

WEEKLY HOLDS UPDATE

Week 22-29 June 2001

(Prepared by OIP, Contracts Processing Section)

HIGHLIGHTS

- **The overall holds continue to raise as holds exceed releases threefold**
- **Notifications/approvals by the UN Secretariat exceed US\$5.0 billion**
- **Additional applications for telecommunication equipment released**
- **First two application for meteorological equipment released**
- **Large wat-san and education applications placed on hold**

1. The holds stand at **US\$3,325.0M** or some US\$122.0M more compared to US\$3.203M last week. *(Note: This includes some US\$20.0M previously on hold but transferred to another phase, thus not appearing in the "holds" category last week)*

2. The total number of applications on hold is **1,328 (to include 889 humanitarian and 439 oil spare parts applications)** or 26 more than last week. The relative value of holds was slightly higher in comparison to the value last week -- **15.1 percent** of the total value circulated to the Committee or **12.1 percent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists (14.7 and 11.9 per cent respectively last week).

3. Oil spare parts applications on hold was slightly higher to last week's, with the total value of **US\$432.0M** on hold this week and US\$421.0M last week.

4. **GENERAL TRENDS:** While the releases continued, new hold (in particular in phases VIII and IX) have substantively exceeded the releases in monetary terms. The main reason remains request for additional technical specifications, often material composition of various parts and components. At this rate, however, even with the number of applications being lower than before, the overall value on hold will soon reach the level prior to 1 June 2001(US\$3.7 billion) and the release of a large batch of applications. On a more positive side, we are seeing more applications containing 1051 items released from hold with or without end-use observation/monitoring condition.

5. **THE VALUE OF APPLICATIONS APPROVED/NOTIFIED BY THE SECRETARIAT AMOUNTS TO US\$5,383M:** As of 29 June 2001 there were 2,594 applications worth US\$5,383.0M approved without circulation to the Committee in accordance with SCR 1284 (1999). Most of these applications were in food sector (\$3,979M); followed by health (\$375M), oil spares (\$331M) and agriculture (\$202M) sectors. Housing sector stands well in this category (\$197M), especially given the fact that it was one of the last sectors to be included. The lowest rates were in education (\$107M) water-sanitation (\$100M), and food handling (\$93M) sectors. If compared to overall approvals in phases VII-IX, approvals/notifications by the Secretariat amount to **42 per cent** of the total value approved.

6. **MORE TELECOMMUNICATIONS EQUIPMENT RELEASED:** As a continuation of a slowly-developing but nevertheless very encouraging trend concerning telecommunications equipment in all sectors, a major application for 9 digital exchanges with total of 215,000 lines and another one for accessories, were released from hold last Thursday in spite of the fact that the one contains a number of 1051-rated computers:

600833(T) \$15.5M Communication Equipment (contains 1051 computers)
600617(T) \$ 2.0M Accessories (switch boxes, forklifts, tool, etc.)

Additional three applications for telephone equipment and cables were released from hold in the oil spare parts sector, one also containing 1051-rated computers:

730840(O) \$0.8M Telephone exchange set (includes 1051 computers)
53385 (O) \$0.31M Telephone exchange set (on hold for almost 2 years)
53334 (O) \$0.03M Armored telephone cable (on hold for almost 2 years)

As a further positive development, the US released Thursday three major applications for telecommunication equipment, two of which have been highlighted by ITU as absolute priority at the recent meeting of the 661 Committee (4 May 2001) and both containing 1051-rated equipment. Unfortunately, all three still remain on hold by the UK and OIP/CPS is intensively working on the full release of the following comms:

50723 (T) \$28.2M Small mobile GSM network (PRIORITY)
601308(T) \$ 6.6M Baghdad-Mosul Digital Microwave Link (PRIORITY)
601309(T) \$ 8.1M Digital Microwave Equipment

7. **APPLICATIONS FOR IRAQI METEOROLOGICAL ORGANISATION RELEASED:** In connection to the above, first two application for meteorological equipment were released from hold last week:

701684(T) \$0.02M Agro-meteorological weather observation station
(Forest NXt-li)
701688 (T) \$0.3M TS-500 500W short wave single band radio station

The above applications and related clarifications were mentioned in GOI Note Verbale No. 10/MT/4/1/93500 of 30 April 2000 attached to UNOHCI fax M/OUT/307/307/2001 of 13 June 2001. The documents also pertain to meteorological equipment comms. 701685, 701686, 701848, 801601 and 801642, all of which still remain on hold. Comm. 702370, also mentioned in the above documents, has "Inactive" status with OIP/CPS as the supplier failed to provide requested additional information for more than 60 days.

8. **PRINTING EQUIPMENT APPLICATION PLACED ON HOLD:** While several high-value applications for construction materials in education sector were released (see below) after a brief period on hold, a single **US\$24.09M application for printing equipment (Comm. 702567)** was placed on hold for containing 1051 items (computers) and technical specs on all valves. The problem with 1051-rated computers in this and other similar applications may be resolved soon with changes of the 1051 list due to take effect shortly. Under the amended 1051 list most standard PCs (up and included Pentium III type processors) will not be notifiable under SCR 1051 (1996) any more.

9. **WAT-SAN APPLICATIONS PLACED ON HOLD:** Several high-value applications (to include the largest placed on hold last week) were placed on hold in wat-san sector:

802320(W)	\$34.7M	Electrical and Mechanical Eq. On hold for presence of 1051 items (gas masks, respirators, chemical suits, growth media, chlorine gas).
900534(W)	\$8.15M	Wat-san eq. On hold for presence of 1051 items and specs of pumps, pipes, valves...
702541(W)	\$4.27M	Water Treatment Plant On hold for presence of 1051 items (solution tanks) and specs of pumps, valves
900664(W)	\$1.2M	Reverse Osmosis Unit For specs on filters...

10. **Total of 26 applications worth US\$62.03M** were released last week. Apart from the comms mentioned above, the releases included the following:

900655(E)	\$24.93M	Deformed Bars (briefly on hold for mat. comp.)
600684(L)	\$ 6.30M	Substation
900654(E)	\$ 2.97M	Reinforced Iron (briefly on hold for mat. comp.)
900730(E)	\$ 2.67M	Sewage Pumps
802511(L)	\$ 1.89M	Oil Treatment Plant
800916(A)	\$ 1.51M	Pesticides

11. **Total of 51 applications worth US\$183.14M** were placed on hold during the last week, including the following (not previously mentioned) applications:

801843(A)	\$14.21M	Drilling Rig Comp of tanks/pumps, specs for truck (*transfer from another phase)
801605 (L)	\$ 13.84M	Spare parts Specs on control panel, pumps...
900101(A)	\$ 12.57M	Drilling Rigs Comp of tanks/pumps, specs for truck
900780(M)	\$ 12.20M	Med Eq. Tech specs, end-use location
830236(O)	\$ 5.95M	Spare Parts Pending Further Evaluation
802339(A)	\$ 2.41M	Excavators Specs on valves, pumps
900808(H)	\$ 2.26M	Piling Eq. Specs on valves, pumps
802601(A)	\$ 1.92M	Cranes Specs on stabilizing and leveling system