

DEPARTMENT OF DEFENSE FISCAL YEAR 2003
PURCHASES OF SUPPLIES MANUFACTURED
OUTSIDE THE UNITED STATES
August 2004

Background

Section 645 of the Transportation, Treasury, and Independent Agencies Appropriations Act, 2004 (Division F of the Consolidated Appropriations Act for Fiscal Year 2004 (Pub. L. 108-199)), requires the head of each Federal Agency to submit a report to Congress on the amount of acquisitions made by the agency from entities that manufacture the articles, materials, or supplies outside of the United States in that fiscal year. The report must separately (1) identify the dollar value of any articles, materials, or supplies purchased that were manufactured outside the United States; (b) provide an itemized list of all waivers granted with respect to such articles, materials or supplies under the Buy American Act (BAA); and (3) provide a summary of the total procurement funds spent on goods manufactured in the United States versus funds spent on goods manufactured outside the United States.

Discussion

This report includes three sections: (1) all procurements from foreign entities and more specifically, purchases of articles, materials, or supplies manufactured goods from such foreign entities; (2) waivers granted with respect to such articles, materials or supplies under the Buy American Act (BAA); and (3) a comparison of procurement funds spent on goods manufactured in the U.S. versus funds spent on goods manufactured outside the U.S.

The information presented in this report addresses Fiscal Year 2003 and is based on DD Form 350 data compiled and distributed by DoD's Washington Headquarters. The DD Form 350, Individual Contracting Action Report, includes data on contracting procedures, competition, financing, statutory requirements, socioeconomic programs and other information relating to DoD acquisitions. In some instances, the exact information required by section 645 is not available and DoD has made assumptions in order to complete the report. In those cases, the report identifies the methodology and assumptions made by DoD in responding to the reporting requirement.

Section 1 - Procurements from foreign entities

1(a) All procurements. DoD procurement actions recorded on DD 350's during FY 2003 totaled approximately \$209 billion. Of that amount, approximately \$8.6 billion or 4.1 percent was expended on purchases from foreign entities. Of this amount,

\$8.3 billion is for contracts with a place of performance outside the U.S. and the remainder, \$.3 billion, is for contracts with a place of performance within the U.S. A detailed breakout of the dollars by country is contained in Table 1.

The \$8.6 billion covers military hardware, subsistence, fuel, construction, services, and other miscellaneous items that are for use outside the U.S. Services constitute 24.2 percent of the total, with fuel and construction accounting for 24.6 percent and 19.5 percent, respectively. Table 2 provides a breakout of the \$8.6 billion by defense claimant program (DCP) and percentage of total.

For purposes of context, Defense Security Cooperation Agency Foreign Military Sales (FMS) data shows that foreign purchases of U.S. defense articles and services in Fiscal Year 2003 totaled approximately \$12.7 billion. In addition, U.S. manufacturers exported approximately \$2.7 billion in direct commercial sales licensed under the Arms Export Control Act.

1(b) Procurement of manufactured articles. This section focuses on defense articles provided by foreign entities that are manufactured outside the U.S. Of approximately \$8.6 billion that was expended on **all** purchases from foreign entities, slightly more than 1.6 billion was expended for the procurement of articles manufactured outside the U.S. as shown in column 2 of Table 3. Table 3 refines the data in Table 2 to remove all dollars associated with petroleum, other fuels and lubricants, subsistence, construction and services (DCPs A8A, A8B, B3, C3, and S1). Table 3 further refines this data to remove non-manufacturing activities/services. For example, Column 1 in Table 3 reflects a total of \$165,712 thousand for DCP A1A. However, after removal of costs associated with Research, Development, Test and Evaluation (\$648 thousand), and Other Services and Construction (\$27,924 thousand), the adjusted figure for A1A is only \$137,410 thousand, as reflected in column 2. Similar adjustments were made to the remaining DCPs. Table 4 provides a detailed breakout of DoD purchases by foreign country, dollars, and number of actions. Table 5 refines the data even further to provide visibility into this information by DCPs, country, dollars and the number of actions.

Section 2 - Waivers of the BAA granted with respect to such articles, materials or supplies.

DoD has no central repository for waivers of the BAA and such information is not available in the existing DoD database. It is, therefore, not possible to identify which of the manufactured articles identified in section 1 of this report required a waiver of the BAA. Instead, this report attempts to identify the dollar value of DoD purchases of manufactured goods for which it is believed that the BAA may have been waived as a result of various international agreements. The following methodology was used to estimate dollars in this category:

1. Since the BAA does not apply to purchases for use outside the U.S., contracting actions by overseas buying offices were excluded from the data. However, purchases by these offices are included in the data for Section 1 above.

