WEEEKLY HOLDS UPDATE

Week 1-8 March 2002

Prepared by: Office of Iraq Programme

Contracts Processing & Monitoring Division (CPMD)

HIGHLIGHTS

- Holds show moderate decline by \$55 million
- A number of applications for various vehicles released form hold
- First two "priority" applications released in health sector, letters for 5 sectors already issued
- Fewer applications placed on hold for end-use/user reasons
- 1. The holds stand at **\$5,270 million** this week, to include \$499 million in "inactive hold" category. The grand total has decreased by some \$55 million in comparison to the previous week's total of \$5,325 million.
- 2. As of last week, there were 252 applications worth some \$519.3 million in the category of inactive holds. This week the number of applications remains the same while the value has decreased somewhat and stand at **252 applications worth \$499 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 increased further and now stands at **658 applications worth \$1,958 million** (643 worth \$1,877 million previous week).
- 3. The total number of 59% account applications on hold ("active") is **1,835** (to include **1,264** humanitarian and **571** oil spare parts applications) or 13 less than 1,848 last week. The relative value of holds is similar to last week's with **18.9** per cent of the total value circulated to the Committee and **14.4** per cent of the value circulated to the Committee AND approved by OIP based on pre-approved lists was (18.7 and 14.4 respectively during the previous week).
- **4. GENERAL TRENDS:** The level of holds has shown some decrease largely due to the release of a large number of applications for various vehicles by the UK. However, this was a one-time exercise and is unlikely to generate a downward trend unless more releases follow provision of requested technical information.
- 5. THE FIRST TWO PRIORITY COMMS RELEASED FROM HOLD IN HEALTH SECTOR: Following the issuance of the first two letters on priority holds by the OIP Executive Director, the very first comms. highlighted as priorities have been released from hold. Even though the holds were lifted on the basis of amendments received in the interim and deleting contentious items (one in each comm.), this certainly was a welcome development. The releases included:

901113(M) 702050(M)	\$0.14M \$7.23M	Medicines Kimadia computer	A1 deleted 1 item (10% value)
		system	A1 deleted minor item (kit), no
			change in value of the contract

Additional letters for Electricity, Housing, Agriculture and Oil Industry sectors have been issued, bringing the total number of letters issued to six. The remaining letters (Education, Transportation & Food handling and Telecommunications) will be issued shortly.

6. UK RELEASES A LARGE BATCH OF APPLICATIONS CONTAINING VARIOUS VEHICLES: Following the release of tires, batteries and similar items in the previous couple of weeks, the UK release this week the total of 60 applications valued at \$306.72 million containing buses, cars, motorcycles, fire-fighting vehicles, forklifts, tipper trucks and cement trucks. All of these applications had previously been on hold for detailed end-use/user information and were released irrespective of the fact whether the information was provided or not. It should be noted that of the total number released by the UK, only 31 worth \$108.9 million were fully released while the remaining 29 applications valued at \$198.88 million remains on hold by the US, mainly for additional information on various parts. The (fully) released applications include:

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$16.73M
1001383(T)
                         Buses
1001864(A)
            $12.17M
                         Buses
1001376(M)
            $12.2M
                         Mini-buses
901870(T)
            $11.7M
                         Buses
901984(T)
            $ 8.93M
                         Cars
1001307(A)
            $ 8.52M
                         Buses
            $ 7.57M
1001300(T)
                         Buses
802875(WS) $ 7.05M
                         Cars
1001210(WS) $ 4.62M
                         Motor Grader
901972(T)
            $ 2.84M
                         Cars
1001438(T)
            $ 2.56M
                         Buses
            $ 2.3M
1001296(A)
                         Cars
1001221(SA) $ 1.37M
                         Mini-bus
            $ 1.29M
930621(O)
                         Truck tractor
1001186(WS) $ 1.14M
                         Asphalt paver
                         Forklifts
1001167(H)
            $ 1.05M
1001466(WS) $ 0.98M
                         Cement truck
1001581(WS) $ 0.95M
                         Motorbikes
1100022(T)
            $ 0.75M
                         Motorbikes
            $ 0.75M
1001206(H)
                         Mini-bus
1001018(SA) $ 0.69M
                         Motor Grader
1001529(T)
            $ 0.46M
                         Buses
1001647(T)
            $ 0.4M
                         Micro-buses
            $ 0.29M
830668(O)
                         Mixer trucks
1001293(T)
            $ 0.28M
                         Buses
1001789(T)
            $ 0.26M
                         Motorcycles
            $ 0.25M
                         Forklifts
1020090(O)
1001313(SA) $ 0.2M
                         Ambulances
            $ 0.18M
                         Tipping Trucks
1001144(T)
730952(O)
             $ 0.16M
                         Heavy equipment
1030054(O)
            $ 0.06M
                         Earth-moving eq.
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8. ONLY FEW APPLICATIONS PLACED ON HOLD FOR END-USE/USER INFORMATION: The observed trend of fewer applications placed on hold for "end-use/user info" continued this week with only 5 of 37 applications placed on hold have been placed on hold for end-use/user information as, at least, a

part of the reason for hold. This group now tends to include mainly cargo trucks and this week the category included the following comms:

901698(T)	\$8.9M	Trucks	Specs on parts, EU/EU info
902027(E)	\$6.29M	Buses	PFE, detailed end-use/user
1001952(E)	\$5.33M	Trucks	WMD DU, EU/EU info
1030383(O)	\$0.45M	Semi-trailer	Specs on parts, EU/EU
930122(O)	\$0.4M	Semi-trailers	WMD "dual use", EU/EU

9. Total of **47 applications worth \$134.47M** was released last week. Apart from the application referred to in paras 5 and 6 above, the releases included:

800959(E)	\$3.2M	Vibration Lab	A1 split application in 2
901916(M)	\$2.03M	Batteries for medical eq.	
1001777(H)	\$1.79M	Special bricks	
1001201(L)	\$1.59M	Transformers	
1001863(L)	\$1.49M	Substation eq.	
830073(O)	\$0.92M	Metal Sheets	
1001335(H)	\$0.6M	Storage Batteries	
802327(A)	\$0.28M	Chemicals	A1 deleted item

10. Total of **37 applications worth \$78.8M** was placed on hold during the last week. Some of the relevant comms have been placed on hold for end-use/user info exclusively or for other reasons as well, and are consequently listed in para 8 above. Other holds included:

901863(SA)	\$8.9M	Construction/houses	Various tech specs
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901429(SA)	\$8.7M	Construction/houses	Various tech specs
1001279(H)	\$5.2M	Concrete Mix Truck	Specs on valves, pumps, filters
1100031(H)	\$4.88M	Forklifts	Specs on parts, pumps, encoder
802899(E)	\$4.72M	Printing eq.	Various tech specs
702689(E)	\$3.72M	Filming eq.	Tech specs, itemized list
1001751(H)	\$3.23M	Kraft paper	Specs on glue, inks
1001550(A)	\$2.85M	Mobile Crane	WMD "dual use" (missile-related)
1001278(H)	\$1.85M	Trailer Trucks	"Dual military use", tech specs
902025(M)	\$1.75M	Cesspool vehicle	1051, specs on pumps, valves
1001882(A)	\$1.48M	Lab equipment	WMD "dual use"
1001419(Q)	\$1.48M	Sprayer Trucks	Various tech specs
1030059(O)	\$1.29M	Instrumentation	Specs on valves, probes
1001280(H)	\$1.12M	Cement Trucks	"Dual military use", tech specs
1000575(T)	\$1.03M	Cement Trucks	Specs on pumps, tanks
930235(O)	\$1.02M	Vibration equipment	Various specs