

WEEEEKLY HOLDS UPDATE

Week 29 March – 5 April 2002

Prepared by: Office of Iraq Programme
Contracts Processing & Monitoring Division (CPMD)

HIGHLIGHTS:

- **Holds increase again by some \$40 million**
- **Additional four priority applications released from hold**
- **Overall level of applications pending feedback from holding missions decreases further**
- **Several high-value applications placed on hold in Transport and Telecommunication sectors**

1. The level of holds demonstrated a notable decrease and now stands at **\$5,057 million** this week, to include \$458 million in “inactive hold” category. The grand total has increased by some \$40 million in comparison to the previous week’s total of \$5,017 million.

2. As of last week, there were 229 applications worth some \$472.3 million in the category of inactive holds. This week the number of applications in this category is identical (229) but the value is slightly lower and stands at **\$458 million**. At the same time, the number of applications for which a feedback from the holding mission is due in excess of 60 days has decreased again and now stands at **507 applications although the value has increased somewhat due to several high-value applications that fell into this category last week and now stands at \$1,663 million** (566 worth \$1,612 million in the previous week).

3. The total number of 59% account applications on hold (“active”) is 1,810 (**to include 1,234 humanitarian and 576 oil spare parts applications**) or 5 more than 1,805 last week. The relative value of holds is identical to last week’s with **17.9 per cent** of the total value circulated to the Committee and **13.5 per cent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists was (17.9 and 13.5 respectively during the previous week).

4. **GENERAL TRENDS:** After a brief decline last week, largely due to release of several high-value applications, holds are on the rise again. This only goes to show that a downward trend cannot be maintained without consistent and timely releases of applications for which requested information had been provided in combination with releases based on end-use verification. It is encouraging that the number of applications pending feedback from holding missions for over 60 days is decreasing. At the same time, relatively few applications from priority lists have been addressed. Even the ones that were addressed appears to be have been released in the context of 60-days-and-over rather than the priority context.

5. **MORE APPLICATIONS WITHOUT FEEDBACK FROM THE HOLDING MISSIONS ADDRESSED LAST WEEK:** Additional applications were released from hold this week after pending feedback from holding mission(s) for

60 days or longer. The US has also changed the reason for hold for a large batch of applications in the same category. Total releases in the category so far were 76 applications worth \$186.0 million and changes of reason involved 153 applications valued at \$528.0 million. Therefore, for the past three weeks the US addressed 213 applications valued \$714.0 million or about 35% of applications in this particular category in terms of the value (680 applications worth \$2,007 million at the beginning of March). The above resulted in further overall reduction of applications in the group pending feedback from holding mission(s) from 566 applications last week to **507 applications** this week, even with the new applications added to the list this week.

6. ADDITIONAL PRIORITY APPLICATIONS RELEASED FROM HOLD SO FAR:

Following issuance of 9 sectorial letters between 28/02/02 and 13/03/03 and containing lists of 149 priority applications worth \$965.8 million, total of 18 applications worth \$173.6 million have been released from hold so far (4 in Health Sector, 5 in Oil Industry 4 in Electricity Sector and 1 Housing and 4 in Education sectors). This week, the releases of priority applications included 3 applications, most notably in the Education Sector with three applications, two of them previously on hold for “military dual use” reasons, released this week:

802302(E)	\$18.17M	Towers
802295(E)	\$14.22M	Towers
600874(E)	\$ 0.26M	Laboratory Equipment

Other priority application released this week was:

501294(L)	\$0.4M	Boiler Rehab. /Hartha PS	released per A1
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In addition, the US specified it would release a complementary **comm. 501295** provide three small items are deleted.

7. SEVERAL APPLICATIONS PLACED ON HOLD IN TELECOMMUNICATIONS AND TRANSPORTATION SECTORS: Several hold were placed on applications in the two sub-sectors, amounting to over 60% of the total value on hold this week. Holds in most cases also included request for detailed end-use/.user information, although the goods were not always vehicles. The applications included:

1001998(T)	\$32.0M	Trucks	various specs, detailed EU/EU
1001647(T)	\$11.58M	Runway lights	Military “dual use”, specs
802045(T)	\$ 7.34M	Tug Boats	WMD dual use (1 item), specs, EU/EU info
1001880(T)	\$ 3.66M	Microwave link	Detailed EU/EU, info on cable
1001879(T)	\$ 2.07M	Microwave link	Detailed EU/EU, info on cable
702869(T)	\$ 1.97M	Hyundai 4WD veh.	Military “dual use”, EU/EU
901983(T)	\$ 1.43M	Spare parts	Specs on pumps, valves...
1001947(T)	\$ 0.95M	Tools	Various specifications

10. Total of **34 applications worth \$59.33 million** was released last week. Apart from the application referred to in para 6 above, the releases, *inter alia*, included:

702289(M)	\$ 4.84M	Medical equipment
701126(M)	\$ 2.58M	Spraying equipment released per A1
901466(WS)	\$ 2.28M	Rubber Tired Rollers
700834(L)	\$ 1.76M	Communications System

1000182(Q)	\$ 1.22M	Generators	w. monitoring
802712(Q)	\$ 1.17M	Generators	w. monitoring
1001343(E)	\$ 1.04M	Vocational Needs	
830793(O)	\$ 1.0M	Lab Testing Equipment	
801685(T)	\$ 0.99M	Irrigation system	
802789(M)	\$ 0.6M	Medical equipment	
900898(L)	\$ 0.58M	Substation	released per A1
1001149(WS)	\$ 0.55M	Water Tankers	

11. Total of **41 applications worth \$98.36 million** was placed on hold during the last week. Apart from the comms. mentioned above, the new holds, *inter alia*, included:

1001202(SA)	\$20.02M	Water tr. supplies	1051, info on tanks, pumps...
930510(O)	\$ 2.0M	Well logging	Military "dual use", specs
1030655(O)	\$ 1.8M	Compressor parts	Specs on valves, pumps
40014(WS)	\$ 1.59M	Generators	Specs on valves, injectors, kits
1001187(WS)	\$ 1.35M	Asphalt plant parts	Various specs
1002067(A)	\$ 0.79M	Generators	Military "dual use"
1002031(E)	\$ 0.76M	Camera Lens	Specs, EU/EU info
1002054(E)	\$ 0.62M	Printing materials	Specs on plates, chemicals
1100193(A)	\$ 0.46M	Tires	Specs on tires