2. It is assumed that all procurements covered by memoranda of understanding, the Trade Agreements Act (TAA) and any other international agreement resulted in a waiver of the BAA. It should be noted, however, that using this methodology overstates the dollar value of items for which the BAA was waived. The Act does not apply when a domestic item's cost is unreasonable, the domestic preference is not in the public interest, or sufficient quality and quantity is not available domestically. Since we do not have data on when the Act did not apply in these circumstances, adjustments to the data can not be made for those events.

Table 6 contains a detailed breakout of procurement actions by country and type of agreement. This breakout details procurement actions as follows:

1. Actions pursuant to the Caribbean Basin Economic Recovery Act.
2. Actions under the TAA (Agreement on Government Procurement).
3. Actions under the North American Free Trade Agreement (NAFTA).
4. Actions under MOUs.

Canadian products subject to NAFTA coverage are the same as those subject to the TAA. Accordingly, procurements of Canadian products over \$25,000 but below the Fiscal Year 2003 TAA threshold of \$175,000 are reported under NAFTA. Procurement actions over \$175,000 with Canada for TAA code covered products are included under the TAA portion of the report. All other procurements of Canadian products are reported under the MOU section.

All DoD purchases of Mexican products over \$58,550 are reported under NAFTA. Mexico is not a designated country under the Trade Agreements Act and does not have a reciprocal procurement MOU with the U.S.

Using the methodology described above, the various international agreements for which it is assumed that the BAA was waived totaled approximately \$2,494.8 million in Fiscal Year 2003.

1. Caribbean Basin Economic Recovery	\$ 133.6
2. Trade Agreements Act	1,501.1
3. NAFTA (Canada and Mexico)	32.9
4. MOUs	<u>827.2</u>
Total	\$ 2,494.8 Million

It is important to note that the dollars identified above include waivers of the BAA for more than manufactured goods, which is why the dollars are higher than those identified in tables 3, 4 and 5, which are associated with only manufactured goods. As explained above, the methodology we use overstates the dollar value of items for which the BAA was waived since the Act does not apply in certain circumstances.

Section 3 - Comparison of procurement funds spent on goods manufactured in the U.S. versus funds spent on goods manufactured outside the U.S.

Table 7 presents a comparison of contractual actions and dollars for procurement of goods manufactured by U.S. sources versus goods manufactured by foreign sources. As reflected in table 6, DoD's procurement of manufactured goods from U.S. sources totaled approximately \$78.4 billion as contrasted to DoD purchases of manufactured goods from foreign sources which totaled slightly more than \$1.6 billion, or roughly 2% of all DoD's procurement of manufactured goods in Fiscal Year 2003.

TABLE 1

FISCAL YEAR 2003 DEPARTMENT OF DEFENSE PURCHASES FROM FOREIGN ENTITIES BOTH OVERSEAS AND IN THE UNITED STATES

The following list includes all DoD purchases with foreign entities for supplies, services, fuel and construction.

