SECRET

INFO RUEADWD/OCSA WASHINGTON DC
RUEAAA/CNO WASHINGTON DC
RUEANAA/CSAF WASHINGTON DC
RUEAMCC/CMC WASHINGTON DC
RUCQVAB/USCINCOC [b(x):50 USC 403-1(6)] MACDILL AFB FL
RUEJACC/USCINCENT MACDILL AFB FL
RUEJSQA/USCINCER VAIHINGEN GE
RUEALGX/SAFE
R 210237Z FEB 90
FM [b(x):10 USC 424]
TO RUEKCS/DIA WASHDC INFO RUHQGQA/USCINC PAC HONOLULU HI
(b(x):50 USC 403-1(6))
(b(x):10 USC 424)
SECRET COMPLETE 01 OF 02 (b(x):10 USC 424)
SECRET / NO FORN / NO CONTRACT
(b(x):50 USC 403-1(6))
(b(x):50 USC 403-1(6))

SERIAL:  (U) IIR  (b(x):10 USC 424)
PASS:  (U)  (b(x):10 USC 424, (b(x):50 USC 403-1(6))
COUNTRY:  (U) CHINA (CH); IRAN (IR).
SUBJECT: IIR  (b(x):10 USC 424) IRAN SALES/COUNTER TRADE (U)

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WARNING: (U) THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE REPORT. CLASSIFIED: 9-E-G-R-E -- NOT FORN -- NO CONTRACT.

DOI: (U) 900218.

RECS: (U) (b)(3):10 USC 424,(b) (3):50 USC 403-1(i)

SOURCE: (U)

SUMMARY: (G-NF/NC) NORINCO NEGOTIATING STORM MBT PRODUCTION FACILITY IN TEHERAN. NORINCO RECEIVED ONE MILLION TONS OF CRUDE OIL FROM IRAN IN 1989. SON OF ZOU JIAHUA WORKING WITH HONG KONG ARMS SALES COMPANY.

TEXT: 1. (G-NF/NC) THAT NORINCO WAS NEGOTIATING A MAJOR CONTRACT WORTH OVER USD 600 MILLION FOR THE SALE OF A PRODUCTION FACILITY FOR THE CHINESE STORM MAIN BATTLE TANK IN IRAN. THAT THERE ARE PRESENTLY TWO STORM MBT'S IN TEHERAN ALONG WITH A LARGE NORINCO NEGOTIATING TEAM. WAS OPTIMISTIC THAT THE DEAL WOULD BE SUCCESSFULLY CONCLUDED.

2. (G-NF/NC) NORINCO RECEIVED ONE MILLION TONS OF CRUDE OIL FROM IRAN IN 1989 IN PAYMENT FOR ARMS PURCHASES. THAT NORINCO WAS ABLE TO SELL THE CRUDE OIL TO CHINESE REFINERIES AT PRICES HIGHER THAN NORINCO COULD EXPECT TO RECEIVE Should NORINCO SELL THE OIL ON THE WORLD MARKET. NORINCO DID NOT NEED THE FOREIGN EXCHANGE FROM THE SALE OF THE CRUDE AND PREFERRED TO RECEIVE RENMINBI FOR ITS USE IN ITS OPERATIONS IN CHINA.

3. (G-NF/NC) THAT THE SON OF VICE PREMIER ((ZOU)) JIAHUA, ((ZOU)) XIAOKANG WAS LIVING IN HONG KONG AND WORKING QUOTE BEHIND THE SCENES QUOTE TO ASSIST A HONG KONG BASED ARMS DEALER, JENNELL ((WANG)). THAT THE YOUNGER ZOU WAS ABLE TO TRAVEL AS HE WISHED AND USED HIS CONNECTIONS IN CHINA TO ASSIST JENNELL IN CONCLUDING ARMS CONTRACTS BETWEEN CHINA AND OTHER COUNTRIES.

4. (G-NF/NC) WHEN ((ZOU)) CHANG-BO TO NAME THE MAJOR HONG KONG SHIPPING AGENT ASSOCIATED WITH CHINA-IRAN ARMS TRADE, THAT THE SHIPPER WAS SUN UNION.

COMMENTS: 1. (G-NF/NC)

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(b)(1),(b)(3):10 USC 424,1.4 (c)

//IPSJ: (U) (b)(3):10 USC 424
//COMSOBJ: (U) 
PROJ: (U)

END OF MESSAGE

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***<<<<<< SECTION 2 >>>>>>***

SERIAL: (U) IIR (b)(3):10 USC 424
PASS: (U) (b)(3):10 USC 424, (b)(3):50 USC 403-1(i)
COUNTRY: (U) CHINA (CH); IRAN (IR).

SUBJECT: IIR (b)(3):10 USC 424 V/IRAN SALES/COUNTER
COLL: (U) (b)(3):10 USC 424, (b)(3):50 USC 403-1(i)
INSTR: (U)
PREP: (U)
ACQ: (U)

WARNING: (U) REPORT CLASSIFIED SECRET NOT RELEASABLE TO FOREIGN NATIONALS
- NOT RELEASABLE TO CONTRACTORS/CONSULTANTS.

DECL: OADR
END OF MESSAGE

SECRET

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