



Indian Defence Budget 2009

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#1

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Defence kitty swells, to block Mumbai II

New Delhi, Feb. 16: Stand-in finance minister Pranab Mukherjee has hiked defence allocations by 34 per cent citing the November terror attacks in Mumbai despite the government admitting that it has not been able to spend more than Rs 7,000 crore that was earmarked for new acquisitions in the current year.

The defence allocations in the interim budget total Rs 1,41,703 crore (compared to Rs 1,05,600 crore in the budget proposals for 2008-2009).

Strangely, the defence ministry's expenses in the current year have overshot the budget by Rs 9,000 crore because, the government says, it implemented a higher wage structure for the armed forces and the civilians in the defence establishment.

On the face of it, a hike of Rs 25,000 crore or thereabouts in defence allocations looks impressive, said analyst Commodore (retired) C. Uday Bhaskar. But the actual impact is felt when defence outlay is translated into capacity-building. Almost every year for the last eight years you have returned unspent money on the capital head. For a country where military obsolescence is staring us in the face, this reeks of a systemic ineptitude because of Bofors, HDW and the Kargil coffin scams. To therefore say that I have increased defence allocations and another Mumbai will not happen is like cheating, he said.

In the interim budget, Mukherjee said funds would be available if more were required. He hiked capital outlay money for new acquisitions from Rs 48,000 crore to Rs 54,824 crore even though the defence ministry under A.K. Antony could spend only Rs 41,000 crore of the amount allocated, indicating a lethargy, an unwillingness, an inability or all three to take decisions on big-ticket deals such as tanks for the army, aircraft for the Indian Air Force and vessels for the Coast Guard and submarines for the navy.

We are going through tough times. The Mumbai terror attacks have given an entirely new dimension to cross-border terrorism. A threshold has been crossed. Our security environment has deteriorated considerably, Mukherjee said while announcing the increased allocations.

The defence allocation is about 15 per cent of the total interim budget. Back-of-the-envelope calculations show that for new acquisitions the army has Rs 17,767.85 crore with a hike of Rs 4,852.65 crore under the head other equipment. The hike for the army in the capital budget is Rs 6637.59 crore over last year's revised estimates.

The Telegraph - Calcutta (Kolkata) | Nation | Defence kitty swells, to block Mumbai II

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#2

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The money earmarked for capital expenditure, or to buy weapons systems, has increased by one-third to Rs54,824 crore, or nearly 39% of the entire defence budget, for the year to March 2010

Bangalore: Keeping its promise that the economic slowdown would not be allowed to impede plans to modernize the military, the United Progressive Alliance (UPA) government increased defence spending by almost a quarter to Rs1.41 trillion in its farewell budget.

The allocation for the next fiscal year, in the interim budget unveiled by stand-in finance minister Pranab Mukherjee, is the highest the UPA government has made for defence in its five-year tenure.

The money earmarked for capital expenditure, or to buy weapons systems, has increased by one-third to Rs54,824 crore, or nearly 39% of the entire defence budget, for the year to March 2010.

◆The government went ahead with this knowing that there is no opposition for modernization of its military,◆ said Bharat Karnad, professor at the Centre for Policy Research, a New Delhi-based think tank. ◆Though the figure looks pretty huge, if you take inflation, it is about the same (level of) capital expenditure.◆

India is expected to spend at least \$30 billion (Rs1.46 trillion) on the purchase of weapons systems by 2012, the bulk of it on importing fighter jets, artillery guns, helicopters and missiles, according to a study by the Associated Chambers of Commerce and Industry of India, a lobby of trade associations.

The biggest portion of this would be spent for the Indian Air Force to acquire 126 fighter jets, estimated to cost at least Rs42,000 crore.

On 11 February, defence minister A.K. Antony had said the economic slowdown would not hinder India◆s military modernization plans.

In his speech in Parliament, Mukherjee, the external affairs minister, cited the late November terrorist attack in Mumbai in which at least 183 people were killed.

