

## WEEKLY HOLDS UPDATE

Week 22-29 March 2002

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

### HIGHLIGHTS:

- Holds level decreases by some \$280 million following release of several high-value applications
- Several priority applications in electricity sector released
- Holds for end-use/user information on vehicles continue but are more focused on certain types
- High-value application for telecommunications equipment in the North placed on hold

1. The level of holds demonstrated a notable decrease and now stands at **\$5,017 million** this week, to include \$472.3 million in “inactive hold” category. The grand total has decreased by some \$280 million in comparison to the previous week’s total of \$5,299 million.

2. As of last week, there were 226 applications worth some \$467.2 million in the category of inactive holds. This week the number of applications in this category is similar and stands at **229 applications to \$472.3 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 **566 applications worth \$ million** (598 worth \$1,691 million in the previous week).

3. The total number of 59% account applications on hold (“active”) is 1,805 (**to include humanitarian and oil spare parts applications**) or 21 less than 1,826 last week. The relative value of holds has decreased in comparison to last week’s with **17.9 per cent** of the total value circulated to the Committee and **13.5 per cent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists was (18.9 and 14.4 respectively during the previous week).

4. **GENERAL TRENDS:** Release of several high-value applications (to include an application worth \$105 million alone) together with a number of smaller applications releases contributed to a decrease of the overall level of holds by over 5% in a single week. The level of holds has decreased for the second week in a row. While the released applications belong to different categories, most of them had been previously on hold for additional technical information that was provided 60 days ago or longer. In other words, the releases largely followed the list of 680 such applications provided by the Committee by OIP some two weeks ago. At the same time, new holds continued at similar pace (29 in a week worth \$43.6 million), with technical specifications and end-use/user information requirements being leading reasons.

**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 so far were 47 applications worth \$146.7 million and changes of reason involved 72 applications valued at \$376.0 million. Therefore, for the past two weeks the US addressed 119 applications valued \$522.7 million or about 26% of applications in this particular category in terms of the value. The above resulted in further overall reduction of applications in the group pending feedback from holding mission(s) from 598 applications worth \$1,691 million last week to **566 worth \$1,612 million** this week, even with the new applications added to the list this week.

**6. ADDITIONAL PRIORITY APPLICATIONS RELEASED FROM HOLD SO FAR:** Following issuance of 9 sectorial letters between 28/02/02 and 13/03/03 and containing lists of 149 priority applications worth \$965.8 million, total of 14 applications worth \$140.6 million have been released from hold so far (4 in Health Sector, 4 in Oil Industry 3 in Electricity Sector and 1 each in Housing and Education sectors). This week, the releases of priority applications included 7 applications, most notably in the Electricity Sector with three of the 15 applications released, to include the largest application released this week:

<b>900325(L)</b>	<b>\$105.74M</b>	Yussufiya TPS equipment (w. end-use verification)
<b>901751(L)</b>	<b>\$ 12.66M</b>	Yussufiya TPS equipment (w. end-use verification)
<b>50752(L)</b>	<b>\$ 0.27M</b>	Boiler Periscope for Beiji TPS

Other priority applications released this week included:

<b>930364(O)</b>	<b>\$0.39M</b>	Chemicals
<b>901638(M)</b>	<b>\$0.16M</b>	Medicines as per A1 deleting 1 item
<b>930351(O)</b>	<b>\$0.12M</b>	Chemicals

**7. SEVERAL HIGH-VALUE APPLICATIONS RELEASED FROM HOLD:** Seven high-value applications (over \$10M each) account for \$260.5 million of total releases this week or 80%. Apart from the two applications released in the Electricity Sector (comms. 900325 and 901751 in para 6 above), the releases in this category included:

<b>1000574(Q)</b>	<b>\$42.7M</b>	Saloon Cars
<b>802320(WS)</b>	<b>\$34.72M</b>	Equipment for
<b>1000189(A)</b>	<b>\$27.5M</b>	Hydraulic equipment for Makhon dam
<b>901770(T)</b>	<b>\$21.4M</b>	Buses/parts
<b>801969(A)</b>	<b>\$15.8M</b>	Center Pivot Irrigation System

**8. HIGH-VALUE APPLICATION FOR COMMUNICATIONS EQUIPMENT FOR THE THREE NORTHERN GOVERNORATES PLACED ON HOLD:** As the value and number of applications submitted under 13% account are low at any given time, we rarely report on these comms. This week, however, an application (**comm. 51587**) worth over **\$28 million** for telephone equipment and submitted by ITU was placed on hold for additional technical specifications. However, given the nature of request and the fact that similar equipment has previously been approved for Center/South, the application is likely to be released from hold once the requested information is provided.

