

WEEEEKLY HOLDS UPDATE

Week 8-15 March 2002

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

HIGHLIGHTS:

- **Holds rise again by some \$50 million**
- **Letters on ‘priority holds’ issued for all nine sectors**
- **The value of applications pending feedback from holding missions exceeds \$2.0 billion**
- **A number of high-value applications for vehicles placed on hold, some vehicles get released**

1. After a brief decline last week, the holds stand at **\$5,320 million** this week, to include \$436 million in “inactive hold” category. The grand total has increased by some \$50 million in comparison to the previous week’s total of \$5,270 million thus effectively eliminating a \$55 million decrease reported last week.

2. As of last week, there were 252 applications worth some \$499 million in the category of inactive holds. This week the number of applications in this category decreased further and stands at **230 applications worth \$436.4 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 **680 applications worth \$2,007 million** (658 worth \$1,958 million previous week).

3. The total number of 59% account applications on hold (“active”) is **1,854 (to include 1,278 humanitarian and 576 oil spare parts applications)** or 19 more than 1,835 last week. This increase in the number of active holds is mainly due to applications changing status from “inactive” to “active” holds following provision of requested information. The relative value of holds is similar to last week’s with **19.0 per cent** of the total value circulated to the Committee and **14.5 per cent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists was (18.9 and 14.4 respectively during the previous week).

4. **GENERAL TRENDS:** As predicted, the decline observed last week did not continue and holds registered an increase matching the last week’s decrease in the US\$ value. While the UK continued releasing selected vehicles and mobile equipment previously on hold for end-use/user information, both the UK and the US continued placing holds on certain types of trucks and vehicles for either “dual use” of “end-use/user” information.

5. **LETTERS ON PRIORITY COMMS ON HOLD ISSUED FOR ALL SECTORS:** The total of nine letters on priority holds by the OIP Executive Director were issued, to include oil industry sector. So far, two comms were released in the health sector(901113 and 702050), one in the oil industry sector(930238) and one in the housing sector(802473). The 661 Committee is meeting on 20 March 2002 to discuss holds in the Health Sector. The meeting is likely to address the remaining priority application on hold in the sector.

6. UK CONTINUES RELEASING APPLICATIONS CONTAINING VARIOUS VEHICLES:

Albeit at slower pace, the UK continued releasing applications for selected vehicles and mobile equipment. This week's releases by the UK total 48 applications valued at \$71.88 million. 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 13 worth \$11.16 million were fully released while the remaining 35 applications valued at \$60.71 million remains on hold by the US, mainly for additional information on various parts. The (fully) released applications include:

1001907(A)	\$4.12M	Tractors
1001615(T)	\$2.8M	Nissans
1001774(A)	\$1.45M	Crane
901908(T)	\$1.19M	Forklift
1030139(O)	\$0.63M	Excavators
1001838(WS)	\$0.43M	Forklifts
830474(O)	\$0.29M	Truck Tractors
1030138(O)	\$0.28M	Excavators
1001371(T)	\$0.27M	Mobile crane
901954(T)	\$0.23M	Shovel
1030165(O)	\$0.18M	Garbage Truck
1001291(T)	\$0.17M	Rescue Truck
1030218(O)	\$0.17M	Earth Moving Equipment

7. NEW APPLICATIONS PLACED ON HOLD FOR END-USE/USER INFORMATION:

Additional applications, to include two high-value applications worth \$34.7M and \$15.8M respectively, were placed on hold for "end-use/user info" this week with only 13 of 28 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, although not exclusively, cargo trucks and pick-ups, often on hold in combination with "dual use" objection. The category included the following comms:

1100134(T)	\$34.66M	Truck Tractor	Various specs, EU/EU info
802907(WS)	\$15.8M	Toyotas	Military "dual use", EU/EU info
1001392(A)	\$1.62M	Pumps/crane	Specs, EU/EU
802903(Q)	\$1.17M	Pick-ups	Specs on parts, EU/EU info
802913(A)	\$1.1M	Pump/motor	Specs, EU/EU info
930348(O)	\$0.58M	Truck Tractor	WMD "dual use", EU/EU info
801270(M)	\$0.39M	X-ray eq.	Detailed EU/EU info
801271(M)	\$0.39M	X-ray eq.	Detailed EU/EU info
1030505(O)	\$0.34M	Trucks	Military "dual use", EU/EU info
802911(T)	\$0.32M	Toyotas	Detailed EU/EU info
802906(T)	\$0.32M	Toyotas	Military "dual use", EU/EU info
802908(T)	\$0.22M	Toyotas	Military "dual use", EU/EU info
1001968(Q)	\$0.15M	Pick-ups	Detailed EU/EU info

8. Total of **25 applications worth \$40.65M** was released last week. Apart from the application referred to in para 6 above, the releases included:

801605(L)	\$13.84M	Condenser Tubes	
702739(A)	\$3.36M	Tractors	A1 deleted some parts

702490(M)	\$3.3M	Fire Alarm System	
702284(WS)	\$1.91M	Pipes/fittings	
830820(O)	\$1.65M	Trucks	A1 deleted items
801161(WS)	\$1.58M	Spares for WT plant	
802473(H)	\$0.77M	Spare Parts	
802260(L)	\$0.66M	Boiler Aux. Equipment	
702619(L)	\$0.07M	Water Treatment Eq.	A1 deleted items

9. Total of **28 applications worth \$96M** 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 7 above. Other holds included:

1100106(T)	\$12.42M	Diesel Engines	Specs on pumps, nozzles, valves
1100130(T)	\$6.08M	Generators	Technical specs
1001752(A)	\$5.77M	Sprinkler Irrig. Syst.	Specs on pumps
902030(A)	\$3.99M	Generators	Military "dual use", PFE
1001106(A)	\$3.48M	Tractors	Specs on pumps, spare parts
1001562(Q)	\$2.26M	Truck parts	Technical specs
802905(M)	\$2.24M	Raw Materials	WMD "dual use", specifications
1030536(O)	\$1.19M	Crane	Technical specs