

**REPORT TO CONGRESS ON
DEPARTMENT OF DEFENSE
FISCAL YEAR 2021 PURCHASES FROM
FOREIGN ENTITIES**



Office of the Under Secretary of Defense for
Acquisition and Sustainment

June 2022

The estimated cost of this report or study for the Department of Defense is approximately \$6,230 for the 2022 Fiscal Year.

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Background

Section 8305 of title 41, United States Code (U.S.C.), requires the Secretary of Defense submit, no later than 60 days after the end of the fiscal year, a report on the amount of Department of Defense (DoD) purchases from foreign entities in that fiscal year. In addition, section 8030(b) of the Consolidated Appropriations Act, 2021 (Public Law 116-260), requires the Secretary of Defense identify the dollar value of items for which the Buy American Act (BAA) was waived pursuant to any reciprocal defense procurement Memorandum of Understanding (MOU), the Trade Agreements Act (TAA) of 1979 (title 19, U.S.C., §2501 et seq.), or any international agreement to which the United States is a party.

Discussion

The information contained in this report is based on FY 2021 contract data from the Federal Procurement Data System – Next Generation (FPDS-NG), which includes obligations from multiple fiscal years of available funds. The FPDS-NG data addresses contracting procedures, competition, financing, statutory requirements, socioeconomic programs, and other information relating to DoD contracting activity with prime contractors. The data was then certified by the Military Departments and Defense Agencies. On February 22, 2022, the Department certified to the Administrator of the Office of Federal Procurement Policy, that as of January 24, 2022, the Department executed approximately 64.9 million contract actions with total obligations valued at approximately \$385.8 billion in FY 2021.

All procurements from foreign entities

DoD procurement actions recorded and certified in FPDS-NG during FY 2021 totaled approximately \$385.8 billion. Of that amount, approximately \$10.0 billion or 2.6 percent of total DoD obligations were expended on purchases from foreign entities. Table 1 highlights the twelve (12) countries with the highest amount of contract obligations. These countries accounted for approximately 80 percent of the total DoD foreign obligations during FY 2021. A detailed breakout of obligated dollars by country in alphabetic order is contained in Table 2.

Table 1: Top twelve countries with the highest contract obligations under contract with DoD during FY 2021 (Source: FPDS-NG)

ENTITY OF ORIGIN	ACTIONS	OBLIGATED AMOUNT	% OF TOTAL OBLIGATION
JAPAN	17,719	\$2,008,385,530.35	20.03%
GERMANY	22,636	\$1,407,745,947.85	14.04%
SOUTH KOREA	14,142	\$916,596,124.87	9.14%
CANADA	5,225	\$723,683,917.71	7.22%
UNITED KINGDOM	10,598	\$596,000,098.82	5.94%
KUWAIT	11,670	\$474,090,939.74	4.73%
UNITED ARAB EMIRATES	10,338	\$421,465,828.34	4.20%
AFGHANISTAN	1,088	\$345,818,023.87	3.45%
BAHRAIN	3,709	\$313,905,247.36	3.13%
SINGAPORE	992	\$282,836,157.47	2.82%
SAUDI ARABIA	650	\$276,850,819.97	2.76%
SPAIN	1,713	\$228,866,258.29	2.28%

Table 2: All DoD procurement actions with foreign entities during FY 2021
(Source: FPDS-NG)