COUNTRY	DOLLARS (000)	COUNTRY	DOLLARS (000)	COUNTRY	DOLLARS (000)
Afghanistan	\$ 9,722	Germany	\$ 1,383,313	Oman	\$ 2,062
Antigua & Barbuda	\$ 2,156	Ghana	\$ 1,028	Pakistan	\$ 59,690
Argentina	\$ 1,186	Gibraltar	\$ 2,648	Panama	\$ 943
Aruba	\$ 128,296	Greece	\$ 268,279	Papua New Guinea	\$ 736
Australia	\$ 22,051	Greenland	\$ 48,731	Paraguay	\$ 41
Austria	\$ 3,430	Grenada	\$ 26	Peru	\$ 246
Bahamas, The	\$ 7,005	Guatemala	\$ 52	Philippines	\$ 29
Bahrain	\$ 309,476	Haiti	\$ 48	Poland	\$ 186
Barbados	\$ 311	Honduras	\$ 16,719	Portugal	\$ 32,858
Belgium	\$ 152,125	Hong Kong	\$ 730	Palau	\$ 59
Belize	\$ 446	Hungary	\$ 2,559	Qatar	\$ 281,954
Bermuda	\$ 5,629	Iceland	\$ 59,705	Romania	\$ 10,835
Bolivia	\$ 434	India	\$ 399	Russia	\$ 16,049
Bosnia & Herzegovina	\$ 3,667	Indonesia	\$ 1,204	Saudi Arabia	\$ 528,980
Botswana	\$ 24	Iraq	\$ 11,056	Senegal	\$ (39)
Brazil	\$ 2,686	Ireland	\$ 2,440	Singapore	\$ 63,302
Bulgaria	\$ 199	Israel	\$ 108,701	Slovakia	\$ 36
Cambodia	\$ 264	Italy	\$ 317,588	Slovenia	\$ 64
Canada	\$ 598,410	Japan	\$ 954,505	South Africa	\$ 1,188
Chile	\$ 1	Jordan	\$ 8,674	Spain	\$ 89,823
China	\$ 87	Kazakhstan	\$ 3,398	Sweden	\$ 86,612
Colombia	\$ 32,838	Kenya	\$ 24	Switzerland	\$ 18,522
Comoros	\$ 129	Korea, Democratic Rep	\$ 12,965	Taiwan	\$ 60
Costa Rica	\$ 1,029	Korea, Republic of	\$ 530,687	Tanzania, United Rep	\$ 30
Croatia	\$ 623	Kuwait	\$ 562,543	Thailand	\$ 5,495
Cyprus	\$ 2,424	Laos	\$ 445	Tunisia	\$ 188
Czech Republic	\$ 476	Luxembourg	\$ 62,594	Turkey	\$ 95,471
Denmark	\$ 23,161	Malaysia	\$ 7,904	Ukraine	\$ 11,667
Djibouti	\$ 6,847	Malta	\$ 9,558	United Arab Emirates	\$ 295,388
Dominican Republic	\$ 299	Marshall Island	\$ 42	United Kingdom	\$ 751,807
Ecuador	\$ 13,870	Mexico	\$ 288	United States	\$ 245,101
Egypt	\$ 3,765	Moldova	\$ 535	Uzbekistan	\$ 1,967
El Salvador	\$ 604	Monaco	\$ 3,064	Vanuatu	\$ 35
Estonia	\$ 71	Netherlands	\$ 91,370	Vietnam	\$ 432
Finland	\$ 10,447	Netherlands Antilles	\$ 441	Western Samoa	\$ (2)
Undetermined/Classified	\$ 10,979	New Zealand	\$ 1,528	Yemen	\$ 2,638
France	\$ 126,398	Nicaragua	\$ 108	Yugoslavia	\$ 488
Gabon	\$ 15,033	Norway	\$ 6,771	Zambia	\$ 10
Georgia	\$ 2,372				
Subtotal	\$ 1,498,970	Subtotal	\$ 4,482,670	Subtotal	\$ 2,604,951
				Total	\$ 8,586,591

TABLE 2

FISCAL YEAR 2003 PRIME CONTRACT AWARDS TO FOREIGN CONCERNS/ENTITIES

(Amounts in Thousands)

DoD Claimant Program	Dollars	Percent
Air Frames & Spares	\$ 165,712	1.930%
Aircraft Engines & Spares	\$ 138,277	1.610%
Other Aircraft Equipment	\$ 133,088	1.550%
Missile & Space Sys	\$ 54,744	0.638%
Ships	\$ 153,743	1.791%
Vehicles - Combat	\$ 103,411	1.204%
Non Combat	\$ 88,831	1.035%
Weapons	\$ 137,115	1.597%
Ammunition	\$ 147,899	1.722%
Electronic & Communication Equipment	\$ 297,763	3.468%
Petroleum	\$ 2,111,908	24.595%
Other fuels & lubricants	\$ 857	0.010%
Containers and Handling Equipment	\$ 7,956	0.093%
Textiles, Clothing & Equippage	\$ 3,389	0.039%
Building Supplies	\$ 5,489	0.064%
Subsistence	\$ 510,097	5.941%
Transporation Equipment	\$ 197	0.002%
Production Equipment	\$ 2,470	0.029%
Construction	\$ 1,673,676	19.492%
Construction Equip	\$ 17,411	0.203%
Med & Dental Supplies/Equip	\$ 19,685	0.229%
Photographic Supplies/Equip	\$ 2,864	0.033%
Materials Handling Equip	\$ 25,591	0.298%
All Other Supplies & Equip	\$ 707,925	8.245%
Services	\$ 2,076,493	24.183%
Overall Total	\$ 8,586,591	100.000%

