

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:930
ANSWERED ON:15.11.2010
DEFENCE EXPENDITURE REVIEW
Semmalai Shri S. ;Sivasami Shri C.

Will the Minister of DEFENCE be pleased to state:

- (a) the details of expenditure on defence procurement from various countries during the last three years, country-wise;
- (b) whether the Defence Expenditure Review Committee constituted in this regard has submitted its report;
- (c) if so, the salient features of the recommendations contained therein; and
- (d) the reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF DEFENCE (SHRI A.K. ANTONY)

- (a) The system of compilation of expenditure does not capture the country-wise details. Therefore, the desired information is being collected from the Service Headquarters and shall be laid on the Table of the House in due course.
- (b) Defence Expenditure Review Committee headed by Shri V.K. Misra, former Secretary (Defence Finance) was constituted to recommend measures that would bring about:
 - (i) Optimal efficiency in the system, with greater focus on Information & Communication Technology (ICT);
 - (ii) Greater efficiency and economy in supply services through outsourcing and reorganization;
 - (iii) Greater transparency and accountability in regard to management of defence expenditure;
 - (iv) Higher efficiency in logistic supply chain management;
 - (v) Outcome orientation in defence spending;
 - (vi) Enhanced self-reliance by tapping the strength of the vibrant private sector;
 - (vii) High levels of preparedness/serviceability of weapon systems;
 - (viii) Greater efficiency and economy in training.
- (c) The main recommendations made by the Committee relate to greater use of Information & Communication Technology; Streamlining of Acquisitions and Procurement; Empowering Defence Industrial Base and enhancing private sector participation; and, improvement in logistics and maintenance management, support services, training, infrastructure, financial management and project management.
- (d) Various officers in the Ministry of Defence have been assigned the responsibility of looking into the recommendations of the Committee for further action on the same.