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N. Korean ship 'carried sugar in barter deal' s

>> PANAMA CITY: When a North Korean ship carrying Cuban arms was seized last week in Panama on suspicion of smuggling drugs, Cuba first said it was loaded with sugar for the people of North Korea, according to a Panamanian official familiar with the matter.

Cuban officials were quick to request the ship be released, pledging there were no drugs on board, and made no mention of the weapons which two days later were found hidden under 220,000 sacks of brown sugar, the official said.

"They said it was all a big misunderstanding," the official said, speaking on condition of anonymity.

Cuba has declined to comment on the official's account.

Questions still surround the cargo of sugar and what Cuba called "obsolete" Soviet-era weapons which it said it was sending halfway around the world to be repaired in North Korea. The discovery has put the already isolated Asian nation under increased diplomatic pressure because the cargo is suspected of being in breach of a UN arms embargo against Pyongyang over its nuclear and ballistic missile programme.

For Cuba, the benefits of smuggling out-of-date weapons to North Korea did not seem to make up for the potential pitfalls, experts said.

"It's baffling. It's hard to believe Cuba would risk so much for so little," said Frank Mora, the Pentagon's senior official for Latin America during US president Barack Obama's first term.

"We understand it was a barter deal, arms for sugar, that's what our intelligence sources are telling us," said the Panamanian official.

A US official confirmed that one of the theories being studied is that it may have been a barter deal.

A senior Panamanian official said on Friday that investigators unloading the cargo may have discovered explosive material on board the ship, and would check it this weekend.

While Cuba needs to upgrade its arsenal, Mr Mora and others say, the botched smuggling operation was so clumsy and ill-conceived that it appeared out of character for the usually circumspect and highly disciplined Cuban army.

Pyongyang has asked for the ship and crew to be returned but Panama dismissed the request after the US strongly backed its seizure of the vessel. REUTERS