DoD Purchases of Manufactured Items from Foreign Entities - FY 2003

DCP	DoD Claimant Program	Dollars (000) Column 1	Dollars (000) Column 2
A1A	Air Frames & Spares	\$ 165,712	\$ 137,140
A1B	Aircraft Engines & Spares	\$ 138,277	\$ 97,476
A1C	Other Aircraft Equipment	\$ 133,088	\$ 125,735
A2	Missile & Space Sys	\$ 54,744	\$ 45,911
A3	Ships	\$ 153,743	\$ 26,156
A4A	Vehicles - Combat	\$ 103,411	\$ 68,982
A4B	Non Combat	\$ 88,831	\$ 84,632
A5	Weapons	\$ 137,115	\$ 62,268
A6	Ammunition	\$ 147,899	\$ 106,142
A7	Electronic & Communication Equipment	\$ 297,763	\$ 227,415
A8C	Separately Procured Containers & Handling Equipment	\$ 7,956	\$ 7,357
A9	Textiles, Clothing & Equipage	\$ 3,389	\$ 3,278
B1	Building Supplies	\$ 5,489	\$ 4,972
B3	Transportation Equipment	\$ 197	\$ 197
B9	Production Equipment	\$ 2,470	\$ 2,470
C9A	Construction Equipment	\$ 17,411	\$ 12,713
C9B	Medical & Dental Supplies & Equipment	\$ 19,685	\$ 14,894
C9C	Photographic Supplies & Equipment	\$ 2,864	\$ 2,711
C9D	Materials Handling Equipment	\$ 25,591	\$ 25,542
C9E	All other Supplies & Equipment	\$ 707,925	\$ 558,809
Total		\$ 2,213,560	\$ 1,614,800

Column 1 is a dollar summary of all DoD procurement actions, both obligations & deobligations, during FY 2003 for the DCP's shown above. Not included in column 1 are the costs associated with petroleum, other fuels and lubricants, subsistence, construction and services (DCP's A8A, A8B, B2, C2 and S1). These dollar values are the same values shown in DoD's annual report to Congress on **purchases from foreign entities** for these specific DCPs.

Column 2 is a dollar summary of the dollar value of defense articles provided by foreign entities that are manufactured outside the U.S. The difference between column 1 and 2 is that the value of services associated with this hardware has been removed. For example, R&D, Professional Services, Maintenance, Repair & Refurbishment, transportation, housekeeping services, etc. have been excluded. Column 2 is our estimate of the value of articles, materials, and supplies manufactured outside the US by foreign entities.

TABLE 3

TABLE 4

DoD Purchases of Manufactured Products Produced In Foreign Countries in Fiscal Year 2003

Country	Actions	Dollars (000)	Country	Actions	Dollars (000)
Afghanistan	8	\$ 3,711,292	Japan	393	\$ 34,668,092
Australia	19	\$ 3,966,395	Korea, Republic of	155	\$ 40,337,077
Austria	17	\$ 2,419,387	Kuwait	540	\$ 71,850,673
Bahrain	25	\$ 1,933,412	Luxembourg	1	\$ 38,608
Belgium	68	\$ 8,744,455	Malaysia	6	\$ 6,956,912
Botswana	1	\$ 23,863	Mexico	1	\$ 214,200
Bulgaria	1	\$ 26,670	Moldova	2	\$ 534,500
Canada	1,661	\$ 472,270,218	Netherlands	39	\$ 15,660,509
China	1	\$ 87,118	Netherlands Antilles	1	\$ 27,563
Columbia	14	\$ 2,929,820	New Zealand	3	\$ 137,462
Comoros	6	\$ 128,722	Norway	11	\$ 4,508,733
Costa Rica	2	\$ 82,423	Panama	4	\$ 141,070
Denmark	35	\$ 5,649,499	Philippines	1	\$ 28,794
Egypt	11	\$ 1,451,930	Poland	5	\$ 38,755
Finland	11	\$ 10,153,270	Portugal	2	\$ 583,370
Foreign	18	\$ 2,452,199	Qatar	83	\$ 5,400,817
France	73	\$ 65,883,582	Russia	1	\$ 237,807
Gabon	30	\$ 14,973,853	Saudi Arabia	63	\$ 867,652
Germany	1,786	\$ 219,386,484	Senegal	1	\$ (38,940)
Gibraltar	2	\$ 893,159	Singapore	34	\$ 3,078,878
Greece	14	\$ 6,245,492	Slovakia	1	\$ 55
Greenland	1	\$ 36,346	South Africa	4	\$ 296,755
Grenada	1	\$ 26,304	Spain	3	\$ 103,227
Guam	1	\$ 70,736	Sweden	50	\$ 70,230,484
Honduras	5	\$ 271,696	Switzerland	16	\$ 2,007,291
Hong Kong	1	\$ 38,113	Turkey	94	\$ 35,727,591
Iceland	23	\$ 1,132,666	Ukraine	2	\$ 1,405,565
India	1	\$ 329,745	United Arab Emirates	9	\$ 3,788,260
Iraq	21	\$ 237,048	United Kingdom	1,065	\$ 353,274,297
Ireland	8	\$ 809,431	United States	156	\$ 24,765,368
Israel	147	\$ 91,059,098	Vietnam	1	\$ 157,000
Italy	187	\$ 20,337,582	Zambia	1	\$ 9,800
Subtotals	4,199	\$ 937,762,008	Subtotals	2,748	\$ 677,038,225
			Totals	6,947	\$ 1,614,800,233

