

# DAILY PT POINTERS

7 December, 2024



## The Hindu-Economy(GSIII)-Page1

# Amid high inflation, RBI retains repo rate at 6.5%

Monetary Policy Committee takes note of slowdown in growth momentum, downgrades growth and inflation estimates for 2024-25; persistent inflation deflates consumption and growth, says Das

Lalatendu Mishra  
MUMBAI

The Monetary Policy Committee (MPC) of Reserve Bank of India (RBI) on Friday held steadfast in its battle against inflation amid weakening growth momentum, with four of six members voting to keep policy repo rate unchanged at 6.50% for the 11th bi-monthly review in a row.

However, acknowledging that the economy is facing tight liquidity conditions that are likely to persist for a few months, it

### Balancing act

The RBI on Friday tried to find a balance between inflation management and supporting economic growth

- The RBI kept the repo rate unchanged at 6.5% for a record 11th meeting in a row

- The Cash Reserve Ratio — the proportion of deposits that banks must set aside with the central bank — has

been cut by 50 basis points to 4%

- The cut will infuse ₹1.16 lakh crore into the banking system and will soften short-term interest rates and enhance capacity of banks to extend credit



growth, he said persistently high inflation reduced the disposable income of consumers and dented private consumption which negatively impacted the real GDP growth.

Real GDP growth in the July to September quarter fell to a seven-quarter low of 5.4%, compared to RBI's 7% projection, and the MPC has now downgraded the growth forecast for 2024-25 to 6.6% from 7.2%.

Similarly, with inflation increasing sharply in September and October led by an unanticipated increase in food prices, the retail in-

nel was unanimous on sticking to a 'neutral' stance and remaining unambiguously focused on a durable alignment of infla-

translates into a downward revision in the growth forecast for the current year. Going forward into the second half of this year and

## Summary of RBI's Monetary Policy Review (December 6, 2024)

- **Repo Rate:** Kept unchanged at 6.50% for the eleventh bi-monthly review.
- **Cash Reserve Ratio (CRR):** Cut by 50 basis points to 4%, first cut in nearly four years.
  - Implemented in two tranches of 25 bps each from December 14, 2024, and December 28, 2024.
  - Expected to release ₹1.16 lakh crore of primary liquidity to the banking system.
- **Growth and Inflation:** Real GDP growth forecast for 2024-25 downgraded to 6.6% from 7.2%.
  - Retail inflation for 2024-25 projected at 4.8%, up from 4.5%.
- **Interest Rate Ceilings on FCNR(B) Deposits:** Ceilings increased to attract more capital inflows.
  - Fresh deposits of 1 year to less than 3 years: ceiling of ARR plus 400 bps (up from 250 bps).

## The Hindu-Space (GSIII)-Page7

### European Space Agency to support Gaganyaan mission

**The Hindu Bureau**  
BENGALURU

The Indian Space Research Organisation (ISRO) and the European Space Agency (ESA) has signed a Technical Implementing Plan (TIP) document for ground tracking support for India's Gaganyaan missions.

The TIP, inked at the Satish Dhawan Space Centre on Wednesday, enables the ESA to provide ground station support for the space missions, which will ensure continuity in data flow and communication with the orbital module for monitoring and orbital operations.

ISRO said it had a long-standing system of cooperation with the ESA. They

supporting each other in successful accomplishment of several space missions in the past. The TIP was another step forward in the cooperation between the agencies, ISRO said.

The TIP was signed by Anil Kumar A.K., Director, ISTRAC, on behalf of ISRO, and by Dietmar Pilz, Director of Technology, Engineering and Quality and Director of ESTEC, Netherlands, from the ESA.

The Gaganyaan project envisages demonstration of human spaceflight capability by launching a crew of three members into an orbit of 400 km for a three-day mission and bringing them back to earth by landing in Indian sea wa-

- ISRO and the European Space Agency (ESA) signed a Technical Implementing Plan (TIP) for ground tracking support for India's Gaganyaan missions.
- **Objective:** Ensure continuity in data flow and communication with the orbital module for monitoring and orbital operations.
- **Gaganyaan Project:** Aims to demonstrate human spaceflight capability by launching a crew of three into a 400 km orbit for a three-day mission, with a return to Indian sea waters.

