

June 09, 2008

Syed Yousaf Raza Gillani (Prime Minister Islamic Republic of Pakistan): Mr. Speaker, I want to inform this House about some development that has taken place regarding the mode of budget and to give the policy statement. Pakistan is located in a geo-strategically important, but a turbulent region. We live and operate in a volatile environment. We cannot, therefore, afford to remain oblivious to our defence needs. I wish to categorically state that Pakistan stands for peace with honour. We shall continue to strive for it without compromising on our national interests. As a matter of policy, I declare that our defence is based on the strategy of minimum essential credible deterrence and that we shall not enter into any arms race. As a measure or for tangible display to seek peace with other neighbours, we have decided to freeze, actually reduce the defence budget when seen in the context of inflation and the Rupee-Dollar parity. We hope to see a reciprocal gesture from our neighbour for the sake of peace and prosperity of the region. Presently, the budget on the three Services, Ordnance Factory and other is presented as one line allocation. It is not approved separately but in a consolidated form of all Defence Services. After approval of the budget, Ministry of Defence apportions allocation to the three Services and other.

Defence Organization, my government has now decided to present the defence budget estimate in a format reflecting the estimated expenditure under major head in the parliament. I am pleased to inform you that the Ministry of Defence and the Chief of the Army Staff have fully endorsed the revised format of the Defence Services Budget Estimate.