

WEEEEKLY HOLDS UPDATE

Week 20 - 27 July 2001

(Prepared by OIP, Contracts Processing Section)

HIGHLIGHTS

- **Another increase in holds recorded**
- **Revised 1051 list takes effect with some applications released based on the changes**
- **An application for 200 ambulances released**
- **BCG vaccines application approved**

1. The holds stand at **US\$3,516.0M** or US\$41.0M more compared to US\$3,475.0M last week. *[some US\$10.0M worth of applications previously on hold were declared null-and void for the variety of reasons]*

2. The total number of applications on hold is **1,450 (to include 996 humanitarian and 454 oil spare parts applications)** or 17 more than last week. The relative value of holds was similar to the values last week -- **15.3 percent** of the total value circulated to the Committee or **12.1percent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists (15.4 and 12.2 per cent respectively last week).

3. The value of oil spare parts applications on hold was marginally lower in comparison to last week's, with the total value of **US\$441.0M** on hold this week and US\$443.0M last week.

4. GENERAL TRENDS: With more and more applications received under phase IX holds are on the raise again. The releases, on the other hand, have slowed down and mainly include releases based on the revised 1051 list. The request for additional technical specifications remains the most common reason for hold (see para 8 below)

5. REVISED 1051 LIST TOOK EFFECT: The first set of changes to the 1051 list required under SCR 1330(2001) has taken effect recently. The changes altered technical threshold for a number of items and removed some from the list altogether. Based on these changes, the UN experts reviewed all comms assessed to contain 1051 items before but containing none under the revised list.

OIP has received 81 such applications that are currently on hold (for containing 1051 goods). This first group is being circulated to the 661 Committee. So far, **31 applications** were due for approval; of these, **seven** were released (see para 6 below), **three** remain on hold as "1051 disagreements" as the US experts still maintain the goods are on then 1051 list, in **two** cases the reason for hold was changed to "dual use" and in the remaining **19** case the reason for hold was changed to request additional information. Although the release rate in this category is not very high (23%), it is still a positive development as the releases based on revised 1051 list are

likely to continue, especially after a new set of changes (to include computers) comes into effect shortly.

6. FIRST APPLICATIONS RELEASED UNDER THE REVISED 1051 LIST: The seven releases under the revised 1051 list included an application for 200 ambulances that had been on hold since march 2000 for containing a single 1051 item (vacuum flask) as a part of accessories kit. The seven released comms worth total of US\$10.76M include:

601201(M)	\$5.7M	Ambulances (vacuum flask not on 1051 list any more)
701091(A)	\$2.4M	Sprinkler Irrig. System (fiberglass tanks not 1051)
701365(W)	\$2.25M	Sewer Gravity Pipes (fiberglass not 1051 any more)
702030(L)	\$0.26M	Switching Equipment
700173(L)	0.1M	Turbine System Equipment
630702(O)	0.04M	Chemicals
702108(L)	0.008M	Valves

7. BCG VACCINE APPROVED: An application (comm. 901227) for 1,000,000 doses of BCG (anti-tuberculosis) vaccine worth US\$95,806.0 was approved last week under the condition of end-use observation.

8. TECHNICAL SPECIFICATIONS REQUIREMENTS: If one looks at reasons for hold in para 9 below, it is quite apparent that the requests are often the same – tech specs on rather limited number of items. Reasons for hold often specify that there is no objection to the main item (e.g. bulldozers, trucks, tankers, etc.) but the possible objection remains with specific parts for which sufficient info is not available in the application. The most common items that lack sufficient technical details are:

VALVES
PUMPS
TANKS
COMPRESSORS
MICROPROCESSORS

Another common reason for hold is the lack of detail for “spare parts”, “accessories”, “special tools”, “tool kit”, etc. The failure to submit itemized list for each such entry is bound to result in hold requesting these details.

OIP web-site cautions suppliers about these and other problems that may delay approval of submitted applications at various stages of processing. In spite of that, however, such omissions are frequent and often contribute to aggravation of holds problem. The Contracts Processing Section intends to issue updated reminder on technical specifications requirements that will be posted on the web site. We will also share the update with UNOHCI and the UN Agencies and Programmes and would appreciate if it could be shared with relevant GOI ministries at every opportunity.

9. Total of 15 applications worth US\$15.06M were released last week. Apart from the applications released based on revised 1051 list (as in para 6 above), the releases included:

901029(Q)	\$1.45M	Generating Sets
601004(L)	\$1.23M	Vehicles
802512(M)	\$0.64M	Medical Appliances

10. Total of **33 applications worth US\$66.0M** were placed on hold during the last week, including the following applications:

900489(T)	\$10.07M	Semi-trailers	Specs on all valves
900901(A)	\$ 9.74M	Excavators	Specs on valves, working suits
901014(W)	\$ 6.83M	Sewage Compact Unit	Specs on pumps, chlorinators
901269(W)	\$ 4.80M	Radio equip.	Specs on all microprocessors
901350(T)	\$ 4.62M	Water tankers	Specs on all valves
900777(T)	\$ 4.40M	Buses	Specs on all valves
630649(O)	\$ 4.27M	Steam Boilers	1051, specs on valves, pumps
901312(Q)	\$ 3.50M	Trucks	Specs on valves, tanks, spec. tool
53660 (O)	\$ 3.19M	Flow Lines	Specs on all valves, pipes
901089(H)	\$ 2.90M	Mobile Cranes	Specs on all valves, pumps
901286(A)	\$ 2.37M	Pesticides	Chemical Composition
901285(A)	\$ 2.08M	Pesticides	WMD dual use
901188(Q)	\$ 1.57M	Weigh Br. Trucks	Specs on all valves
901291(W)	\$ 0.8M	Water Tr. Eq.	Specs on all valves, pumps