TABLE 4

Table 5

DoD Purchases of Manufactured Products Produced by Foreign Sources in Fiscal Year 2003

Country	Actions	Dollars	Country	Actions	Dollars
Australia	1	\$ 159,000	Korea, Republic of	8	\$ 8,097,755
Canada	267	\$ 85,865,818	Malaysia	6	\$ 6,956,912
France	3	\$ 1,664,631	Netherlands	3	\$ 280,450
Gabon	5	\$ 3,679,075	New Zealand	1	\$ 88,999
Germany	4	\$ 538,080	Norway	2	\$ 307,926
Ireland	2	\$ 115,679	Saudi Arabia	6	\$ (12,561,293)
Israel	43	\$ 10,253,436	Singapore	3	\$ 302,792
Italy	5	\$ 1,196,961	United Kingdom	234	\$ 30,191,567
			Totals	593	\$ 137,137,788

Country	Actions	Dollars	Country	Actions	Dollars
Belgium	5	\$ 87,938	Korea, Republic of	12	\$ 7,730,620
Canada	183	\$ 45,514,677	Netherlands	13	\$ 1,466,910
France	2	\$ 85,765	Norway	1	\$ 1,067,664
Germany	2	\$ 88,051	Singapore	4	\$ 227,550
Israel	26	\$ 8,677,703	United Kingdom	178	\$ 31,957,415
Italy	3	\$ 571,560			
			Totals	429	\$ 97,475,853

DCP A1C - Other Aircraft Equipment and Supplies not included in A1A or A1B

Country	Actions	Dollars	Country	Actions	Dollars
Bulgaria	1	\$ 26,670	Italy	8	\$ 2,242,330
Canada	71	\$ 33,562,819	Mexico	1	\$ 214,200
France	4	\$ 1,323,583	Senegal	1	\$ (38,940)
Gabon	4	\$ 1,255,267	Ukraine	2	\$ 1,405,565
Germany	4	\$ 124,906	United States	4	\$ 2,240,469
Israel	20	\$ 17,544,453	United Kingdom	105	\$ 65,833,738
Totals			Totals	225	\$ 125,735,060

DCP A20 - Missiles and Space Systems

Country	Actions	Dollars	Country	Actions	Dollars
Australia	1	\$ 41,067	Israel	5	\$ 34,637,660
Belgium	39	\$ 2,987,990	Switzerland	8	\$ 1,483,561
Canada	3	\$ 22,971	United Kingdom	16	\$ 6,537,578
Germany	1	\$ 200,652			
Totals			Totals	73	\$ 45,911,479

DCP A30 - Ships

Country	Actions	Dollars	Country	Actions	Dollars
Bahrain	2	\$ 76,750	Italy	26	\$ 1,658,224
Canada	61	\$ 5,938,148	Japan	5	\$ 226,956
Comoros	1	\$ (58,687)	Norway	1	\$ 66,530
France	3	\$ 3,429,566	Singapore	20	\$ 954,724
Germany	11	\$ 10,510,639	United Kingdom	11	\$ 3,257,711
Israel	1	\$ 95,880			
Totals			Totals	142	\$ 26,156,441

DCP A4A - Combat Vehicles

Country	Actions	Dollars	Country	Actions	Dollars
Afghanistan	1	\$ 450,000	Israel	18	\$ 8,142,712
Australia	2	\$ 188,680	Korea, Republic of	1	\$ 45,371
Austria	1	\$ 426,892	Kuwait	8	\$ 8,082,042
Belgium	7	\$ 3,707,968	Saudi Arabia	2	\$ 2,216,701
Canada	149	\$ 17,407,874	South Africa	1	\$ 45,000
France	1	\$ (388,867)	Turkey	1	\$ 128,502
Germany	23	\$ 28,005,026	United States	1	\$ 49,775
Greece	2	\$ 43,570	United Kingdom	10	\$ 430,359
Totals	228	\$ 68,981,605	Totals	228	\$ 68,981,605

DCP A4b - Non-Combat Vehicles

Country	Actions	Dollars	Country	Actions	Dollars
Afghanistan	1	\$ 721,250	Kuwait	54	\$ 4,497,129
Australia	4	\$ 735,240	Luxembourg	1	\$ 38,608
Canada	15	\$ 3,633,221	Panama	3	\$ 108,831
Germany	27	\$ 9,300,448	Qatar	1	\$ 67,038
Gibraltar	2	\$ 893,159	Russia	1	\$ 237,807
Greece	2	\$ 710,107	Saudi Arabia	1	\$ 80,000
Italy	1	\$ 27,977	Turkey	1	\$ 144,535
Japan	66	\$ 10,379,498	United Kingdom	23	\$ 53,057,341
Totals	203	\$ 84,632,189	Totals	203	\$ 84,632,189

