

WEEKLY HOLDS UPDATE

Week 30 November – 07 December 2001

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

HIGHLIGHTS:

- **Holds reach US\$4.5 billion mark with releases totaling only US\$5.9M**
- **End-use/user information again often cited as reason for hold**
- **Five applications for locomotive parts, wagons worth US\$35.4M placed on hold**
- **An application for water tankers worth US\$27.13M placed on hold**

1. The holds stand at **US\$4,505.0 million** this week, to include US\$246.2M in “inactive hold” category. The grand total is higher by some US\$134.0 million than the previous week total of US\$4,371.0M.

2. As of last week, there were 146 applications worth some US\$273.7 million in the category of inactive holds. This week both the value and the number of applications in this category have gone down and stand at **142 applications worth US\$246.2 million**, merely confirming the general downwards trend. Again, this trend has not been matched by the increased feedback rate from the holding missions: the number of applications for which a feedback from the holding mission is due in excess of 60 days has been progressively increasing and now stands at **340 applications worth US\$1,086.0M** (330 worth US\$1033.0M previous week). While there were no releases in this category, some 20 comms. had the reason for hold changed during the past week.

3. The total number of applications on hold (“active”) is **1,587 (to include 1,048 humanitarian and 539 oil spare parts applications)** or 58 more than 1,529 last week. The relative value of holds has also increased somewhat with **17.3 percent** of the total value circulated to the Committee or **13.3 per cent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists (16.9 and 13.0 respectively during the previous week).

4. **GENERAL TRENDS:** With very few releases in several weeks, holds have registered another considerable increase during the past week. The reasons for hold remain the same – in many cases the objection is not to the main pieces of equipment but to various spare parts (pumps, valves, filters, etc.). A high number of requests for end-use/user information were again registered this week.

5. **A NUMBER OF APPLICATIONS PLACED ON HOLD FOR END-USE/USER INFORMATION:** The trend observed last week appear to have continued this week. Total of 13 of applications have been placed on hold for detailed end-use/user information. While most were placed on hold for other reasons as well, in two cases (Comms. 1001040 and 1001144) remain on hold for end-use/user information only. It should be noted that in most cases general end-use/user info was made available in the application form but the holding missions require more detailed information than that, presumably allocation plans showing precise facilities and/or

projects where the goods will be used/installed and/or which particular activities will be used for. As SWGs will most certainly be involved in providing the requested information, we suggest that information available on the OIP website and recently also disseminated to SWGs (MINIMIZING DELAYS IN CONTRACT APPROVALS) is consulted in the part pertaining to end-use/user information. The document should also serve as a guidance to the buyers as to how to prepare end-use/user info and submit it with contracts. The applications placed on hold for end-use/user info this week include:

1000468(T)	\$3.2M	Trucks
1000540(Q)	\$0.39M	Tire Production Machine
1001066(M)	\$1.49M	Scanner
1001019(WS)	\$2.7M	Bulldozers
1001020(Q)	\$3.62M	Bulldozers
1001038(M)	\$1.35M	Sterilizers
1001040(T)	\$0.49M	Tires
1001083(M)	\$0.67M	Ultracent
1001120(M)	\$0.09M	Spare parts
1001122(A)	\$0.35M	Laboratory eq.
1001136(A)	\$13.75M	Trucks/parts
1001144(T)	\$ 0.18M	Tipping Truck
101145(T)	\$ 0.3M	Wheel Excavator

6. DIESEL LOCOMOTIVES PARTS, WAGONS, PLACED ON HOLD:

The application for locomotives (Comm.1000766 worth \$42.8M) placed on hold last week was released from hold by the UK under the condition of end use verification but remains on hold by the US for the request of various technical specifications. In addition to that, two applications for locomotive spare parts and three applications for railways cargo cars worth total of US\$35.36M were placed on hold this week. In case of railway wagons, the only reason for hold is the requirement for the UN to confirm end-use verification conditions. Once that is done, the applications will be released from hold:

1000596(T)	\$11.19M	Locomotive spares/tools	Specs for valves, pumps
1001073(T)	\$ 8.07M	Locomotive parts	Specs for valves, pumps, circuits
1001103(T)	\$ 6.2M	Oil Tank Wagons	Confirmation of monitoring
1001104(T)	\$ 6.4M	Oil Tank Wagons	(as above)
1001105(T)	\$ 3.5M	Ballast Wagons	(as above)

7. A HIGH VALUE APPLICATION FOR WATER TANKERS PLACED ON HOLD:

An application for water tankers (Comm. 901966) worth US\$27.13M was placed on hold in Agriculture Sector. The application is no hold for “pending further consideration” only and it is hoped it will be released once the evaluation is completed.

8. The total of **only 6 applications worth US\$.593MM** were released last week, to include two on hold only for 2 days. Apart from the latter, the releases included:

930284(O)	\$2.95M	Scrapers
802773(A)	\$1.04M	Trucks
50668(L)	\$0.99M	Electrical Equipment
730878(O)	\$0.26M	LPG plant equipment

9. Total of **53 applications worth US\$139.9M** were placed on hold during the last week. The holds, *inter alia*, included the following applications:

1001136(A)	\$13.75M	Trucks/parts	Specs for valves/pumps, EU info
1001087(M)	\$11.94M	Dental x-ray	Specs on valves, units, fiber-optic
901960(WS)	\$ 4.87M	Wheel Loaders	Specs on valves, pumps, tanks
1000732(M)	\$ 4.4M	Medical Eq.	Specs on parts
602008(E)	\$4.13M	Printing Eq.	Specs for pumps, valves, filters
1001020(Q)	\$3.62M	Bulldozers	Specs on pumps, kits, EU
1000468(T)	\$3.2M	Trucks	Specs on pumps/valves, EU
1001019(WS)	\$2.7M	Bulldozers	Specs on pumps, kits, EU
930394(O)	\$2.15M	Oil Blending Plant	Various specs
1001022(H)	\$1.89M	Cold Rolled Sheets	Material Composition
702757(A)	\$1.76M	Tractors	Specs on spare parts
1001066(M)	\$1.49M	Scanner	Specs on parts, EU info
1001038(M)	\$1.35M	Sterilizers	Specs on valves/pumps, EU info