ENTITY OF ORIGIN	ACTIONS	OBLIGATED AMOUNT	% OF TOTAL OBLIGATION
TOTAL:	135,259	\$10,025,311,487	100%
AFGHANISTAN	1,088	\$345,818,023.87	3.45%
ALBANIA	12	\$415,096.54	0.00%
ARMENIA	5	\$529,408.18	0.01%
ARUBA [NETHERLANDS]	30	\$39,019,362.93	0.39%
AUSTRALIA	277	\$40,312,862.92	0.40%
AUSTRIA	6	\$1,176,885.08	0.01%
AZERBAIJAN	4	(\$52,651.16)*	0.00%
BAHAMAS,THE	4	\$369,922.15	0.00%
BAHRAIN	3,709	\$313,905,247.36	3.13%
BANGLADESH	12	\$937,236.32	0.01%
BARBADOS	14	\$2,351,178.91	0.02%
BELGIUM	2,168	\$62,464,591.92	0.62%
BELIZE	2	\$460,623.20	0.00%
BENIN	1	\$69,874.00	0.00%
BERMUDA [UNITED KINGDOM]	101	\$1,628,317.82	0.02%
BHUTAN	1	\$13,200.00	0.00%
BOLIVIA	2	\$27,792.45	0.00%
BOSNIA AND HERZEGOVINA	37	\$883,573.56	0.01%
BOTSWANA	5	\$1,769,807.47	0.02%
BRAZIL	9	\$77,836.06	0.00%
BRITISH VIRGIN ISLANDS [UNITED KINGDOM]	11	\$1,366,964.43	0.01%
BULGARIA	114	\$6,705,771.40	0.07%
BURKINA FASO	13	\$347,247.67	0.00%
BURMA (MYANMAR)	1	\$48,683.25	0.00%
CAMBODIA	28	\$1,315,436.23	0.01%
CAMEROON	11	(\$5,675.03)*	0.00%
CANADA	5,225	\$723,683,917.71	7.22%
CENTRAL AFRICAN REPUBLIC	1	\$8,568.00	0.00%
CHAD	16	\$635,935.80	0.01%
CHINA	1	(\$5,594,895.12)*	-0.06%
COLOMBIA	208	\$4,348,720.04	0.04%
COSTA RICA	5	\$6,598.49	0.00%
CROATIA	76	\$18,768,579.62	0.19%
CYPRUS	10	\$2,173,458.76	0.02%
CZECH REPUBLIC	2	\$68,345.91	0.00%
DENMARK	3,526	\$35,102,275.46	0.35%
DIEGO GARCIA	2	\$43,656.00	0.00%
DJIBOUTI	253	\$8,485,180.65	0.08%
DOMINICAN REPUBLIC	3	\$26,894.11	0.00%
EAST TIMOR (TIMOR-LESTE)	2	\$0.00**	0.00%
ECUADOR	14	\$2,801,144.14	0.03%
EGYPT	10	(\$67,349.21)*	0.00%
EL SALVADOR	13	\$81,258.00	0.00%

ESTONIA	8	\$675,480.16	0.01%
FIJI	1	(\$83,607.78)*	0.00%
FINLAND	9	\$138,840.10	0.00%
FRANCE	281	\$86,551,432.93	0.86%
GABON	2	\$25,137.00	0.00%
GEORGIA	35	\$2,332,544.21	0.02%
GERMANY	22,636	\$1,407,745,947.85	14.04%
GHANA	6	\$995,804.98	0.01%
GIBRALTAR [UNITED KINGDOM]	39	\$3,896,864.65	0.04%
GREECE	423	\$206,905,075.57	2.06%
GREENLAND [DENMARK]	3	\$786,227.03	0.01%
GUATEMALA	30	\$4,797,997.46	0.05%
GUINEA-BISSAU	1	(\$419.73)*	0.00%
GUYANA	16	\$2,019,487.15	0.02%
HAITI	1	\$76,500.00	0.00%
HONDURAS	276	\$70,096,572.68	0.70%
HONG KONG	1,844	\$109,053,810.79	1.09%
HUNGARY	6	\$158,472.68	0.00%
ICELAND	20	\$16,681,624.75	0.17%
INDIA	10	\$224,229.57	0.00%
INDONESIA	32	\$2,477,416.69	0.02%
IRAQ	564	\$84,347,190.05	0.84%
IRELAND	2	\$1,246,250.00	0.01%
ISRAEL	152	\$45,461,402.50	0.45%
ITALY	3,874	\$201,928,722.43	2.01%
JAPAN	17,719	\$2,008,385,530.35	20.03%
JORDAN	442	\$114,125,346.63	1.14%
KAZAKHSTAN	4	\$3,358,551.90	0.03%
KENYA	49	\$1,154,727.56	0.01%
KOSOVO	493	\$2,677,742.81	0.03%
KUWAIT	11,670	\$474,090,939.74	4.73%
LAOS	47	\$4,124,880.11	0.04%
LATVIA	10	\$1,166,353.57	0.01%
LEBANON	10	\$5,304,998.60	0.05%
LIBERIA	1	\$174,697.50	0.00%
LITHUANIA	23	\$1,506,804.69	0.02%
LUXEMBOURG	6	\$1,570,631.15	0.02%
MACEDONIA	48	\$3,005,888.62	0.03%
MALAYSIA	15	\$831,831.54	0.01%
MALI	12	\$709,775.00	0.01%
MALTA	1,325	\$46,576,357.03	0.46%
MARSHALL ISLANDS	7	\$2,927,212.00	0.03%
MAURITANIA	15	\$248,291.53	0.00%
MAURITIUS	3	\$34,272.00	0.00%
MEXICO	11	\$1,225,378.77	0.01%
MICRONESIA,FEDERATED STATES OF	2	\$68,594.09	0.00%
MOLDOVA	12	\$904,466.98	0.01%
MONGOLIA	50	\$4,121,093.69	0.04%