◆We are going through tough times. The Mumbai terror attacks have given an entirely new dimension to cross-border terrorism,◆ Mukherjee said. ◆A threshold has been crossed. Our security environment has deteriorated considerably.◆

Defence expenditure in the year to 31 March is estimated at Rs1.14 trillion. This year◆s increase in defence capital expenditure is the second highest in percentage terms since the UPA government came to power in May 2004.

In its 2004-05 budget, the UPA◆s spending on capital equipment increased nearly 60% to Rs33,483 crore.

But some analysts say that though the government has been increasing its budget allocation for defence, its utilization is questionable as also its commitment to promoting self-reliance in defence technologies.

Deba Ranjan Mohanty, a senior fellow at the Observer Research Foundation, a strategic think tank in New Delhi, said nearly Rs3,000 crore allocated to capital expenditure was unspent during the year. ◆Utilization of the resources are still a major challenge for the Indian security establishment.◆

India, which spent Rs6,486.35 crore for defence research and development (R&D) in 2008-09, reduced it to Rs4,000 crore in the interim budget, Mohanty said.

◆The budgetary allocation in military R&D is extremely disappointing. Self-reliance in defence technology is very little,◆ he added.

India imports nearly 70% of its arms requirements, a far cry from the dream of the country◆s first prime minister Jawaharlal Nehru to achieve self-reliance, the defence minister said at a seminar in Bangalore earlier this month.

◆Though I don◆t visualize a day when we can have zero imports, depending on other countries for 70% of our defence needs is not acceptable,◆ Antony said.

Defence allocation raised by a quarter to Rs1.41 trillion - Economy and Politics - livemint.com

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#3

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India hikes defence budget by 55 percent

NEW DELHI: India on Monday presented a Rs 9,532.31 billion expenditure interim budget for fiscal year 2009-10, showing a massive hike of over 55 percent to the defence budget.

Citing the security crisis resulting from the Mumbai terror attacks, External Affairs Minister Pranab Mukherjee, who also holds the finance portfolio, presented a new defence budget of Rs 1,417.03 billion. Last year, New Delhi had a projected defence expenditure of Rs 916.81 billion, which Defence Ministry sources said was overshot to hit Rs 1,146 billion. Compared to the revised 2008-09 budget, the interim budget has been increased by 24 percent. The new sum comprises 15 percent of the entire budget and Mukherjee said the amount could be increased if necessary, AFP reported.

Daily Times - Leading News Resource of Pakistan

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17-02-09, 03:24 PM

#4

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NEW DELHI: Rudely jolted awake by the 26/11 terror strikes in Mumbai, which also exposed the huge gaps in operational capabilities of armed

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forces, the government has hiked the defence outlay this year by as much as 34.18%.

Even if the revised estimates of 2008-09 fiscal are taken, it represents a substantial 23.65% hike, the highest since the 2004-05 budget. For the record, the 2009-10 interim budget has earmarked Rs 1,41,703 crore for defence compared to last year's allocation of Rs 1,05,600 crore.

"The Mumbai terror attacks have given an entirely new dimension to cross-border terrorism. A threshold has been crossed. Our security environment has deteriorated considerably," said Pranab Mukherjee, justifying the step-up in defence spending.

But before the armed forces pop the bubbly, here is the reality check. For one, the Rs 54,824 crore capital outlay for acquiring new weapon systems and platforms is far outstripped by the revenue component (day-to-day costs and salaries) at Rs 86,879 crore.

In fact, even the Rs 57,593 crore revenue outlay in the 2008-09 budget has been sharply revised to Rs 73,600 crore, primarily because of 6th Pay Commission implementation.

For another, stifling red-tape, cumbersome procurement procedures and lack of concrete long-term strategic planning continue to haunt the armed forces in a major way despite defence minister A K Antony promising to fast-track arms deals.

Consider this: Even after 26/11, the defence ministry has failed to spend as much as Rs 7,007 crore from last year's capital outlay of Rs 48,007 crore. From lack of adequate number of submarines, obsolete radars and outdated air defence weapons to the failure to induct new 155mm artillery guns since the Bofors case of the mid-1990s, defence planning needs a complete overhaul to modernise armed forces at a rapid clip.

