

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE
RAJYA SABHA
UNSTARRED QUESTION NO. 1151
TO BE ANSWERED ON 13th February, 2023

DECLINE IN DEFENCE EXPENDITURE

1151 SHRI MALLIKARJUN KHARGE:

Will the Minister of Defence be pleased to state:

- (a) whether Government is aware that the defence expenditure as a percentage of GDP has declined since 2014;
- (b) if so, the details thereof;
- (c) the steps Government has taken to increase its defence expenditure as a percentage of GDP;
- (d) whether Government is considering to create a non-lapsable defence capital fund account to ease and streamline multi-year capital acquisition processes;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) to (c): Details of Defence Expenditure as a percentage of the Gross Domestic Product from Financial Year 2014-15 to 2023-24 are tabulated below:-

(Rs. In Crore)

Year	Defence Expenditure (Gross)	Gross Domestic Product (GDP)	Defence Expenditure as a percentage of GDP
2014-15	3,17,207	1,24,67,960	2.54
2015-16	3,27,096	1,37,71,874	2.38
2016-17	3,89,614	1,53,91,669	2.53
2017-18	4,17,242	1,70,90,042	2.44
2018-19	4,42,683	1,88,99,668(3 rd RE)	2.34
2019-20	4,88,795	2,00,74,856(2 nd RE)	2.43
2020-21	5,23,330	1,98,00,914(1 st RE)	2.64
2021-22	5,32,264	2,36,64,637(PE)	2.25
2022-23(RE)	6,15,582	2,73,07,751 (1 st AE)	2.25
2023-24(BE)	6,23,758	3,01,75,065	2.07

...2/-

Note:- (i) GDP figures from Financial Year 2014-15 to 2022-23 have been taken from Economic Survey 2022-23-Table 1.6: Components of Gross Domestic Product at Current Prices.

(ii) GDP figure for Financial Year 2023-24 has been taken from Budget at a Glance 2023-24.

BE = Budget Estimates, RE = Revised Estimates

PE = Provisional Estimates AE = Advanced Estimates

It is seen from the above data that Defence Expenditure as a percentage of GDP may appear to be decreasing due to increasing trend in the growth of GDP. However, Defence Expenditure is increasing in absolute terms, implying higher spending.

(d) to (f): A proposal for creation of Non-Lapsable Defence Modernisation Fund is under consideration in Ministry of Defence. A suitable mechanism for operationalizing the Fund is being worked out in consultation with the Ministry of Finance.
