

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE
LOK SABHA

UNSTARRED QUESTION NO.473

TO BE ANSWERED ON THE 6TH FEBRUARY, 2019

DECLINE IN MILITARY EXPENDITURE

473. SHRI S.P. MUDDAHANUME GOWDA:

Will the Minister of DEFENCE j{k k ea=h
be pleased to state:

- (a) whether the military expenditure as a percentage of Gross Domestic Product (GDP) has reduced over a period of time, if so, the details thereof and the reasons therefor;
- (b) whether it is a fact that India is not spending in sufficient proportion on operations and maintenance of military equipment and development of defence infrastructure; and
- (c) if so, the reasons therefor along with the details of the funds allocated for modernisation and procurement / manufacturing of equipments during the last three years and the current year so far?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(DR. SUBHASH BHAMRE)

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(a) to (c): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA UNSTARRED QUESTION NO. 473 FOR ANSWER ON 06.02.2019

As per the table below, Defence Expenditure is increasing every year in absolute terms implying higher spending.

(Rs. in crore)

	BE 2015-16	BE 2016-17	BE 2017-18	BE 2018-19
Grant no 19- MoD(Misc)	8852.60	36,133.18#	14,852.22@	16,206.09
Grant no 20- Defence Services Revenue	1,52,139.00	1,43,869.46	1,72,773.89	1,85,323.19
Grant no 21- Capital Outlay on Defence Services	94,588.00	78,586.68	86,488.01	93,982.13
Grant no 22- Defence Pensions	54,500.00	82,332.66	85,740.00	1,08,853.30
Grand Total	3,10,079.60	3,40,921.98	3,59,854.12	4,04,364.71
As %age of GDP	2.19	2.26	2.13	2.15

Includes DGO, DRDO, RR, NCC, Military Farms, ECHS and DGQA

@ Includes Military Farms and ECHS)

Further, the total Defence Expenditure has been consistently around 2% of GDP. The total Defence Budget (including Miscellaneous and Pensions) is Rs. 4,04,364.71 Crore, for the year 2018-19, which is 16.6% of total Central Government Expenditure. Also, Capital Budget of Ministry of Defence for 2018-19 is approximately 33% of the total capital expenditure of the Central Government. It is stated that, Defence spending in terms of national economic output may not always be the appropriate indicator. If the economy grows at a faster rate, spending decreases as a percentage of GDP, but it doesn't mean that the level of spending has fallen, or has become inadequate.

(b) The expenditure on operations/ maintenance and Defence Infrastructure has been maintained optimally.

(c) Details of Capital Budget which includes expenditure on modernisation and equipment for the last three years including the current year are as follows:-

(Rs. in crore)

Year	Budget Estimates	Expenditure
2016-17	86,340.00	86,370.92
2017-18	86,488.01	90,438.39
2018-19*	93,982.13	74,091.65

*Expenditure till December, 2018.
