

WEEEEKLY HOLDS UPDATE

Week 11-18 January 2002

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

HIGHLIGHTS:

- **The level of holds exceeds \$5.0 billion**
- **Releases from hold, especially based on additional information provided, practically at zero level**
- **Electricity sector application worth over US\$20.0M placed on hold**
- **More applications placed on hold for end-use/user information**

1. The holds stand at **US\$5,038.0 million** this week, to include US\$345.5M in “inactive hold” category. The grand total has increased by some US\$87.0 million in comparison to the previous week’s total of US\$4,951.0M.

2. As of last week, there were 222 applications worth some US\$371.0 million in the category of inactive holds. This week the value and the number of applications in this category are lower and stand at **219 applications worth US\$345.5 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 rose again and now stands at **474 applications worth US\$1,574.0M** (440 worth US\$1,306.0M previous week).

3. The total number of applications on hold (“active”) is **1,714 (to include 1,179 humanitarian and 535 oil spare parts applications)** or 50 more than 1,664 last week. The relative value of holds has remained similar as last week with **18.5 percent** of the total value circulated to the Committee or **14.4 per cent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists (18.3 and 14.3 respectively during the previous week).

4. **GENERAL TRENDS:** As expected, holds have exceeded the %5.0 billion benchmark over the last week. Apart from new holds, this situation is compounded by practically no releases on the basis if additional information submitted or any feedback whatsoever long time after the information had been provided. The number of applications with no feedback in excess of 60 days is approaching 5000 and the total value if \$1,574 million or almost one third of the total value on hold. The situation is further aggravated with numerous applications being placed on hold for end-use/user information only even in cases where there were no technical or “dual use” objections. The hardest hit sectors are “Special Allocation” (75%), Water-sanitation (34.8%), Education (29%), Electricity (27%) and Transport and Telecommunications (25.5%).

5. **HIGH-VALUE APPLICATION PLACED ON HOLD IN ELECTRICITY SECTOR:** A US\$20.14 million application in electricity sector (**Comm.1001297**, substation equipment) was placed on hold last week for specifications on pumps, valves, cabling, tool kits, etc.

6. A NUMBER OF APPLICATIONS AGAIN PLACED ON HOLD FOR END-USE/USER INFORMATION:

The observed trend of holds for end-use /user information has continued with 20 of 47 applications placed on hold containing end-use/user information as, at least, a part of the reason for hold. In 10 of 20 cases, to include some of the largest comms, end-use/user information was the only reason for hold. The goods in this category this week included the following comms:

1001376(M)	\$12.2M	Vehicles	Detailed EU/EU info
901984(T)	\$ 8.93M	Cars	Detailed EU/EU info
802872(A)	\$ 2.82M	Pick-up Trucks	Detailed EU/EU info
1001547(E)	\$ 1.47M	Generators	Detailed EU/EU info
1001581(WS)	\$ 0.95M	Motorcycles	Detailed EU/EU info
1001441(Q)	\$ 0.65M	Tires	Detailed EU/EU info
1030158(O)	\$ 0.64M	Tankers	Specs for tanks, EU/EU info
10011289(T)	\$ 0.62M	Lorries	Specs on trucks, pumps, EU/EU
1001580(WS)	\$ 0.53M	Steel Roller	Specs on pumps, kits, EU/EU
802656(A)	\$ 0.4M	Trucks	Specs on pumps, kits, EU/EU
1001504(Q)	\$ 0.36M	Tires	Detailed EU/EU info
1001525(M)	\$ 0.34M	Pipettes	Specs, EU/EU info
1001287(T)	\$ 0.33M	Motor Grader	Specs, detailed EU/EU info
1001533(Q)	\$ 0.27M	Rectifier	Detailed EU/EU info
1001488(WS)	\$ 0.2M	Generators	Specs, EU/EU info
1001505(SA)	\$ 0.19M	Generators	Detailed EU/EU info
103148(O)	\$ 0.18M	Service Truck	Specs, EU/EU info
1031165(O)	\$ 0.18M	Garbage Truck	Detailed EU/EU info
1001288(T)	\$ 0.15M	Shovel	Specs on pumps, filters, EU/EU
901993(A)	\$ 0.07M	Lab equipment	WMD “dual use”, EU/EU info

7. Only **4 applications worth US\$2.66M** were released last week. All 4 of the releases were merely several-day holds placed for “pending further evaluation”.

8. Total of **47 applications worth US\$90.3M** was placed on hold during the last week. Most 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 6 above. Other holds included:

830841(O)	\$ 7.32M	Catalyst	WMD “dual use”
901956(M)	\$ 5.76M	Fire Fighting syst.	Specs on valves, tanks...
1001317(Q)	\$ 3.12M	Tin plates	Specs on rubber compound
901398(H)	\$ 2.99M	Slipform Eq.	Specs on pumps, valves
1030176(O)	\$ 2.35M	Chemical additives	Specifications
1001531(A)	\$ 2.32M	Vaccines	Specifications, means of preparat.
1001039(WS)	\$ 2.11M	Pipes	WMD “dual use”
901916(M)	\$ 2.03M	Batteries	Explanation of goods
1030167(O)	\$ 1.8M	Additives	Chemical composition required
901977(A)	\$ 1.63M	Acid Coolers	WMD “dual use”. Specifications
602014(A)	\$ 1.57M	Engines	Tech. specs