DCP A5 - Weapons

Country	Actions	Dollars	Country	Actions	Dollars
Belgium	7	\$ 1,500,193	Netherlands	2	\$ 161,200
Canada	52	\$ 38,510,206	Norway	1	\$ 28,850
France	2	\$ 280,272	Sweden	12	\$ 9,080,662
Germany	2	\$ 899,750	United States	2	\$ 237,520
Israel	1	\$ 254,240	United Kingdom	6	\$ 6,002,912
Italy	4	\$ 5,312,650			
Totals	91	\$ 62,268,455			

DCP A6 - Ammunition

Country	Actions	Dollars	Country	Actions	Dollars
Canada	32	\$ 43,590,755	Norway	5	\$ 2,592,234
Germany	9	\$ 12,903,129	Sweden	13	\$ 41,951,506
Israel	3	\$ 889,875	United Kingdom	15	\$ 4,144,870
Netherlands	1	\$ 70,000			
Totals	78	\$ 106,142,369			

DCP 7 - Electronics & Communication Equipment

Country	Actions	Dollars	Country	Actions	Dollars
Afghanistan	1	\$ 481,579	Germany	178	\$ 12,695,372
Australia	1	\$ 8,105	Greece	1	\$ 66,700
Austria	4	\$ 1,377,202	Israel	16	\$ 1,862,456
Bahrain	4	\$ 590,483	Italy	26	\$ 1,336,186
Belgium	2	\$ 57,034	Korea, Republic of	7	\$ 285,027
Botswana	1	\$ 23,863	Kuwait	29	\$ 1,877,675
Canada	180	\$ 98,332,387	Qatar	3	\$ 99,416
Comoros	2	\$ 95,410	Saudi Arabia	11	\$ 1,578,062
Denmark	5	\$ 2,871,115	Singapore	5	\$ 1,586,768
Egypt	1	\$ 1,298,300	Sweden	16	\$ 16,786,890
Finland	5	\$ 491,985	Switzerland	2	\$ 353,437
Foreign	3	\$ 222,617	Turkey	2	\$ 75,738
France	45	\$ 58,852,342	United States	13	\$ 5,667,089
Gabon	4	\$ 7,903,908	United Kingdom	64	\$ 10,538,029
Totals	631	\$ 227,415,175			

DCP A8C - Separately Procured Containers & Handling Equipment

Country	Actions	Dollars	Country	Actions	Dollars
Germany	3	\$ 4,161,606	Korea, Republic of	1	\$ 70,000
Japan	1	\$ 2,998,600	United Arab Emirates	3	\$ 127,000
Totals	8	\$ 7,357,206			

DCP A9 - Textiles, Clothing & Equipage

Country	Actions	Dollars	Country	Actions	Dollars
Afghanistan	1	\$ 483,200	Germany	6	\$ 189,983
Bahrain	2	\$ 81,000	Italy	4	\$ 222,266
Canada	15	\$ 810,258	Kuwait	3	\$ 126,390
France	1	\$ 74,900	United Kingdom	15	\$ 1,290,206
Totals	47		Totals	47	\$ 3,278,203

DCP B1 - Building Supplies

Country	Actions	Dollars	Country	Actions	Dollars
Afghanistan	2	\$ 687,000	Korea, Republic of	4	\$ 107,383
Canada	4	\$ 431,695	Kuwait	20	\$ 1,299,317
Egypt	1	\$ 67,529	Qatar	1	\$ 25,750
Germany	22	\$ 2,065,410	United Kingdom	3	\$ 189,482
Japan	1	\$ 98,901	Totals	58	\$ 4,972,467

DCP B3 - Transportation Equipment

Country	Actions	Dollars	Country	Actions	Dollars
Belgium	1	\$ 27,214	Japan	1	\$ 27,501
Germany	2	\$ 141,937	Totals	4	\$ 196,652

DCP B9 - Production Equipment

Country	Actions	Dollars	Country	Actions	Dollars
Canada	5	\$ 1,215,991	Germany	7	\$ 885,394
France	3	\$ 241,129	Japan	2	\$ 127,566
Totals	17		Totals	17	\$ 2,470,080

