

WEEEEKLY HOLDS UPDATE

Week 15-22 March 2002

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

HIGHLIGHTS:

- **Holds decrease by some \$20 million**
- **Some 22% of applications pending feedback from holding mission addressed this week**
- **Fewer applications placed on hold for end-use/user info, fewer vehicles released**
- **Few new releases of priority comms. as per the letters by OIP Executive Director to the 661 Committee**

1. The level of holds shows a small decrease and stands at **\$5,299 million** this week, to include \$467 million in “inactive hold” category. The grand total has decreased by some \$20 million in comparison to the previous week’s total of \$5,320 million.

2. As of last week, there were 260 applications worth some \$436.4 million in the category of inactive holds. This week the number of applications in this category decreased further and stands at **226 applications although the value has increased slightly to \$467.2 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 decreased substantially and now stands at **598 applications worth \$1,691 million** (680 worth \$2,007 million in the previous week).

3. The total number of 59% account applications on hold (“active”) is **1,826 (to include 1,261 humanitarian and 565 oil spare parts applications)** or 28 less than 1,854 last week. This decrease is mainly due to fewer new holds in comparison to releases (21 vs. 45). The relative value of holds is similar to last week’s with **18.9 per cent** of the total value circulated to the Committee and **14.4 per cent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists was (19.0 and 14.5 respectively during the previous week).

4. **GENERAL TRENDS:** While release of various types of vehicles by the UK constituted the main bulk of releases over the past couple of weeks, this week’s releases were mainly by the US on applications that were pending feedback after the requested information had been provided 60 days ago or longer. This is clearly a positive and long-awaited development that shows full benefits of the OIP measure of “Inactive Holds” and “pending feedback” categories introduced in October 2001. In addition to releases in this group, the US has changed reason for a number of applications in the same group, allowing for follow-up actions to be taken (see para 5 for details). The level of holds was further reduced by the requests to null-and-void a number of applications, especially in oil industry sector. The releases based on the letters forwarded to the Committee by the Executive Director were few and did not make a major impact save for the releases of a \$8.25 million application for medical equipment. It should be noted that new holds were only marginally lower than all

categories that contributed to decrease. Unless the trend of releases continues on a regular basis, the level of holds will inevitably rise again very soon.

5. SIZEABLE NUMBER OF APPLICATIONS WITHOUT FEEDBACK FROM THE HOLDING MISSIONS ADDRESSED LAST WEEK: A number of applications were released from hold this week after pending feedback from holding mission(s) for 60 days or longer. The US has also changed the reason for hold for a large batch of applications in the same category. Total releases in the category were 31 applications worth \$47.7 million and changes of reason involved 60 applications valued at \$327.8 million. Therefore, the US addressed 91 applications valued \$375.5 million or about 22% of applications in this particular category. This resulted in the reduction of applications in the group pending feedback from holding mission(s) from 680 applications worth \$2,007 million to 598 worth \$1,691 million, even with the new applications added to the list this week.

6. ONLY A SMALL NUMBER OF PRIORITY APPLICATIONS RELEASED FROM HODL SO FAR: Following issuance of 9 sectorial letters between 28/02/02 and 13/03/03 and containing lists of 150 priority applications, only seven have been released from hold so far (3 in health Sector, 2 in Oil Industry and 1 each in Housing and Education sectors). The latest release in Health Sector included comm..801318 for x-ray equipment worth \$8.25 million. The application was released under the condition of end-use verification.

7. RELEASE OF APPLICATIONS CONTAINING VARIOUS VEHICLES SLOWS DOWN: Following numerous releases by the UK during the past several weeks, the pace has slowed down somewhat. During the past week, the UK released total of 14 such application worth \$45.4 million. However, only three comms. worth \$2.0 million were fully released as the rest remain on hold by the US. The full releases included:

1001614(T)	\$1.27M	Postal Vans
602034(WS)	\$0.45M	Truck Tractor
1001813(WS)	\$0.28M	Mobile Crane

8. VERY FEW NEW APPLICATIONS PLACED ON HOLD FOR END-USE/USER INFORMATION: As the releases in this particular group slow down, new holds were also limited but they also included the single largest application placed on hold last week:

8020909(WS)	\$19.09M	Toyotas	Detailed EU/EU info
1001934(H)	\$ 2.64M	Tipper Trucks	Mil. "dual use", EU/EU
1100079(T)	\$ 1.18M	Trucks	Mil. "dual use", EU/EU
1002017(M)	\$ 0.87M	Medicines	End-use, DU concerns
1030533(O)	\$ 0.4M	Truck parts	Type of trucks, EU/EU

9. Total of **45 applications worth \$65.24M** was released last week. Apart from the application referred to in para 6 and 7 above, the releases, *inter alia*, included:

930174(O)	\$7.94M	Casing and Tubing
802758(L)	\$6.98M	Turbine & compressor blades
900439(T)	\$5.84M	Tanker Trucks
901715(WS)	\$3.95M	Paver/finisher
53660(O)	\$3.19M	Flow Lines

601487(E)	\$3.1M	TV studio equipment
930127(O)	\$2.98M	Casings and Tubing
1000981(T)	\$2.78M	Bus engines/parts
801516(M)	\$2.58M	Medical machines(SDI)
901714(H)	\$1.9M	Paver/finisher
1000363(T)	\$1.8M	Compressors/parts
1000989(L)	\$1.6M	Transformers
802508(A)	\$1.46M	Bored Piling Eq.
601407(E)	\$1.26M	Training Lab
1000481(H)	\$1.12M	Ball Valves
901827(M)	\$0.95M	Raw materials (medicines)
930327(O)	\$0.87M	Compressors/parts
802830(E)	\$0.8M	Printing eq.
701686(T)	\$0.6M	Meteorological equipment

10. Total of **21 applications worth \$52.45M** 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 8 above. Other holds included:

1001881(E)	\$5.9M	Chemistry lab	1051, specs on equipment
901963(L)	\$3.85M	Turbine System Eq.	Specs on accelerometer
1002032(E)	\$3.43M	TV studio eq.	Various specs
902031(A)	\$2.53M	Water tanker	1051 items (valves)
1030449(O)	\$2.3M	Sidebar Crawler	Various specs
1002005(M)	\$2.2M	Raw materials(med)	3 items objected to
1001263(WS)	\$1.35M	Water Treatment eq.	Specs on pumps, valves, etc.
901996(E)	\$1.17M	Printing eq.	Specs on pumps, developer
1001927(Q)	\$1.0M	Lab equipment	Specs on pumps, valves
1002028(M)	\$0.51M	Raw materials(med)	Specs, additional info