SECRET

SECRET AND FORGERY CONTRAFACT

SERIAL: (U) IIR

COUNTRY: (U) CHINA (CH), IRAN (IR)

SUBJECT: IIR/CHINA BARTER TRADE (U)

WARNING: (U) THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE REPORT CLASSIFIED SECRET AND FORGERY CONTRAFACT.

DEPARTMENT OF DEFENSE

DOI: (U) 890102.

RECS: (U)

SOURCE: (C)

8900020504
SUMMARY: NORINCO HAS CONTACTED FOR INFORMATION ON BARTER TRADE AND INFORMED THAT DUE TO THE LACK OF MILITARY SALES TO IRAN, THE IRAN SALES DEPARTMENT OF NORINCO HAS BEEN REORGANIZED.

1. THAT HE HAD BEEN RECENTLY CONTACTED BY ((XING)) BO, THE HEAD OF THE IRAN SALES DEPARTMENT FOR NORINCO. XING ASKED TO PROVIDE ANY REFERENCE MATERIAL HAVE AVAILABLE ON BARTER TRADE. XING ADVISED THAT HIS DEPARTMENT HAD BEEN REORGANIZED DUE TO THE LACK OF BUSINESS WITH IRAN.

2. THAT THE INTEREST IN BARTER TRADE IS THE RESULT OF NORINCO'S DEALS WITH IRAN WHICH INVOLVED THE SALE OF CHINESE MILITARY HARDWARE IN EXCHANGE FOR OIL. XING BELIEVES THAT CHINA HAS SIGNIFICANT AMOUNTS OF IRANIAN CRUDE OIL WHICH THEY WOULD LIKE TO SELL OR BARTER ON THE WORLD MARKET.

3. THAT XING'S WIFE WAS ((LIU)) XIAO AI AND WAS PRESENTLY RESIDING IN THE UNITED STATES WHERE SHE WAS PURSUING GRADUATE STUDIES AT MIT. NOTED THAT LIU WAS THE CHIEF OF THE FUZE PROJECT FOR THE LCAMP FMS CASE.

COMMENTS: (5/18/96)

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