

6475 'ASP TO: PRIORITY EUROPEAN BRIEF.
SUBJECT: HERewith SUPPORT CABLE FOR EUROPEAN BRIEF [REDACTED]
FOR 03 FEBRUARY 1992

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FRP: . . 3
BRIEF

[REDACTED]

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DIRECTOR 206343

[REDACTED]
BRIEF -
TO: PRIORITY EUROPEAN BRIEF.

030737Z DIRECTOR 206343

FROM: CPAS/[REDACTED]

[REDACTED]

SUBJECT: HERewith SUPPORT CABLE FOR EUROPEAN BRIEF OCPAS [REDACTED]
FOR 03 FEBRUARY 1992

REF: NONE

TEXT:

/ / / /

[REDACTED]

FROM: DDI/O/CPAS

APPROVED FOR RELEASE

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DS

[REDACTED]

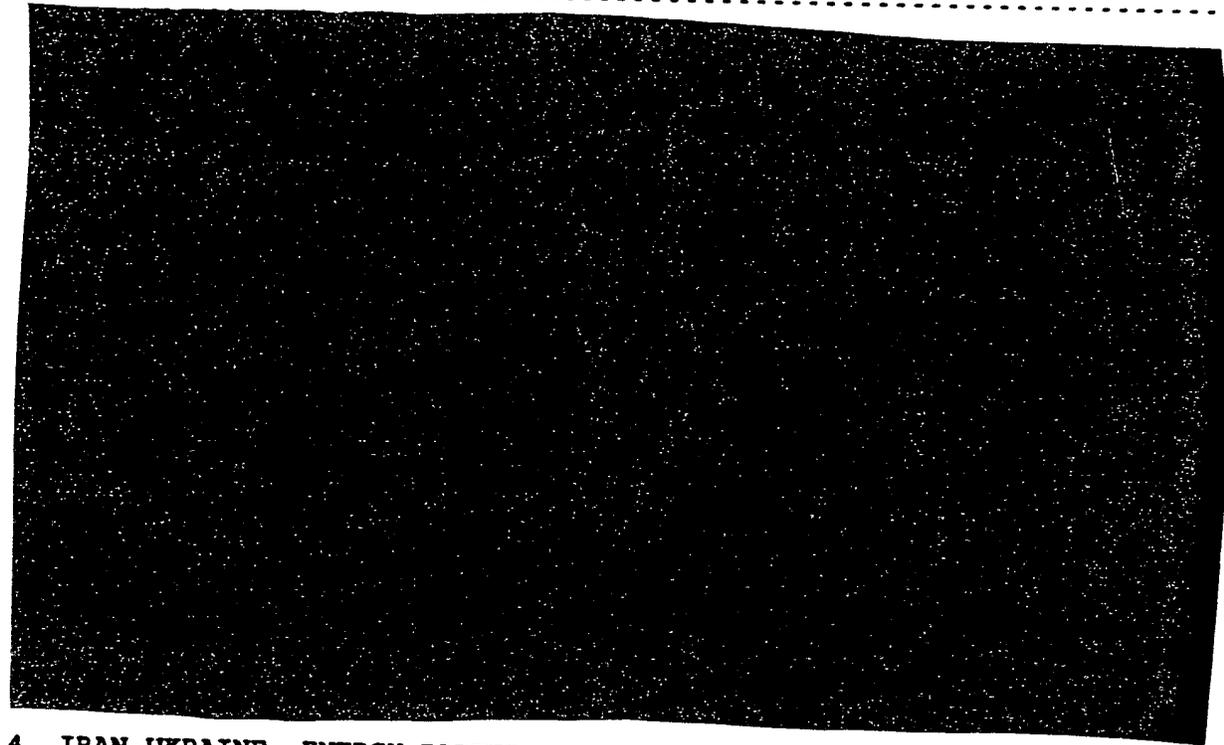
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DIRECTOR 206343



4. IRAN-UKRAINE: ENERGY BARTER DEAL SIGNED [REDACTED]

IRAN AND UKRAINE ON WEDNESDAY REPORTEDLY SIGNED A DEAL UNDER WHICH IRAN WILL PROVIDE UKRAINE 3 BILLION CUBIC METERS OF NATURAL GAS AND 80,000 BARRELS PER DAY OF OIL THIS YEAR AND WILL INCREASE THE AMOUNTS TO 75 BCM OF GAS AND AS MUCH AS 1.4 MILLION B/D OF OIL BY 1995. IN EXCHANGE, UKRAINE WILL GIVE IRAN INDUSTRIAL GOODS, REFINED PRODUCTS, AND POSSIBLY WEAPONS. UKRAINIAN MINISTER FOR CONVERSION ANTONOV RECENTLY SAID PUBLICLY THAT, GIVEN THE NUMBER OF ARMAMENTS PLANTS IN UKRAINE, KIEV WOULD BE WILLING TO SELL WEAPONS ABROAD. [REDACTED]

COMMENT: DELIVERIES FOR THIS YEAR PROBABLY ARE WORTH \$700-800 MILLION. IRAN COULD MEET ITS INITIAL COMMITMENT, BUT FINANCIAL [REDACTED]

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PROBLEMS AND DIFFICULTIES IN EXPANDING PRODUCTION WILL MAKE IT IMPOSSIBLE FOR TEHRAN TO EXPORT GAS OR OIL AT THE RATES PLANNED FOR 1995. THE AGREEMENT WILL INITIALLY MEET LESS THAN 5 PERCENT OF UKRAINE'S ANNUAL OIL AND GAS IMPORT NEEDS. RUSSIA ALREADY HAS CUT OIL EXPORTS TO UKRAINE FROM 1.2 MILLION B/D TO 0.8 MILLION B/D, AND PRESIDENT KRAVCHUK PROBABLY SEES THE ACCORD AS A WAY TO COMPENSATE FOR ANTICIPATED FURTHER DECREASES. KIEV ALMOST CERTAINLY WILL EXPORT ARMS TO PAY FOR IRANIAN ENERGY SUPPLIES AND PROBABLY COULD HELP IRAN'S DEVELOPING MILITARY INDUSTRIES AS PART OF THE BARTER DEAL.