

WEEKLY HOLDS UPDATE

Week 26-30 November 2001

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

HIGHLIGHTS:

- **Holds increase with releases totaling only US\$3.06M**
- **A US\$42.8M application for diesel locomotives placed on hold**
- **A US\$33.2M application for pick-up trucks placed on hold for end-use/user info**
- **Another application for agricultural helicopters placed on hold**

1. The holds stand at **US\$4,371.0 million** this week, to include US\$273.7M in “inactive hold” category. The grand total is higher by some US\$152.0 million than the previous week total of US\$4,219.0M.

2. As of last week, there were 144 applications worth some US\$305.5 million in the category of inactive holds. This week the value is even lower although the number of applications in this category is up by two and stands at **146 applications worth US\$273.7 million**. Again, this trend has not been matched by the increased feedback rate from the holding missions: the number of applications for which a feedback from the holding mission is due in excess of 60 days has been progressively increasing and now stands at **330 applications worth US\$1,033M** (305 worth US\$995.0M previous week). Please see the attached table for details.

3. The total number of applications on hold (“active”) is **1,529 (to include 1,006 humanitarian and 523 oil spare parts applications)** or 49 more than 1,480 last week. The relative value of holds has also increased somewhat with **16.9 percent** of the total value circulated to the Committee or **13.0 per cent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists (16.4 and 12.7 respectively during the previous week).

4. **GENERAL TRENDS:** With very few releases, holds have registered another considerable increase during the past week. The reasons for hold remain the same – in many cases the objection is not to the main pieces of equipment but to various spare parts (pumps, valves, filters, etc.). An unusually high number of requests for end-use/user information were also registered.

5. **A NUMBER OF APPLICATIONS PLACED ON HOLD FOR END-USE/USER INFORMATION:** Total of 10 applications (7 humanitarian and 3 oil spare parts) worth almost US\$57.0M were placed on hold for end-use/user information. While in most cases the reasons for hold also include other requirements, in some cases – like with Comm. 100840 for pick-up trucks and 1000896 for lorries – end-use/user info was the only reason for hold. It would be appreciated if SWGs

could work on early provision of the requested information (allocation plans, precise end-use) with their GOI counterparts. The relevant humanitarian applications include:

1000840(WS)	\$33.22M	Pick-up trucks
1000953(Q)	\$12.73M	Saloon Cars
1001057(L)	\$ 2.46M	Fire Fighting Trucks
1001033(E)	\$ 1.78M	Vocational equipment/machines
1000764(A)	\$ 1.76M	Dump Trucks
1000986(SA)	\$ 0.8M	Lorry
1001042(Q)	\$ 0.72M	Aluminum Foil

6. **DIESEL LOCOMOTIVES PLACED ON HOLD:** An application worth US\$42.8M (Comm.1000766) was placed on hold in Transport & Telecommunications sector. The UK requested confirmation of end-use verification modalities and OIP responded by saying that the locomotives, if approved, will be observed in a same manner as the two previously released applications for locomotives. We are still awaiting the UK response. On the other hand, the US expressed no objection to locomotives but asked for additional info on certain spare parts (valves, pumps, etc.).

7. **AN APPLICATION FOR AGRICULTURE HELICOPTERS PLACED ON HOLD:** Comm. 901942 (A) worth US\$4.4M for 12 second-hand Mi-2 helicopters was placed on hold for containing 1051 items (sprayers) and specifications for various helicopter parts. This is in addition to continuing hold on comms. 900038 and 900039 for overhauling of the existing helicopters.

8. The total of **only 5 applications worth US\$3.06MM** were released last week, all following provision of the requested additional information. The releases included:

901746(E)	\$1.25M	Pipes, valves, fittings
602002(A)	\$0.8M	Irrigation System
900937(T)	\$0.75M	Aircraft Tow Truck
802615(T)	\$0.13M	Electronic Telephone Exchange
802803(T)	\$0.13M	Pick-ups

9. Total of **57 applications worth US\$156.39M** were placed on hold during the last week. Two large applications (1000766 and 1000840), worth \$42.8M and \$33.2M respectively, accounted for almost 50% of the value placed on hold. The holds, *inter alia*, included the following applications:

1000953(Q)	\$12.73M	Saloon Cars	End-use/r info, itemized list of eq
802694(A)	\$12.08M	Bulldozers	Specs on valves, pumps, kits
802841(A)	\$ 8.20M	Excavators	Specs on valves, pumps, filters
901953(A)	\$ 6.30M	Sprinkler Irrig. Eq.	Specs on pumps
1000841(Q)	\$ 4.35M	Trucks/parts	Specs on pumps, valves, kits
1000981(T)	\$ 2.79M	Spares for engines	4 parts objected to, rest ok
1001036(E)	\$ 2.08M	Vocational eq.	Specs on sterilizers, etc.
930570(O)	\$ 1.86M	Trucks	Specs on parts, repair kits
1001033(E)	\$ 1.78M	Vocational eq.	Specs on machines, welding eq. End-use/user info
1000764(A)	\$ 1.76M	Dump Trucks	Specs on valves, repair kits
1000989(L)	\$ 1.60M	Transformers	Specs on pumps, valves
901777(T)	\$ 1.63M	Lorries	Specs on trucks, valves