

HOLDS UPDATE
(week 14-21 September)

*Prepared by: Contracts Processing and
Monitoring Division (CPMD)*

HIGHLIGHTS

- * **The level of holds slips just under US\$4.0 billion after exceeding that mark last week**
- * **New set of applications with revised 1051 status to be circulated to the 661 Committee**
- * **A number of applications for trucks and other vehicles worth total of US\$11.4M released from hold**

1. The holds stand at **US\$ 3,989.5 M**, after briefly exceeding US\$4.0 billion last week. The total number of applications on hold is **1,508 (1,037 humanitarian and 471 oil spare parts)** or 21 less than at the previous report. The relative value of holds was similar, albeit somewhat lower, to last week's percentages: **16.39 %** of the total value of applications circulated to the Committee or **12.83 %** of the value circulated to the Committee AND those applications approved by (16.89 % and 13.23 % respectively the previous week).

2. The value of oil spare parts applications on hold was slightly higher in comparison to last week's, with the total value of **US\$ 527.0M** on hold this week and US\$524.0M last week.

3. **GENERAL TRENDS:** The level of holds has been reduced due to new releases last week amounting to US\$179.5M and exceeding new holds (US\$114.2M)

by some US\$65.3M. Most releases pertain to trucks and various vehicles (see next paragraph). Such ration caused the level of holds to drop somewhat but it is not clear that such trend will continue. The level of new holds remains consistently high even though we are still awaiting for more complex (and, therefore, frequently subject to hold) applications under phase X.

4. **A NEW SET OF APPLICATIONS TO BE RE-CIRCULATED TO THE 661 COMMITTEE BASED ON FURTHER REVISION OF THE 1051 LIST.** A new set of changes to the 1051 list (S/2001/561), pertaining to the “nuclear annexes”, has come into effect on 1 September 2001. Based on the changes – mainly affecting computers -- we have so far identified some 150 applications currently on hold that now contain no or fewer 1051 items than before the changes. Re-circulation of these to the 661 Committee will start this week.

5. **RELEVANT PARTIES TO BE ISSUED REMINDERS OF HOLDS-RELATED INFO OR ACTION STILL PENDING:**

In the letter to the Chairman of the 661 Committee dated 20 September 2001, OIP Executive Director stated there were 356 applications worth US\$916M that remain on hold since the requested information for hold had not been provided after 60 days or longer. At the same time, there were 244 applications worth total of US\$700M still awaiting feedback from holding missions 60 days or longer after the requested information had been provided. OIP will issue a remainders to the relevant parties urging for the appropriate action to be taken immediately. It is OIP’s intention to maintain statistics on the time expired since the holds-related information had been requested/provided and to issue reminders to the relevant party after 60 days of inaction. This is expected to speed up the flow of information and, ultimately, reduce the duration of holds.

6. **A NUMBER OF APPLICATIONS FOR VEHICLES RELEASED:**

Total of **11** applications worth **US\$111.4M** for trucks and other vehicles in various sectors were released from hold to include several high-value applications. In most cases, the applications were on hold for additional information on spare parts, tool kits, etc. while there was no objection to vehicles themselves. The released comms include:

901397(T)	\$41.4M	Cargo Trucks
900758(Q)	\$24.86M	Trucks
901433(Q)	\$23.4M	Cars (Taxis)
901394(T)	\$5.92M	Fuel Tankers
900777(T)	\$4.4M	Buses
900634(Q)	\$3.7M	Trucks
901312(Q)	\$3.5M	Trucks
901459(H)	\$2.08M	Wheel Loaders
830077(O)	\$1.75M	Trucks
901369(W)	\$0.61M	Light Vehicles
830465(O)	\$0.22M	Trucks

7. **Total of 54 applications worth US\$179.5M** were released last week. Apart from the applications listed in para 4 above, the releases included:

901410(SA)	\$7.48M	Water Treatment Plant
702416(A)	\$7.4M	Tractors
802367(A)	\$5.75M	Tower Crane
901194(W)	\$5.5M	Pumps
802154(W)	\$4.79M	Asphalt Plant
900757(A)	\$4.48M	Center Pivot Irrigation System

901294(A)	\$3.14M	Center Pivot Irrigation System
830449(O)	\$3.04M	Pumps
701533(T)	\$2.2M	Boats (Umm Qasr)

8. Total of **34 applications, worth US\$114.2M**, were placed on hold during the last week. The holds included the following applications:

901626(Q)	\$28.8M	Printing Eq.	Tech specs
1000189(A)	\$27.5M	Hydraulic Structure	Specs on valves, impellers
802349(Q)	\$14.73M	Electrical Eq.	Tech specs
1000184(Q)	\$7.8M	Trucks/parts	Specs on some parts
930143(O)	\$4.57M	Electrical Eq.	Tech specs
901244(T)	\$3.77M	Machine Moulds	1051 goods, tech specs
802507(A)	\$3.27M	Pumps	Material Composition
702274(A)	\$2.06M	Tractors	Specs on spare parts