

WEEEEKLY HOLDS UPDATE

Week 9-16 November 2001

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

HIGHLIGHTS:

- * Holds rise again and stand at US\$4,202.0M to include US\$343.8M of "Inactive Holds"
- * Low level of releases continues into the second week
- * Holds for "dual use" reasons are on the increase
- * Vehicles/heavy equipment continues being placed on hold for info on spare parts
- * Two more applications for printing equipment placed on hold

1. The holds stand at **US\$4,202.0 million** this week, to include US\$343.8M in "inactive hold" category. The grand total is higher by some US\$57.0 million than the previous week total of US\$4,145.0M.

2. As of last week, there were 190 applications worth some US\$383.0 million in the category of inactive holds. This week the number is lower as a reflection of increased submission of clarifications by the suppliers and stands at **159 applications worth US\$343.8 million**. Unfortunately, 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 now stands at **280 worth almost US\$750.0M** (241 worth US\$662.4M previous week). Please see the attached table for details.

3. The total number of applications on hold ("active") is **1,433 (to include 953 humanitarian and 490 oil spare parts applications)** or 43 more than 1,390 last week [NOTE: the "hike" is also due to a number of applications transferred back from "inactive" to "active" hold category following provision of the requested information]. The relative value of holds, however, remains almost the same with **16.5 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 (16.4 and 12.7 respectively during the previous week).

GENERAL TRENDS: The only notable characteristic is a continuous low release rate with new holds value being considerably higher than releases (\$71.3M vs. \$1.7M). It is also noted that the holds for "dual use" reasons (to include WMD dual use) are on the increase – on 12/10/01 we had 183 applications worth US\$335M on hold for dual use reasons and a month later (16/10/01) the number went up to 227

applications worth US\$465.2M. Some of the applications placed on hold for dual use reasons this week include:

901914(WS)	\$0.92M	Land Cruiser	Dual use
930576 (O)	\$0.6M	Truck	Dual use (70T, 3.2 m truck)

5. VARIOUS VEHICLES AND HEAVY EQUIPMENT BEING PLACED ON HOLD FOR INFO ON SPARE PARTS:

The previously reported trend of applications being placed on hold for additional info on spare parts without objection to a main piece of equipment continued this week. A number of applications (see the list below) for vehicles and heavy machinery were placed on hold with a specific statement that there was no objection to vehicles but additional information on some spare parts was needed. It was also observed that the contentious parts are often the same (pumps, valves, filters, etc.). In order to minimize delays in approval due to the lack of info on parts, OIP will update its web site this week to include information requirements on a number of items, parts included. For most frequently contested items there will be a ready-to-use form that can be filled in by the suppliers.

901910(A)	\$12.35M	Trucks	Specs on valves, pumps, kits
1000816(M)	\$ 6.43M	Vehicles	Specs on pumps, steel tanks
1000808(Q)	\$ 3.12M	Forklifts	Specs on kits (itemize)
802851(A)	\$ 2.83M	Bulldozers	Specs on spare parts
1000809(Q)	\$ 2.82M	Forklifts	Specs on kits (itemize)
1000807(Q)	\$ 2.73M	Forklifts	Specs on parts
930078(O)	\$ 2.0M	Trucks	Specs on air dryer, filters, pumps

6. MORE PRINTING EQUIPMENT APPLICATIONS PLACED ON HOLD:

In addition to the applications for printing equipment in Education Sector placed on hold in the past two weeks, two more such applications were placed on hold this week:

602022(E)	\$8.24M	Printing eq.	Specs on filters, pumps, valves...
901882(E)	\$0.4M	Printing eq.	Specs on valves, filters...

7. Only 7 applications worth US\$1.66M were released last week. The releases included:

901469(E)	\$0.51M	Lab Equipment
600888(E)	\$0.49M	Educational Equipment
901639(L)	\$0.19M	Chillers
901784(H)	\$0.1M	Polyester film
600889(E)	\$0.05M	Educational Equipment

8. Total of 33 applications worth US\$71.31M was placed on hold during the last week. Apart from holds mentioned above, holds included the following applications:

930423(O)	\$6.73M	Drilling rig	Specs on pumps/valves, compressors
901633(A)	\$3.03M	Cold stores	Specs on various parts
1000811(WS)	\$1.6M	Road Marking Eq.	Specs on pumps, tanks
830683(O)	\$1.36M	Spares for Gas Turbine	Specs for vibration detectors, valves...