## The Hindu-Society(GSI) –Page7

### Nicobarese have ancestral connection with Austroasiatic populations: study

**The Hindu Bureau**  
HYDERABAD

The 25,000-strong Nicobarese population appears to have a significant ancestral connection with Austroasiatic populations across South and Southeast Asia and, they could have settled in the region only about 5,000 years ago, ac-



Nicobar and Great Nicobar, and numerous smaller ones. “Previous theories suggested that the linguistic ancestors of the Nicobarese settled in the Nicobar archipelago during the early Holocene, about 11,700 years ago. Our new genetic research involved 1,559 individuals from South and Southeast Asia showed it to

**Research Findings:** Nicobarese population of 25,000 has significant ancestral ties with Austroasiatic populations in South and Southeast Asia.

- Settled in the region approximately 5,000 years ago.

**Key Insights:**

- Highlighted genetic affinity between Nicobarese and ‘Htin Mal’ from mainland Southeast Asia.
- Despite distinct ethnic identities, both groups share common genetic heritage.

**Geographical Context:** Nicobar Islands located in the eastern Indian Ocean, south of the Andaman Islands.

- Archipelago includes major islands like Car Nicobar and Great Nicobar.

## The Hindu-Miscellaneous –Page10

### Indira Gandhi Peace Prize to be conferred on Michelle Bachelet

**The Hindu Bureau**  
NEW DELHI

The Indira Gandhi Prize for Peace, Disarmament and Development for 2024 will be conferred on former Chilean President and prominent human rights voice Michelle Bachelet, a statement issued by the Indira Gandhi Memorial Trust said on Friday.

The international jury for the award was chaired by former National Security Adviser Shivshankar Menon.

“President Michelle Bachelet is one of the world’s most prominent voices for human rights, peace, and equality. In her various roles as the founding director of UN Women, UN High Commissioner for Human Rights, and as President of Chile, she has spoken strongly for gender equality and the rights of the most vulnerable sections of the population at home



Michelle Bachelet

and across the world,” the statement read.

“Her personal courage and example in standing for peace and the rights of marginalised people continue to inspire men and women around the world,” it added.

The prize honours her work to improve gender equality, human rights, democracy and development in difficult circumstances, the statement said, also noting her contributions towards fostering India’s relations with Chile.

- The Indira Gandhi Prize for Peace, Disarmament and Development for 2024 will be conferred on former Chilean President and prominent human rights voice Michelle Bachelet
- The prize honours her work to improve gender equality, human rights, democracy and development in difficult circumstances, the statement said, also noting her contributions towards fostering India’s relations with Chile.

# HEADLINES OF THE DAY

Air-IR(GSII)

## India To Chair UN Commission On Narcotic Drugs For The First Time




- India has been chosen to Chair the 68th Session of the Commission on Narcotic Drugs (CND). India's Permanent Representative to the UN in Vienna, Shambhu Kumaran officially assumed the Chairmanship of CND yesterday.
- The CND is the principal policy-making body of the United Nations on drug-related matters. It is mandated to monitor global drug trends, support Member States in formulating balanced policies, and oversee the implementation of the major international drug conventions.
- This is the first time that India has been named to Chair this important UN body

# HEADLINES OF THE DAY

## PIB-Economy(GSIII)

Ministry of Agriculture & Farmers Welfare



Centre to fix MSP at over 50% and procure Farmers' Produce: Shivraj Singh Chouhan

Vice President Shri Jagdeep Dhankhar renames Union Minister Shri Shivraj Singh Chouhan as 'Kisano Ke Laadle' in Rajya Sabha

Shri Chouhan assures farmers to receive subsidized fertilizers in adequate quantities

Posted On: 06 DEC 2024 6:54PM by PIB Delhi

Centre to fix MSP at over 50% and procure Farmers' Produce: Shivraj Singh Chouhan

- MSP stands for Minimum Support Price. It is the minimum rate at which farmers sell their crops to the government. This price prevents farmers from market fluctuation and offers stability and income security.
- Established in 1965, the CACP or Commission for Agricultural Costs and Prices, recommends the MSP based on various factors. The Cabinet Committee on Economic Affairs, headed by the Prime Minister, takes the final call on the MSP.

•

•

•