An improvement from last year is that if the projected GDP for 2009-10 is taken, India's defence expenditure has risen to 2.35% of the GDP this time, though it is still much less than the 3% being demanded by military experts for long. Last year, it had dipped below 2% for the first time in decades. In sharp contrast, both Pakistan and China spend well over 5% of their GDPs on defence.

As highlighted by TOI earlier, the government needs to move quickly to restore the declining conventional combat edge over Pakistan, even while maintaining a dissuasive posture against China
 Huge hike in defence budget but problems remain-India-The Times of India

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17-02-09, 03:29 PM

#5

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Indian defence spending will rise by more than a third to INR1,417 billion (USD32.7 billion) in Fiscal Year 2009, according to the interim budget presented by acting finance minister Pranab Mukherjee on 16 February.

This figure represents a 34.2 per cent increase from the proposed 2008 budget of INR1,057 billion and a 23.6 per cent increase from the revised 2008 defence spending estimate of INR1,146 billion.

The allocation is nearly 15 per cent of the government's total interim budget of INR9,532.31 billion for the fiscal year beginning on 1 April.

The interim budget is to finance expenditure ahead of the general election scheduled for May 2009.

Of the INR1,417 billion defence budget, planned expenditure has risen 18 per cent for 2009/10 from INR736 billion to INR868.79 billion. This includes INR548.24 billion for capital expenditure as against INR410 billion in the revised estimates for 2008-09.

Indian government defends major hike in budget - Jane's Defence Business News

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17-02-09, 04:15 PM

#6

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PUNE: efence projects helpful in combating terrorism, including detection technologies, propellant works and projects related to high energy

material, will get a major push thanks to the increased allocation for defence in the vote-on-account presented on Monday, said R K Pande, joint director of the High Energy Material Research Lab (HEMRL), DRDO.

According to senior officials of the Defence Research and Development Organisation (DRDO) here, even educational research

projects, which usually remain at the institute level, may see the light of the day.

The government has allotted Rs 1,41,703 crore for defence in the interim budget against the backdrop of the terrorist attacks in Mumbai. Part of the fund is earmarked for defence research. "Several ongoing research projects at the DRDO will get a boost. More joint projects with educational institutes will be possible now," Pande said.

Anil Datar, director, Armament Research and Development Establishment (ARDE), DRDO, said that the picture will be clear only when the exact figure of the availability of funds to his organisation is known. "While doing research we need to consider the demand of the users, ie the defence forces. If more funds are available, these projects will get a boost. Even projects carried out by students of various universities for the DRDO will benefit because of the increased allocation made in the vote-on-account."

V S Ghole, head, department of environmental sciences, University of Pune, too echoed similar sentiments. He said that research projects, carried out by students and researchers associated with an educational institution will have more access to funds. Their work will no longer remain confined to the laboratories. "Caliber of students doing projects for the DRDO is excellent. If enough funds are allocated to such projects, they can do pathbreaking research," said Ghole, who is working on project on explosives with the DRDO.

A researcher associated with the DRDO, Dilip Sathe, said that if used properly, these funds will be helpful for not only defence researchers but also for civilians doing research for the defence
Defence research to get a major push-Pune-Cities-The Times of India

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17-02-09, 10:05 PM

#7

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New Delhi: Considering the changed security scenario in view of the Mumbai terror attacks, the Government on Monday allocated Rs 1,41,703 crore for defence sector, almost a 35 per cent increase from the previous year's Budget provisions.

Last year's allocation for defence stood at Rs 1,05,600 crore and the current increase amounted to Rs 36,103 crore.

Presenting the Interim Budget for 2009-10 in the Lok Sabha, External Affairs Minister Pranab Mukherjee, who is presently also in-charge of the Finance Ministry, said the allocation has been increased because of the prevailing security environment, which has "deteriorated considerably."

Noting that the Mumbai attacks had amounted to the threshold being crossed on the security front, Mukherjee said, "We are going through tough times. The Mumbai terror attacks have given an entirely new dimension to cross-border terrorism."

With the total revised expenditure for defence last year standing at Rs 1,14,600 crore, he said the increased Plan expenditure for Defence this year would be Rs 86,879 crore. Last year's Plan expenditure was only Rs 73,600 crore, thereby providing an increase of Rs 13,279 crore this year.