MONTENEGRO	9	\$491,304.56	0.00%
MOROCCO	9	\$915,277.45	0.01%
NEPAL	25	\$7,642,378.30	0.08%
NETHERLANDS	383	\$27,476,755.57	0.27%
NEW ZEALAND	85	\$35,904,021.24	0.36%
NIGER	114	\$3,931,407.54	0.04%
NIGERIA	7	\$77,700.70	0.00%
NORWAY	325	\$140,301,072.20	1.40%
OMAN	10	\$94,875.45	0.00%
PAKISTAN	36	\$682,758.24	0.01%
PALAU	27	\$2,550,028.38	0.03%
PANAMA	120	\$3,178,349.79	0.03%
PAPUA NEW GUINEA	1	(\$33,322.82)*	0.00%
PARAGUAY	4	\$461,727.00	0.00%
PERU	191	\$1,314,356.09	0.01%
PHILIPPINES	501	\$8,126,984.57	0.08%
POLAND	354	\$22,986,280.09	0.23%
PORTUGAL	92	\$13,771,759.08	0.14%
QATAR	714	\$100,531,776.31	1.00%
ROMANIA	914	\$23,531,931.82	0.23%
RWANDA	5	(\$223,558.72)*	0.00%
SAMOA	3	\$495,298.39	0.00%
SAUDI ARABIA	650	\$276,850,819.97	2.76%
SENEGAL	16	\$567,501.89	0.01%
SERBIA	44	\$2,134,095.20	0.02%
SIERRA LEONE	4	(\$2,400.00)*	0.00%
SINGAPORE	992	\$282,836,157.47	2.82%
SLOVAKIA	1	\$0.00**	0.00%
SLOVENIA	7	\$842,323.04	0.01%
SOMALIA	52	\$5,648,848.21	0.06%
SOUTH AFRICA	11	\$122,698.86	0.00%
SOUTH KOREA	14,142	\$916,596,124.87	9.14%
SPAIN	1,713	\$228,866,258.29	2.28%
SRI LANKA	9	\$194,700.00	0.00%
SWEDEN	131	\$117,680,185.37	1.17%
SWITZERLAND	11,827	\$52,345,218.00	0.52%
SYRIA	87	\$20,977,494.21	0.21%
TAIWAN, PROVINCE OF CHINA	3	\$170,627.47	0.00%
TAJKISTAN	10	\$205,350.30	0.00%
TANZANIA	4	\$241,909.00	0.00%
THAILAND	539	\$21,438,876.77	0.21%
TRINIDAD AND TOBAGO	5	\$11,316.48	0.00%
TUNISIA	4	\$763,509.00	0.01%
TURKEY	694	\$134,350,139.79	1.34%
UGANDA	1	(\$526,888.41)*	-0.01%
UKRAINE	79	\$4,097,820.05	0.04%
UNITED ARAB EMIRATES	10,338	\$421,465,828.34	4.20%
UNITED KINGDOM	10,598	\$596,000,098.82	5.94%

VIETNAM	74	\$7,773,384.72	0.08%
YEMEN	16	\$88,053.00	0.00%
ZAMBIA	2	\$0.00**	0.00%

* Net contract de-obligations exceed obligations during the fiscal year.

