holds in Health sector on 4 March 2002 was 210 applications worth \$462.5M. That represents 20.4 per cent of the total value circulated to the Committee or 15.9 per cent of the value circulated to the Committee and notified by OIP on the basis of pre-approved lists.
2. Of the total number, 28 applications worth \$20.2 million (4.4% of the value on hold in the sector) have "Inactive Hold" status as the suppliers failed to provide requested information for 60 days or more. At the same time, a total of 63 applications worth \$130 million (28% of the total value on hold in the sector) remain on hold without feedback by holding mission(s) 60 days or longer after the information had been provided.
3. Table 1 below provides the outline of the type of goods that are currently placed on hold most frequently

**Table 1: Type of goods frequently placed on hold (HEALTH)**

Type of goods	# of appl.	Value in US\$ million	% of total value on hold
<b>Hospital systems and equipment</b>	<b>47</b>	<b>\$150.7M</b>	<b>32.6%</b>
<b>Radiology &amp; Imaging equipment</b>	<b>21</b>	<b>\$117.7M</b>	<b>25.4%</b>
<b>Transportation vehicles</b>	<b>8</b>	<b>\$58.6M</b>	<b>12.7%</b>
<b>Biomedical equipment and supplies</b>	<b>27</b>	<b>\$39.9M</b>	<b>8.6%</b>
<b>Local manufacturing of medicines (Sammara Drug Industry)</b>	<b>42</b>	<b>\$36.49M</b>	<b>7.9%</b>
<b>Environment &amp; sanitation equipment (sprayers, insecticides...)</b>	<b>14</b>	<b>\$30.18M</b>	<b>6.5%</b>
<b>Laboratory equipment &amp; supplies</b>	<b>44</b>	<b>\$26.14M</b>	<b>5.7%</b>
<b>Drugs and immunology agents</b>	<b>7</b>	<b>\$2.8M</b>	<b>0.6%</b>
<b>TOTAL</b>	<b>210</b>	<b>\$462.5M</b>	<b>100%</b>

4. The structure of holds in the sector is presented in Tables 2 below:

**Table 2**

<b>Main reason for hold</b>	<b>US\$ (million) (# of applications)</b>	<b>Value %</b>
<b>Only additional information requested and subsequently provided</b>	\$190.3M (62)	41.2%
<b>Only additional information requested but not yet provided</b>	\$49.8M (30)	10.8%
<b>Goods on the 1051 list as indicated by both the Secretariat and the holding mission*</b>	\$37.4M (20)	8%
<b>Goods on the 1051 list as indicated only by the holding mission prior to February 2000 ("legacy Comms.")*</b>	16.9M (10)	3.7%
<b>Goods on the 1051 list as indicated only by the holding mission after February 2000 ("1051 disagreements")*</b>	\$25.9M (27)	5.6%
<b>WMD "Dual use"/"Dual use"*</b>	\$121.1M (43)	26.1%
<b>"Pending further evaluation/consideration"</b>	\$11.0M (11)	2.4%
<b>Others</b>	\$10.0M (7)	2.2%
<b>TOTAL</b>	<b>\$462.5M (210)</b>	<b>100%</b>

\* with or without a request for additional information

5. Hospital systems and equipment represent the largest group of items on hold (32.6%), in most cases for additional technical information, followed by 1051 and "dual use" reasons. Although the items are not "medical" in a narrow sense, many are absolutely essential for functioning of modern hospitals. For that reason, five comms containing essential sterilizers, spare parts for basic hospital utilities, oxygen plants and refrigerated warehouses have been highlighted as priorities in the recent letter sent to the Committee by the OIP Executive Director (comms. 600318, 701485, 701835, 802530 and 801749).
6. Holds on radiology & imaging equipment and biomedical equipment and supplies combined amount to 34% of the total value on hold. In most cases, holds are due to request for additional technical or end-use/user information. Two priority radiology-imaging comms have been highlighted in the letter (comms. 801318 and 901705).

7. Transportation vehicles on hold (12.7%) mainly include refrigerated trucks, mobile laboratory and, in one case, an application for ambulances. While most of the raw materials for local production of medicines are on the pre-approved list, some of the machinery needed for production remain on hold, often for 1051 and "dual use" reasons. One of these has been highlighted in the list of priorities as urgently needed complementary items(comm. 901944).
8. Holds on environment/sanitation equipment and laboratory material/equipment represent 6.5% and 5.7% respectively of the total value on hold. Most of the holds are due to 1051 or "dual use" reasons. are not very high, the lack of certain sprayers, foggers and insecticides hampers important preventive measures while the lack of certain laboratory materials and diagnostic kits makes diagnostics and, consequently, proper treatment difficult in some cases. For that reason, crucial items in the two groups have been included in the list of 15 priorities (comms. 600919, 600968, 801654).
9. It is encouraging that no human vaccines and very few medicines are on hold (0.6%), the latter probably largely due to the fact that most drugs from the National List of Drugs belong to the pre-approved category. However, some holds in this category include important drugs with recognized civilian use, shortage of which has already been reported in Iraq. These are also included in the list of 15 priorities recently communicated to the Committee (comms. 901638, 1001081, 901113). *Note: comm.901113 was released from hold after the letter was issued on the basis of an amendment deleting an item*
10. As for the reasons for hold in the sector, over half of the applications (52%) are on hold for the additional technical or end-use/user information only. The second highest group with 26% involves "dual use" concerns. This percentage is very high in comparison with 13% average for "dual use" holds in all sectors combined. "Dual use" holds together with "1051 disagreements" constitute almost 1/3 of the total vale on hold in the health sector.

**CONCLUSION:** Since a letter by the OIP Executive Director on priority applications on hold in health sector was issued only on 1 March 2002, the update did not attempt to highlight additional priorities apart from the fifteen already listed in the letter. Please note that two of the fifteen comms have already been released since based on the amendments to delete a single item in each of the two applications. The releases included comm.. 702050 containing \$7.2 million of computer equipment for the Kimadia information system.

If additional comms were to be highlighted as priority, these would include 11 comms on hold for "pending further consideration/evaluation" (601140, 701117, 701511, 702314, 901044, 901271, 901602, 901774, 901869, 1000957 and 1001886), as well as 62 comms for which requested information appears to have been provided (marked as OKINFO in the attached annex).