DCP C9A - Construction Equipment

Country	Actions	Dollars	Country	Actions	Dollars
Australia	3	\$ 1,990,735	Japan	3	\$ 74,972
Canada	4	\$ 248,163	Korea, Republic of	2	\$ 65,096
Germany	3	\$ 192,318	Kuwait	16	\$ 3,132,815
Honduras	1	\$ 30,400	Panama	1	\$ 32,239
Israel	2	\$ 6,369,375	United Arab Emirates	2	\$ 158,258
Italy	2	\$ 225,510	United States	2	\$ 193,334
Totals	41		Totals	41	\$ 12,713,215

DCP C9B - Medical & Dental Supplies & Equipment

Country	Actions	Dollars	Country	Actions	Dollars
Australia	1	\$ 72,608	Japan	7	\$ 570,615
Canada	9	\$ 2,266,313	Kuwait	10	\$ 978,387
Columbia	1	\$ 641,790	Netherlands	1	\$ 28,000
Foreign	4	\$ 160,200	Saudi Arabia	14	\$ 3,213,318
Germany	96	\$ 5,095,929	Sweden	1	\$ 13,400
Italy	2	\$ 63,960	United States	1	\$ 42,200
			United Kingdom	6	\$ 1,746,785
Totals	153		Totals	153	\$ 14,893,505

DCP C9C - Photographic Equipment & Supplies

Country	Actions	Dollars	Country	Actions	Dollars
Canada	1	\$ 89,170	Kuwait	1	\$ 26,406
Germany	5	\$ 388,154	Saudi Arabia	2	\$ 243,040
Korea, Republic of	2	\$ 75,772	United Kingdom	12	\$ 1,888,258
Totals	23		Totals	23	\$ 2,710,800

DCP C9D - Materials Handling Equipment

Country	Actions	Dollars	Country	Actions	Dollars
Bahrain	2	\$ 135,653	Italy	1	\$ 101,815
Belgium	2	\$ 72,511	Japan	5	\$ 399,212
Canada	21	\$ 3,935,594	Korea, Republic of	4	\$ 16,389,106
France	1	\$ 206	Kuwait	9	\$ 453,050
Germany	14	\$ 1,304,958	United Kingdom	2	\$ 2,749,950
Totals	61		Totals	61	\$ 25,542,055

DCP C9E - All Others Not Identifiable to any Other Procurement Program

Country	Actions	Dollars	Country	Actions	Dollars
Afghanistan	2	\$ 888,263	Israel	12	\$ 2,331,308
Australia	6	\$ 770,010	Italy	105	\$ 7,378,143
Austria	12	\$ 615,293	Japan	302	\$ 19,765,081
Bahrain	15	\$ 1,049,526	Korea, Republic of	114	\$ 7,470,947
Belgium	5	\$ 303,607	Kuwait	390	\$ 51,377,462
Canada	589	\$ 90,894,158	Moldova	2	\$ 534,500
China	1	\$ 87,118	Netherlands	19	\$ 13,653,949
Columbia	13	\$ 2,288,030	Netherlands Antilles	1	\$ 27,563
Comoros	3	\$ 91,999	New Zealand	2	\$ 48,463
Costa Rica	2	\$ 82,423	Norway	1	\$ 445,530
Denmark	30	\$ 2,778,384	Philippines	1	\$ 28,794
Egypt	9	\$ 86,101	Poland	5	\$ 38,755
Finland	6	\$ 9,661,305	Portugal	2	\$ 583,370
Foreign	11	\$ 2,069,382	Qatar	78	\$ 5,208,613
France	8	\$ 320,055	Saudi Arabia	27	\$ 6,097,824
Gabon	17	\$ 2,134,788	Singapore	2	\$ 7,044
Germany	1,367	\$ 129,694,742	Slovakia	1	\$ 55
Greece	9	\$ 5,425,115	South Africa	3	\$ 251,755
Greenland	1	\$ 36,346	Spain	3	\$ 103,227
Grenada	1	\$ 26,304	Sweden	8	\$ 2,398,026
Guam	1	\$ 70,736	Switzerland	6	\$ 170,293
Honduras	4	\$ 241,296	Turkey	90	\$ 35,378,816
Hong Kong	1	\$ 38,113	United Arab Emirates	4	\$ 3,503,002
Iceland	23	\$ 1,132,666	United Kingdom	365	\$ 133,458,096
India	1	\$ 329,745	United States	133	\$ 16,334,981
Iraq	21	\$ 237,048	Vietnam	1	\$ 157,000
Ireland	6	\$ 693,752	Zambia	1	\$ 9,800
Subtotals	2,164	\$ 252,046,305	Subtotals	1,678	\$ 306,762,397
			Totals	3,842	\$ 558,808,702

