

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE
LOK SABHA
UNSTARRED QUESTION NO.5230
TO BE ANSWERED ON 24th JULY, 2019

DEFENCE EXPENDITURE

5230. SHRI RAVNEET SINGH BITTU:

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

- (a) whether the expenditure on Defence has never been near 3 per cent of Gross Domestic Product (GDP) during the last three years;
- (b) if so, the details of the percentage expenditure of GDP on Defence during the last three years, year-wise along with the reasons for such a low expenditure on armed forces;
- (c) the percentage the Government has spent on Defence in this budget; and
- (d) the steps taken by the Government to increase the expenditure on Defence?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

रक्षा राज्य मंत्री

(SHRI SHRIPAD NAIK)

(श्री श्रीपाद नाईक)

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

**STATEMENT IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA
UNSTARRED QUESTION No. 5230 FOR ANSWER ON 24.07.2019
REGARDING 'DEFENCE EXPENDITURE'**

(a) to (c): Details of Defence Expenditure (including Civil and Pensions), GDP, and Defence Expenditure as percentage of GDP, for the last three years are as under:-

(Rs. in Crore)

YEAR	Budget Estimates(BE)	Actual Expenditure	GDP	BE as % of GDP
2016-17	3,40,921.98	3,51,661.01	153,62,386 (2 nd RE)	2.22
2017-18	3,59,854.12	3,80,140.00	170,95,005 (1 st RE)	2.11
2018-19	4,04,364.71	4,04,653.00	188,40,731	2.15
2019-20	4,31,010.79	-----	211,00,607	2.04

Defence Expenditure is increasing every year in absolute terms implying higher spending. From 2016-17 to 2019-20, expenditure on Defence has increased by Rs. 90,089 crore.

Measuring defence expenditure as a percentage of GDP creates an illusion of declined spending by ignoring the size of the Economy. 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.

For the year 2019-20, the total Defence Budget (including Civil and Pensions) is Rs. 4,31,010.79 Crore, which is 15.47% of total Central Government Expenditure (Rs. 27,86,349 crore). Also, Capital Budget of Ministry of Defence for 2018-19 is approximately 31.97% of the total capital expenditure of the Central Government.

- (d) There is an increasing trend in Actual Expenditure. Government has taken steps to delegate substantial financial power to the Service Headquarters for both normal and emergent procurements. This has resulted in faster decision making and ensured full and optimal utilization of allocated budget.
