



Defence Budget 2022-23

Description

Theme:

- On 1st February 2022, Finance Minister Nirmala Sitharaman presented Union Budget 2022-23 in the parliament.

Defence Budget 2022-23 Analysis:

- The total budget for defence for the fiscal year 2022-23 is Rs. 5.25 lakh crore. It was Rs. 4.78 lakh crore in the last year's budget. In 2018, the Lok Sabha's Standing Committee on Defence recommended that the defence budget should be equivalent to 3% of the GDP. The defence budget 2022-23 constitutes 2% of the projected GDP. But as we are struggling with the COVID pandemic, it is quite understandable.
- The current fiscal year's allocation to defence is increased by 9.8% compared to last year's. This is a good move and will be helpful to counter the hostile neighbours – China and Pakistan.
- Rs. 55,587 crores were allotted for Indian Air Force, which is a 10% increase from the last year's budget. For the Army, the allocation of Rs 32,015 crore is 12% less than the last year's budget. Navy was allocated Rs. 46,323 crore, which is a 44.53% increase from the last year's budget. This is a good move considering China's aggression in the Indo-Pacific region.
- Rs 1.52 lakh crore was allotted for the procurement of new equipment including weapons, fighter jets, warships and other military equipment. 68% of that capital outlay will be spent on procuring the equipment from domestic defence manufacturing companies. In the last year's budget, it was 58%. This is a big boost for the domestic defence industry and paves the path for Atmanirbhar (self-reliant) Bharat in the defence sector. Moreover, the government brought out a list of defence items that are banned from import. This too can encourage domestic industry in the defence sector. It is expected that in the coming 6 to 7 years, domestic defence manufacturing companies can get approximately Rs.4 lakh crore worth of contracts. But the government should make sure that the indigenization move will



not result in the compromise of the equipment quality. It should make sure that the quality will be at par with the world's best

- 25% of the total R&D budget was set aside for private industry, startups, academia. This will encourage the private sector to design and develop innovative and advanced technologies in collaboration with DRDO. A new independent nodal umbrella body will be established to test and certify new technologies.
- The 15th Finance Commission has recommended setting up a dedicated non-lapsable Modernisation Fund for Defence and Internal Security to address the issue of unpredictable spending of capital allocation and to align with the long trajectory of military modernisation. But the budget 2022-23 did not make this a reality.
- Rs. 11,19,696 crore was allotted for defence pensions.
- The “Droneshakti” project to promote startups in the domestic drone industry is quite beneficial for the armed forces too.
- “Border development scheme” was introduced to develop infrastructure in border villages and to make them vibrant villages. This will prevent migration from the border villages. Moreover, it will also prevent China from laying claims on villages on our side of LAC (Line of Actual Control).

Conclusion:

The overall defence budget is increased by 9.8% when compared with last year's budget. It is a very good move considering the present situation. Moreover, a boost to the domestic defence industry can bring new innovative technologies and also pave the path to self-reliance in the defence sector.

Your Turn...

What are your thoughts on the defence budget 2022-23? Express your point of view through the comment section below. And subscribe to our blog to read answers to the trending GD topics.

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References:

- Eenadu newspaper dated 8th Feb 2022.
- [Defence Budget 2022-23 – The catalyst for India's Atmanirbharta ambition](#)
- [Defence Budget 2022-23: A mixed bag](#)
- [Defence allocation for 2022-23: Views of experts and industry](#)
- [Defence budget 2022-23: Securing India, pursuing self-reliance](#)
- [Nirmala Sitharaman allocates Rs 5.25 lakh crore for defence in Budget](#)

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