TABLE 6

FISCAL YEAR 2003 PURCHASES FROM FOREIGN CONCERNS UNDER TRADE AGREEMENTS AND MEMORANDA OF UNDERSTANDING

TRADE AGREEMENTS

COUNTRY	DOLLARS (000)
Caribbean Basin Economic Recovery Act	
Antigua	\$ 2,156
Aruba	\$ 124,855
Bahamas	\$ 6,598
Total	\$ 133,609

COUNTRY	DOLLARS (000)
North American Free Trade Agreement (NAFTA)	
Canada	\$ 32,939
Mexico	\$ -
Total	\$ 32,939

MEMORANDA OF UNDERSTANDING

COUNTRY	DOLLARS (000)
Designated Country - Agreement on Government Procurement (1)	
Austria	\$ 1,260
Belgium	\$ 101,904
Canada	\$ 168,440
Denmark	\$ 1,082
Finland	\$ 9,374
France	\$ 22,610
Germany	\$ 178,176
Greece	\$ 234,247
Ireland	\$ 446
Israel	\$ 11,823
Italy	\$ 17,770
Japan	\$ 233,790
Korea	\$ 74,519
Netherlands	\$ 13,276
Norway	\$ 446
Portugal	\$ 583
Singapore	\$ 44,166
Spain	\$ 31,593
Sweden	\$ 5,891
Switzerland	\$ 1,413
United Kingdom	\$ 348,170
Total	\$ 1,501,079

COUNTRY	DOLLARS (000)
Covers all purchases not reflected under the Trade Agreements	
Australia	\$ 16,803
Austria	\$ 1,159
Belgium	\$ 5,588
Canada	\$ 282,061
Denmark	\$ 4,567
Egypt	\$ 2,549
Finland	\$ 779
France	\$ 65,690
Germany	\$ 102,432
Greece	\$ 326
Israel	\$ 79,236
Italy	\$ 12,828
Luxembourg	\$ 39
Netherlands	\$ 8,710
Norway	\$ 4,063
Spain	\$ (9)
Sweden	\$ 74,095
Switzerland	\$ 13,081
Turkey	\$ 1,578
United Kingdom	\$ 151,613
Total	\$ 827,188

(1) Products subject to the TAA are listed in DFARS 225.403-70. Threshold for application is currently \$175,000. However, the threshold for a portion of the year was \$169,000. Therefore, to ensure complete reporting, the lower threshold was used throughout, although this may result in a slight overstatement of activity.

(2) Per NAFTA, represents procurements with Canada over \$25K and under the TAA threshold.

(3) Per NAFTA, represents procurement with Mexico over \$56,190. The threshold for Mexico increased to \$58,550 during FY03. As with the threshold for the TAA, the lower threshold was used to ensure that all activity was captured.

TABLE 7

DoD Purchases of Manufactured Items - FY 2003

DCP	DoD Claimant Program	United States		Foreign	
		Actions	Dollars (000)	Actions	Dollars (000)
A1A	Air Frames & Spares	14,945	\$ 21,138,312	593	\$ 137,140
A1B	Aircraft Engines & Spares	9,621	\$ 6,058,029	429	\$ 97,476
A1C	Other Aircraft Equipment	8,788	\$ 3,813,919	225	\$ 125,735
A2	Missile & Space Sys	3,044	\$ 5,647,009	73	\$ 45,911
A3	Ships	8,634	\$ 6,928,588	142	\$ 26,156
A4A	Vehicles - Combat	5,506	\$ 2,723,958	228	\$ 68,982
A4B	Non Combat	4,423	\$ 2,496,064	203	\$ 84,632
A5	Weapons	2,830	\$ 1,988,318	91	\$ 62,268
A6	Ammunition	1,423	\$ 2,185,641	78	\$ 106,142
A7	Electronic & Communication Equip	37,357	\$ 10,172,413	631	\$ 227,415
A8C	Separately Procured Containers & Handling Equipment	165	\$ 30,078	8	\$ 7,357
A9	Textiles, Clothing & Equipage	3,580	\$ 3,103,425	47	\$ 3,278
B1	Building Supplies	401	\$ 17,789	58	\$ 4,972
B3	Transportation Equipment	65	\$ 3,705	4	\$ 197
B9	Production Equipment	457	\$ 64,462	17	\$ 2,470
C9A	Construction Equipment	674	\$ 118,580	41	\$ 12,713
C9B	Medical & Dental Supplies & Equip	26,878	\$ 2,154,192	153	\$ 14,894
C9C	Photographic Supplies & Equipment	647	\$ 47,850	23	\$ 2,711
C9D	Materials Handling Equipment	551	\$ 79,474	61	\$ 25,542
C9E	All other Supplies & Equipment	92,161	\$ 9,627,368	3,842	\$ 558,809
Total		222,150	\$ 78,399,174	6,947	\$ 1,614,800

TABLE 7