

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE
LOK SABHA

STARRED QUESTION NO.106
TO BE ANSWERED ON THE 25TH JULY, 2018

DEFENCE BUDGET

*106. SHRI PINAKI MISRA:

Will the Minister of DEFENCE please be pleased to state:

- (a) whether a marginal increase of 6 per cent in the defence budget including Rs.86,488 crore for modernization is likely to adversely affect stagnate the defence modernization prospects and if so, the details thereof;
- (b) whether China's annual defence budget outlay is almost triple the size of India's annual defence budget outlay; and
- (c) if so, the details thereof and the manner in which the Government proposes to modernize the Indian forces with a meagre increase of 6 per cent in the defence budget to match the might of the neighbour's modern technical strength supported by immense defence budgetary outlay?

A N S W E R

MINISTER OF DEFENCE

श्री पीनाकी मिश्रा

(SMT. NIRMALA SITHARAMAN)

श्री नर्मला सिथारामन

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 106 FOR ANSWER ON 25.07.2018

(a) The Total Defence Budget (including the Pension and the Miscellaneous Grant) in Budget Estimate 2018-19 is Rs. 4,04,364.71 crore which is Rs. 44,510.59 crore more than Budget Estimate 2017-18. The percentage increase in Budget Estimate 2018-19 over Budget Estimate 2017-18 is 12.37%. Capital Budget of Ministry of Defence for 2018-19 is Rs. 99,563.86 crore, which is an increase of Rs. 7984.16 crore (8.72%) over Capital Budget of 2017-18 (Rs. 91,579.70 crore). Further, Capital Budget of Ministry of Defence for 2018-19 is approximately 33% of the total Capital expenditure of the Central Government.

The allocated budgetary resources are optimally utilized towards meeting the operational requirements of the Armed Forces. Depending upon the allocated resources schemes are also reprioritized to ensure that urgent and critical capabilities are acquired without compromise of operational preparedness.

(b) No official data relating to China's annual Defence Budget is available in this Ministry. However, as per Stockholm International Peace Research Institute (SIPRI) database on Military Expenditure, comparative data of India and China for 2016 and 2017 is as under:-

Military Expenditure (in current million USD)

Country	2016	2017
India	56637.60	63923.70
China (SIPRI Estimates)	216031.30	228230.70

Military Expenditure (in %age of GDP)

Country	2016	2017
India	2.5	2.5
China (SIPRI Estimates)	1.9	1.9

Military Expenditure (in %age share of Government spending)

Country	2016	2017
India	9.0	9.1
China (SIPRI Estimates)	6.0	6.1

(c) Capital Acquisition of defence equipment is undertaken as a continuous activity to keep the Armed Forces in a state of preparedness and remaining equipped with modern weapon system. DPP-2016 contains provisions for reducing the timelines for completion of procurement activities. Further, Government regularly monitors progress of on-going procurement projects so as to ensure that the Armed Forces are equipped to meet the entire spectrum of security challenges.

Government is also taking measures for modernization of the Armed Forces, through procurement of new equipment and upgrading of existing equipment and systems. The modernization projects are being progressed as per the approved Capital Acquisition Plans and in terms of the extant Defence Procurement Procedure.

During the last three financial years and current year (upto June, 2018), 168 contracts have been signed (106 with Indian vendors and 62 with Foreign vendors) for capital procurement of Defence equipment for Armed Forces such as Tanks, Rifles, Rockets, Ships, Frigates, Aircraft, Radars, Missiles, Artillery Guns, Ballistic Helmets, Helicopters, Electronic Fuzes, Simulators, Bullet Proof Jackets and Ammunition.