** Zero net contract obligations or de-obligations associated with contract actions during the fiscal year.

The \$10.0 billion of obligations cover services, petroleum, construction, subsistence, defense equipment, and other miscellaneous items. Chart 1 provides a breakout of procurement categories from the foreign entities. Petroleum, services, construction, and subsistence account for approximately 71 percent of the total purchases from foreign entities. Defense equipment constitutes approximately 15 percent of the purchases from foreign entities. The remaining 14 percent of the purchases cover a variety of categories.

Chart 1: Percentage of DoD Procurement Category from Foreign Entities
(Source: FPDS-NG)

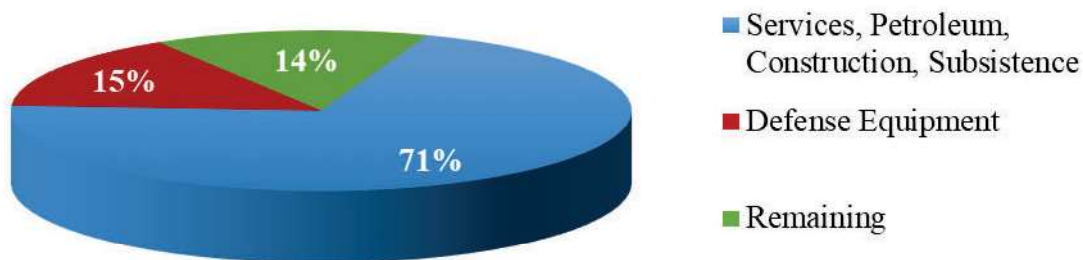


Table 3 provides a breakout of the \$10.0 billion by purchase category and the percentage of the total obligation.

Table 3: DoD foreign purchases by category and the total obligation during FY 2021
(Source: FPDS-NG)

DOD PURCHASE CATEGORY	ACTIONS	OBLIGATED AMOUNT	% OF TOTAL OBLIGATION
TOTAL:	135,259	\$10,025,311,487	100.00%
PETROLEUM	17,015	\$2,704,286,728.24	26.97%
SERVICES	32,406	\$2,287,547,241.93	22.82%
CONSTRUCTION	7,583	\$2,047,760,442.24	20.43%
ALL OTHERS NOT IDENTIFIABLE TO ANY OTHER PROCUREMENT PROGRAM	55,499	\$1,198,484,864.69	11.95%
ELECTRONICS AND COMMUNICATION EQUIPMENT	663	\$358,357,094.09	3.57%
SHIPS	4,529	\$295,749,059.83	2.95%
AMMUNITION	184	\$254,561,087.07	2.54%
OTHER AIRCRAFT EQUIPMENT	1,514	\$168,411,290.48	1.68%

MISSILE AND SPACE SYSTEMS	39	\$148,723,929.44	1.48%
AIRFRAMES AND SPARES	1,571	\$136,649,424.89	1.36%
AIRCRAFT ENGINES AND SPARES	1,564	\$100,896,262.92	1.01%
WEAPONS	350	\$98,562,381.62	0.98%
COMBAT VEHICLES	512	\$54,493,568.73	0.54%
MEDICAL AND DENTAL SUPPLIES AND EQUIPMENT	1,072	\$50,383,266.62	0.50%
NON-COMBAT VEHICLES	1,196	\$42,664,152.03	0.43%
TEXTILES, CLOTHING AND EQUIPAGE	49	\$20,584,083.47	0.21%
MATERIALS HANDLING EQUIPMENT	102	\$12,915,923.59	0.13%
OTHER FUELS AND LUBRICANTS	706	\$12,485,775.72	0.12%
CONSTRUCTION EQUIPMENT	180	\$10,852,151.52	0.11%
SUBSISTENCE	8,395	\$10,307,504.10	0.10%
BUILDING SUPPLIES	57	\$4,908,420.13	0.05%
PRODUCTION EQUIPMENT	52	\$4,302,097.48	0.04%
TRANSPORTATION EQUIPMENT (RAILWAY)	3	\$1,013,978.21	0.01%
PHOTOGRAPHIC EQUIPMENT AND SUPPLIES	3	\$251,568.18	0.00%
SEPARATELY PROCURED CONTAINERS AND HANDLING EQUIPMENT	14	\$195,071.87	0.00%
MISCELLANEOUS	1	(\$35,881.68)*	0.00%

* Net contract de-obligations exceed obligations during the fiscal year.

