

WEEKLY HOLDS UPDATE

Week 2-9 November 2001

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

HIGHLIGHTS:

- * Holds rise again and stand at US\$4,145M to include US\$383.5M of "Inactive Holds"
- * Almost no releases during the previous week
- * Large electricity application worth US\$34.4M placed on hold
- * Three applications for service boats worth US\$22.57M placed on hold

1. The holds stand at **US\$4,145.0 million** this week, to include US\$383.0M in "inactive hold" category. The grand total is higher by some US\$74.0 million than the previous week total of US\$4,071.0M.

2. The new category of "**inactive holds**" includes applications on hold for which additional information was requested but not provided for more than 60 days. After a 60-day deadline, a procedure for transfer to "inactive hold" category is initiated. The applications will be held in abeyance until the requested information is provided and will then be transferred back in the "active" hold category. As of last week, there were 155 applications worth some US\$290.0 million in this category. This week the number is higher and stands at **190 applications worth US\$383.0 million**. At the same time, the number of applications for which a feedback from the holding mission is due in excess of 60 days is **241 worth US\$662.0M** (214 worth US\$464.4M previous week). Please see the attached table for details.

3. The total number of applications on hold ("active") is **1,388 (to include 928 humanitarian and 468 oil spare parts applications)** or 6 less than 1,396 last week. The relative value of holds is **16.4 percent** of the total value circulated to the Committee or **12.7 per cent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists (14.4 and 11.1 respectively during the previous week). The aforementioned decline in the number of "active" holds is due to some being null-and-void (see below) and others being transferred to the "Inactive Hold" category.

4. **GENERAL TRENDS:** While the upwards trend continued with new holds (\$84.5M), there were practically no releases during the past week, resulting in the increase in the value of holds in both relative and absolute terms. Last week seven applications on hold worth total of US\$9.8M were null-and-void at the request of the Government of Iraq. All seven comms have been on hold for a long time for 1051/dual use reasons and one for an explicit statement that the goods will not be

approved until UNMOVIC is back into the country. While this may not be a beginning of a new trend, it is worth noticing that the Iraqi authorities have been less inclined to null-and-void such applications in the past and would leave them in holds category for a long time. This is the first time that a medium-size batch of applications on hold was null-and-void.

5. A HIGH VALUE APPLICATION FOR ELECTRICITY SECTOR PLACED ON HOLD ON THE EVE OF THE 661 COMMITTEE MEETING ON THIS SECTOR:

An application worth **US\$34.4M (Comm. 901691)** for Water Supply System in Salah al-Din project (300MW unit) was placed on hold last week with the request for technical specifications on pumps, valves, control instruments, etc.

6. THREE APPLICATIONS FOR VARIOUS SERVICE BOATS PLACED ON HOLD: Three applications worth total of US\$22.57M were placed on hold last week, to include:

901842(T)	\$14.7M	Tug boats/parts	Specs of pumps, valves, filters nozzles, tanks....
901728(T)	\$4.15M	Fire fighting boats	Specs on pumps, nozzles, tanks, diving equipment, radar, compass
1000519(T)	\$3.72M	Fast Service Boats	Specs on GPS, radar, sonar

7. Only 3 applications worth US\$1.3M were released last week. The releases included:

701359(WS)	\$1.08M	Compact Unit	Released w/end-use observation
901847(H)	\$0.13M	Ball bearings	
930205(O)	\$0.098M	Neutralizer	

8. Total of 36 applications worth US\$84.58M was placed on hold during the last week. Apart from holds mentioned above, holds included the following applications:

801404(A)	\$ 4.77M	Slip form Jacks	Specs for pumps, list of tools
930043(O)	\$ 3.49M	Tools	Specs: pumps, filters, valves...
1000633(A)	\$ 2.33M	Sprinkler Syst.	Specs: valves, extruders, load cell
802848(E)	\$ 1.88M	Broadcast Van	Specs on vehicle, equipment
802840(L)	\$ 1.80M	Turbine Blades	Specs on pumps, blades
802847(A)	\$ 1.74M	Water Pumps	Specs on pumps
801676(L)	\$ 1.38M	Gas Turbine Parts	1051, Specs on valves
930572(O)	\$ 1.25M	Mobile Workshop	3 items to be deleted (DU)
802850(A)	\$ 1.2M	Rollers	Specs on pumps, valves, kits