

WEEEEKLY HOLDS UPDATE

Week 18-25 January 2002

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

HIGHLIGHTS

- **Holds reach US\$5.15 billion, practically no new releases**
- **The list of comms pending feedback form the holding mission reaches 525 comms worth US\$1,733.0M**
- **Holds for end-use/user information still very high**
- **List of comms requiring end-use/user information to be provided To SWGs for follow-up action**

1. The holds stand at **US\$5,146.8 million** this week, to include US\$342.7 million in “inactive hold” category. The grand total has increased by some US\$108.0 million in comparison to the previous week’s total of US\$5,038.0 million.

2. As of last week, there were 219 applications worth some US\$345.5 million in the category of inactive holds. This week the value and number of applications in this category are similar and stand at **222 applications worth US\$342.7 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 **525 applications worth US\$1,733.0M** (474 worth US\$1,574.0M previous week).

3. The total number of applications on hold (“active”) is **1,771 (to include 1,226 humanitarian and 545 oil spare parts applications)** or 57 more than 1,714 last week. The relative value of holds has increased slightly in comparison to last week with **18.8 percent** of the total value circulated to the Committee or **14.6 per cent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists (18.5 and 14.3 respectively during the previous week).

4. **GENERAL TRENDS:** The holds continued to raise with one of the lowest weekly release scores ever (only 2 comms. under US\$1.0 million). At the same time, there were very few changes of reason, resulting in the highest number and value of applications pending feedback from the holding mission ever. The releases based on additional information provided, impact assessment or end-use verification have almost ceased completely for the past several weeks, with some comms still being approved (without being placed on hold) under the condition of end-use verification.

5. **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 32 of 63 applications placed on hold containing end-use/user information as, at least, a part of the reason for hold. In 14 of 32 cases, end-use/user information was the only reason for hold. The goods in this category this week are the same -- vehicles, heavy machines, tires – and included the following comms:

1001198(A) \$22.48M Buses Specs on valves, pumps, EU/EU

| | | | |
|--------------------|-------------------|------------------|-----------------------------------|
| 1001031(WS) | \$ 5.3M | Cesspit Units | Specs on valves, pumps, EU/EU |
| 1001697(E) | \$ 5.16M | Vehicles | Detailed EU/EU info |
| 1001228(T) | \$ 4.28M | Mobile Cranes | Specs on valves, pumps, EU/EU |
| 1030108(O) | \$ 3.2M | Cranes | WMD “dual use”, specs, EU/EU |
| 1001651(T) | \$ 2.8M | Nissan Patrol | Detailed EU/EU info |
| 1001574(WS) | \$ 2.18M | Fuel Tankers | Specs on tanks, detailed EU/EU |
| 1001615(H) | \$ 2.99M | Trucks | Specs for tanks, kits, EU/EU info |
| 1001611(E) | \$ 1.84M | Field Cars | Detailed EU/EU info |
| 1001382(SA) | \$ 1.3M | Lorries | Specs on valves, EU/EU info |
| 1001614(T) | \$ 1.27M | Vans | Detailed EU/EU info |
| 1001387(WS) | \$ 1.08M | Rollers | Specs on valves, EU/EU info |
| 1001649(T) | \$ 1.04M | Pick-ups | Detailed EU/EU info |
| 10410040(O) | \$ 0.9M | Cranes | WMD “dual use”, EU/EU info |
| 1001665(WS) | \$ 0.89M | Rescue Veh. | Specs-vehicles, pumps, EU/EU |
| 1001661(A) | \$ 0.66M | Semi-trailers | Specs on trailers, EU/EU info |
| 1030129(O) | \$ 0.65M | Service Truck | Specs/pumps/valves/filters, EU |
| 1030139(O) | \$ 0.63M | Excavators | Detailed EU/EU info |
| 1001646(T) | \$ 0.62M | Station Wagon | Detailed EU/EU info |
| 1000178(T) | \$ 0.5M | Fuel Barge | Specs on valves, tools, EU/EU |
| 1001613(T) | \$ 0.48M | Trucks | Detailed EU/EU info |
| 1001617(WS) | \$ 0.48M | Drilling Rig | Specs on pumps, vehicle, EU/EU |
| 1001529(T) | \$ 0.46M | Buses | Detailed EU/EU info |
| 602034(WS) | \$ 0.45M | Trailer Truck | Detailed EU/EU info |
| 1001643(T) | \$ 0.35M | Tanker Truck | Specs on tank, EU/EU |
| 1030138(O) | \$ 0.23M | Excavators | Detailed EU/EU info |
| 1001650(T) | \$ 0.22M | Pick-ups | Detailed EU/EU info |
| 1030137(O) | \$ 0.21M | Excavators | Specs on valves, EU/EU info |
| 1001633(E) | \$ 0.15M | TV studio eq. | Tech specs, EU/EU info |
| 902000(T) | \$ 0.085M | Tires | Detailed EU/EU info |
| 1001720(WS) | \$ 0.001M | Contactors | Detailed EU/EU info |
| 1001524(T) | \$ 0.0001M | Air conditioners | Specs on nozzles, EU/EU |

SOME SOLUTIONS TO END-USE/USER INFO PROBLEM MAY BE IN SIGHT:

Since the end on October 2001 total of 172 comm. worth some US\$555M have been placed on hold for end-use/user information. Of these, 82 worth US\$212.0M have been placed on hold for end-use/user information only. Some end-use/user info was so far provided for 22 out of 171 comms. CPMD will shortly sent a comprehensive list of applications remaining on hold for this type of information. The list will be updated on a weekly basis and SWGs are expected to contact the respective GOI counterparts are seek the information.

The very first application in this category was released from hold this week (**Comm.1001042(Q) for aluminum foil, US\$0.73M**). The application was on hold since 30/11/01 and the end-use information was provided in January 2002 (foil to be used in packaging of cigarettes).

At the same time, the UK indicated willingness to lift hold on four applications for generators, on hold for end-use/user info, provided end-use verification is done by the UN observation system. The four comms are 1001484(E), 1001485(E), 1001547(E) and 802509(A). The condition was confirmed to the UK and the release will follow shortly. Unfortunately, that will lead to the full release of 1001547 only as the other three remain on hold by the US for other reasons, to include end-use info on 1001485 and 1001484.

7. Only **2 applications worth US\$0.95M** were released last week. Apart from comm. 1001042 listed in paragraph 6 above, the other comm. was merely a one-day hold placed for “pending further evaluation” and immediately released the following day.

8. Total of **63 applications worth US\$109/85M** 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 5 above. Other holds included:

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|-------------------|------------------|-----------------------|---|
| 901061(SA) | \$ 14.99M | Electromechanical eq. | 1051 (growth media), specs on valves, pumps... |
| 1001559(A) | \$ 9.61M | Irrigation syst. | PFE |
| 1001496(E) | \$ 4.22M | Lab equipment | Specs on condensers |
| 1001570(E) | \$ 3.22M | Laboratory Eq. | Objection to 1 item, specs |
| 1001159(E) | \$ 2.79M | Vocational Eq. | Specs on winding, welding mach. |
| 1001652(E) | \$ 2.23M | Air conditioners | Tech. Specifications |
| 901917(T) | \$ 1.89M | Chillers | Specs on pumps, valves, gauges |
| 1001420(Q) | \$ 1.47M | Weighbridge | Specifications on instruments |