Dollar value of manufactured articles for which the restrictions of the BAA were not applied pursuant to MOUs, the TAA, or other international agreements

The restrictions of the BAA were not applied to 63,339 DoD purchases totaling approximately \$5.8 billion due to inapplicability, waivers, and authorized exceptions. The breakout of these purchases is as follows:

- About 35 percent of dollars or 14,711 actions totaling approximately \$2.0 billion represent those contract actions for which the restrictions of the BAA ***are not applicable*** because they are for items manufactured and used outside the United States.
- The total authorized ***wavers*** of the BAA pursuant to MOUs, the TAA or other international agreements represented about 60 percent of dollars or 39,207 actions totaling approximately \$3.5 billion.
- The total authorized ***exceptions*** to the BAA represented about 5 percent of dollars or 9,421 actions for approximately \$312 million. These exceptions provided in the law include: (1) manufactured outside the United States – Resale; (2) manufactured outside the United States – Commercial Information Technology; (3) manufactured outside the United States – Public Interest Determinations; (4) manufactured outside the United States – Determination made based on Domestic Non-Availability; and (5) manufactured outside the United States – Unreasonable Cost of Domestic End Product.

Chart 2 provides a breakout of the approximately \$5.8 billion of manufactured articles for which the restrictions of the BAA were not applied due to waivers, authorized exceptions, and inapplicability.

Chart 2: Obligations for which the restrictions of the Buy American Act were not applied in FY 2021 (Source: FPDS-NG)

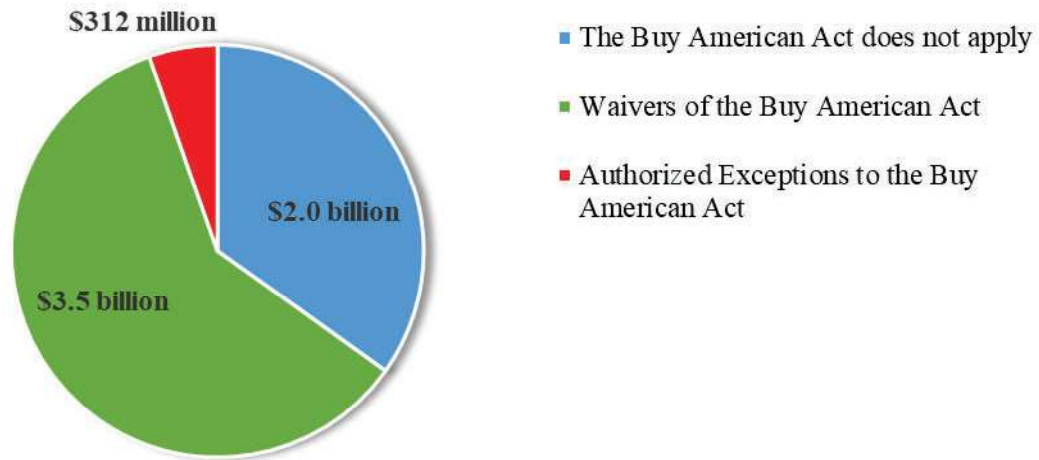


Table 4 provides a detailed breakout of the actions and dollars by category and an explanation of the authority for each of the categories.

Table 4: Number of purchases and dollar value of manufactured articles for which the restrictions of the BAA were not applied in FY 2021 (Source: FPDS-NG)

Authority	Actions	Dollars	% of Total
The Buy American Act does not apply			
Use outside the U.S.	14,711	\$2,024,993,533	34.85%
Waivers of the Buy American Act			
Qualifying Countries	36,919	\$3,207,536,700	55.20%
WTO GPA and Free Trade Agreements	2,288	\$265,889,354	4.58%
	39,207	\$3,473,426,054	59.77%
Authorized Exceptions to the Buy American Act			
Domestic Non-availability Determinations	2,244	\$225,719,400	3.88%
Commercial IT Resale	341	\$55,736,196	0.96%
Unreasonable Cost	73	\$5,528,167	0.10%
Public Interest Exception	6,757	\$25,021,494	0.43%
	6	\$478,752	0.01%
	9,421	\$312,484,009	5.38%
Total:	63,339	\$5,810,903,596	100.00%

The Department will provide the FY 2022 DoD Purchases from Foreign Entities report by the end of June 2023.