The increased allocation this year would include Rs 54,824 crore for capital expenditure as against Rs 41,000 crore in the revised estimates for 2008-09, Mukherjee said.

However, the government would provide for any additional requirement for the security of the nation, he added.

The increased allocation for defence assumes significance as the government has decided to go on fast track acquisition of defence equipment.

The armed forces have already prepared a long list of equipment, mainly for its special forces commandos, to be bought under the fast track process.

After the Mumbai attacks, the government has initiated a massive revamp of the security structure of the country, which includes creation of a Coastal Command.

Despite the nearly 35 per cent increase this year, India's defence spending is still at about two per cent of the GDP, compared to China's seven per cent and Pakistan's five per cent

Pranab hikes Defence Budget by 35 per cent

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18-02-09, 01:58 PM

#8

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NEW DELHI: A day after the interim budget disclosed the defence ministry had failed to spend as much as Rs 7,007 crore from last fiscal's capital

outlay, a top-level meeting on Tuesday cleared several pending proposals of the armed forces.

The Defence Acquisitions Council, chaired by defence ministry A K Antony and attended by the three Service chiefs, among others, gave the green signal to procurements of offshore patrol vessels, fast-attack craft and radars for both Coast Guard and Navy in a step towards bolstering coastal security.

"Some of the bigger arms deals will, of course, have to be cleared by the Cabinet Committee on Security," said an official. Despite the 26/11 terror attacks and their aftermath exposing huge gaps in the operational capabilities of armed forces, the defence ministry is yet to get its act together as far as removing bureaucratic red-tape and formulating long-term strategic plans is concerned.

The defence ministry, after all, has surrendered well over Rs 20,000 crore capital outlay funds in the last five years, which are basically meant for acquiring new weapon systems and platforms.

It took 26/11 for the government to finally get serious about fast-tracking defence acquisitions. For starters, there is a Rs 6,805-crore plan to revamp the country's maritime security architecture, with both a coastal command (CC) and a maritime security advisory board (MSAB) to bolster homeland security.

The Coast Guard itself is looking at procuring five off-shore patrol vessels, 10 fast-attack craft, 20 interceptor boats, 12 Dornier aircraft and 30 helicopters, among other things. Similarly, the proposals cleared on Tuesday included acquisition of smaller vessels for Navy.

Tasked with guarding India's porous 7,516-km coastline, 13 major and 185 minor ports, and a huge 2.01 million sq km Exclusive Economic Zone, the Coast Guard is desperately short of requisite force-levels.

Despite an "assessed requirement" of 154 ships, 93 boats/craft and 105 aircraft, Coast Guard is making do with just about 44 ships, 20 boats/craft, 23 "non-commissioned boats" and 45 aircraft at present.

As per plans, both Coast Guard and marine police forces of the nine coastal states and four Union Territories will get additional manpower and equipment. Coast Guard, for instance, will get a 1,000-strong Sagar Prahari Bal with 80 vessels and fast-attack craft and nine more stations in addition to the existing 30 or so.

Then, there is the plan to have a chain of radars along the entire coastline to keep tabs on vessels in Indian territorial waters and beyond, as also biometric identity cards for all fishermen and installation of AIS (automatic identification system) transponders on vessels even below 300 metric tonne.

Of the Rs 1,41,703 crore defence outlay in the 2009-10 interim budget, a 34.18% hike over last year's Rs 1,05,600 crore allocation, the capital component stands at a healthy Rs 54,824 crore. But unless the government takes urgent steps, the recurring ghost of unspent funds will continue to haunt the armed forces.

Defence ministry finally gets cracking after surrendering Rs 7,007cr-India-The Times of India

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19-02-09, 08:29 AM

#9

pyromaniac

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This is actually kind of funny because Pakistan actually just put in a spending freeze on all their defense stuff and they "welcomed" all of its neighbors to follow their footsteps. Ha in your face paki's

Edit: Dont insult anyone .

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19-02-09, 08:38 PM

#10

Blitz

Founding Member



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India,s policy is independent of what pakistan does there are 2 many differences at the moment to even consider pakistan considerable in terms of the economic situation.

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