**9. RELEASES OF VEHICLES ON HOLD FOR END-USE/USER INFORMATION CEASES, NEW APPLICATIONS STILL PLACED ON HOLD FOR THE SAME REASON:**

As indicated in the last update, the release of various types of vehicles and related goods, on hold for end-use/user information, has slowed down considerably, only to cease completely this week. Obviously, most, if not all, of the applications earmarked by the holding mission for release in this category have been released, leaving on hold specific ones that are of more concern. At the same time, new holds on vehicles for end-use/user information are more focused on specific types of vehicles and include certain cargo trucks and four-wheel-drive vehicles:

<b>1100161(A)</b>	<b>\$14.3M</b>	Nissan vehicles	Detailed EU/EU info
<b>1001571(H)</b>	<b>\$ 4.77M</b>	Trucks	Specs on pumps/valves, EU/EU
<b>901907(T)</b>	<b>\$ 0.83M</b>	Communication eq.	Detailed EU/EU
<b>1100163(T)</b>	<b>\$ 0.8M</b>	Hyundai 4 WD	Detailed EU/EU info
<b>1030573(O)</b>	<b>\$ 0.18M</b>	Semi-trailer	Mil "dual use", EU/EU info
<b>1030618(O)</b>	<b>\$ 0.15M</b>	Trucks/parts	Specs, EU/EU info
<b>1030631(O)</b>	<b>\$ 0.14M</b>	Dump Trucks	Detailed EU/EU info
<b>1030632(O)</b>	<b>\$ 0.14M</b>	Trucks	Detailed EU/EU info

10. Total of **43 applications worth \$324.4 million** was released last week. Many of the applications were previously released by the UK (on hold for end-use/user info) but were now released by the US as well (on hold for technical specifications). Apart from the application referred to in para 6 and 7 above, the releases, *inter alia*, included:

<b>1000451(Q)</b>	<b>\$8.08M</b>	Motor Grader	
<b>1001612(T)</b>	<b>\$8.07M</b>	Mobile Workshops	
<b>1001279(H)</b>	<b>\$5.2M</b>	Concrete Mixer Trucks	
<b>1000634(A)</b>	<b>\$5.1M</b>	Tractors	
<b>631090(O)</b>	<b>\$4.68M</b>	LPG cylinders	
<b>900677(Q)</b>	<b>\$4.4M</b>	Trucks	
<b>1001020(Q)</b>	<b>\$3.62M</b>	Bulldozers	
<b>1001467(WS)</b>	<b>\$2.87M</b>	Road Sweepers	
<b>802322(M)</b>	<b>\$2.85M</b>	Medical equipment	
<b>900883(T)</b>	<b>\$2.4M</b>	Bus chassis	
<b>901107(H)</b>	<b>\$1.98M</b>	Bulldozers	
<b>1000764(A)</b>	<b>\$1.76M</b>	Dump Trucks	
<b>930034(O)</b>	<b>\$1.73M</b>	Gas Turbines maintenance	
<b>901777(T)</b>	<b>\$1.63M</b>	Lorries	
<b>702085(A)</b>	<b>\$1.3M</b>	Center Pivot Irrigation System	
<b>901874(T)</b>	<b>\$0.98M</b>	Water Tankers	
<b>901772(T)</b>	<b>\$0.97M</b>	Water Tankers	
<b>1030215(O)</b>	<b>\$0.87M</b>	Shovels	
<b>702755(Q)</b>	<b>\$0.82M</b>	Synthetic Rubber	
<b>1001465(T)</b>	<b>\$0.5M</b>	Water Pumps	
<b>1030295(O)</b>	<b>\$0.37M</b>	Water Tankers	
<b>1001855(WS)</b>	<b>\$0.36M</b>	Mobile Workshop	
<b>1001385(T)</b>	<b>\$0.36M</b>	Excavators	
<b>1001384(T)</b>	<b>\$0.34M</b>	Excavators	
<b>1001145(T)</b>	<b>\$0.3M</b>	Wheel Excavators	
<b>1001635(E)</b>	<b>\$0.22M</b>	TV station equipment	
<b>901638(M)</b>	<b>\$0.16M</b>	Medicines	released per A1
<b>1030076(O)</b>	<b>\$0.14M</b>	Spares for heavy equipment	

**901856(T)**                    **\$0.14M**            Platform Vehicle

11. Total of **29 applications worth \$43.62M** 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 9 above. Other holds included:

<b>1001790(M)</b>	<b>\$7.63M</b>	Ambulances	Specs on valves, pumps, kits...
<b>930651(O)</b>	<b>\$2.1M</b>	Water Tr. Unit	Specs on valves, pumps
<b>601612(M)</b>	<b>\$1.88M</b>	A/C equipment	WMD "dual use", specifications
<b>1001693(H)</b>	<b>\$1.74M</b>	Crane parts	Specs on pumps, kits
<b>1030492(O)</b>	<b>\$1.58M</b>	Mud Material	WMD "dual use", specifications
<b>1030607(O)</b>	<b>\$1.48M</b>	Cranes	Various specs
<b>1030628(O)</b>	<b>\$1.1M</b>	Chemicals	WMD "dual use"