



Modi Takes Up Regional Security With Dissanayake

INTERNATIONAL RELATIONS

CONTEXT: Prime Minister Narendra Modi and Sri Lankan President Anura Kumara Dissanayake held discussions on regional security, economic cooperation, energy projects, and Tamil reconciliation, with Sri Lanka reaffirming its commitment to safeguard India's security interests and India offering financial assistance, including converting project loans into grants.



Key Highlights:

1. Security Assurance:

- President Dissanayake assured that Sri Lanka would not allow its territory to be used against India or regional stability.
- The commitment aligns with India's concerns over foreign, particularly Chinese, vessels in Sri Lankan ports.

2. Economic Assistance:

- India agreed to convert existing loans into grants for projects like:
 - Railway signalling systems.
 - Kankesanthurai Port development.
- A \$20.66 million grant was extended to settle payments for previously completed projects.

3. Energy and Infrastructure Cooperation:

• Both sides agreed to:

- Enhance energy collaboration, including a common power grid and LNG supplies.

- Develop the India-Sri Lanka "multi-product pipeline" with UAE support.
- Complete the delayed Sampur coal power project.

4. Concerns Over Foreign Vessels:

- Sri Lanka's one-year moratorium on foreign research vessels, including Chinese ships, ends in January.
- India emphasized its sensitivity to maritime security and offered to assist Sri Lanka with maritime research.

5. Adani Group Projects:

- No progress was reported on Adani Group projects, including:
 - Colombo Port terminal development (expected to proceed with internal funding).
 - Potential hold on the 500 MW wind power project in Mannar and Pooneryn.
- Adani representatives were notably absent from the India-Sri Lanka Business Forum.

6. Fishermen Issue:

- Both leaders acknowledged the contentious issue of Indian fishermen trespassing into Sri Lankan waters.
- They agreed to adopt a "humanitarian approach" while Mr. Dissanayake urged India to curb the use of bottom trawlers, which harm marine resources.

7. Tamil Reconciliation:

- Prime Minister Modi emphasized India's expectations for the Sri Lankan government to address Tamil aspirations.
- President Dissanayake shared his "inclusive perspective" on reconciliation.

CONCLUSION: India and Sri Lanka strengthened ties through security assurances, economic aid, and energy cooperation, while addressing concerns over foreign vessels and Tamil reconciliation, though some issues like Adani projects and fishing disputes remain.

Ustad Zakir Hussain (1951-2024): A Life In Rhythm

ART AND CULTURE



1. Passing of a Maestro

- Ustad Zakir Hussain, one of India's greatest cultural ambassadors, passed away on Monday in a San Francisco hospital after a brief illness.
- He was 73 and suffered from idiopathic pulmonary fibrosis, a lung disease.
- Hussain had been hospitalized for over two weeks before his passing.

2. A Virtuoso and Cultural Icon

- Known for his incredible speed, dexterity, and creativity, Hussain transformed the tabla into a powerful voice for universal peace and humanity.
- As the son of tabla maestro Ustad Alla Rakha, Hussain inherited a natural affinity for rhythm and Indian composite culture.
- Growing up in Mumbai's Mahim, he embodied India's syncretic

traditions, singing devotional hymns to Mother Saraswati, reciting Koranic verses, and hymns of the Bible as part of daily rituals.

3. An Unparalleled Legacy

- The family released a statement, recognizing his prolific work as a teacher, mentor, and educator, which inspired countless musicians worldwide.
- Hussain's contributions as a global cultural ambassador made him one of the greatest musicians of all time.

4. Tributes and Recognition

- Prime Minister Narendra Modi described Hussain as a "true genius" who revolutionized Indian classical music and brought the tabla to the global stage.
- The four-time Grammy Award winner was celebrated for captivating audiences across cultures with his unparalleled rhythm.

5. Family and Personal Life

- Hussain was awarded the Padma Vibhushan, one of India's highest civilian honors.
- He is survived by:
 - His wife, Antonia Minnecola, a Kathak exponent.
 - His daughters, Anisa and Isabella Qureshi.
 - His brothers, Taufiq and Fazal Qureshi, both tabla players.
 - His sister, Khurshid Aulia.

6. Global Impact

- The untimely demise of Hussain sent shockwaves across the world, leaving behind an enduring legacy that bridges cultures and inspires future generations of musicians.

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Merchandise Exports Fall 4.83%, Touch 25-Month Low

ECONOMIC DEVELOPMENT

CONTEXT: India's merchandise exports declined by 4.83% in November, hitting a 25-month low of \$32.11 billion. Meanwhile, the import bill surged by 27% to an unprecedented high of nearly \$70 billion, significantly surpassing October's record of \$66.34 billion.

Key Points on India's Trade Performance in November 2024

- **Merchandise Exports**
 - Fell by 4.83%, reaching a 25-month low of \$32.11 billion.
- **Merchandise Imports**
 - Increased by 27%, hitting an all-time high of nearly \$70 billion.
 - Surpassed October's record of \$66.34 billion.
- **Trade Deficit**
 - Soared to a new high of \$37.84 billion, reflecting a 77.5% spike compared to November 2023.
 - Significant deficits recorded in three of the last four months.
- **Gold Imports**
 - Reached a record \$14.9 billion, surpassing the previous high of \$10.1 billion in August.
- **Impact of Petroleum Products**
 - Exports of petroleum products dropped by approximately 49% in value.
 - Export volumes of petroleum products grew by 9.6% between April and October 2024.
 - Value drop attributed to a global decline in oil prices.
- **Government Insights**
 - Commerce Secretary Sunil Barthwal highlighted that the rise in imports reflects faster economic growth in India compared to the global economy.
 - Non-petroleum exports are performing well and growing at a steady pace.

Simultaneous Polls Bill May Be Introduced In LS Today

POLITY AND GOVERNANCE

CONTEXT: The Union government will introduce a Constitution Amendment Bill in the Lok Sabha on Tuesday to establish a framework for simultaneous Lok Sabha and State Assembly elections.

Procedure for Amending the Indian Constitution

The process for amending the Constitution of India is outlined in Article 368 and involves the following steps:

1. Introduction of the Amendment Bill

- An amendment bill can be introduced in either House of Parliament (Lok Sabha or Rajya Sabha).
- It cannot be introduced in a State Legislature.
- The bill can be introduced by either a minister or a private member.

2. Types of Amendments

Amendments are classified into three categories:

1. Simple Majority Amendments:

- Require only a simple majority of the members present and voting in Parliament.
- Examples: Creation of new states, change of names/boundaries, etc.

2. Special Majority Amendments:

- Require a two-thirds majority of the members present and voting in each House and a simple majority of the total membership.
- Examples: Fundamental Rights, Directive Principles, etc.

3. Special Majority with State Ratification:

- Requires a special majority in Parliament and ratification by at least half of the State Legislatures.
- Examples: Federal structure, representation of states, powers of the President, etc.

3. Approval by Both Houses

- The bill must be passed separately by both Houses of Parliament.

There is no provision for a joint sitting in case of disagreement.

1. Presidential Assent

- After passing through Parliament (and state ratification, if required), the bill is sent to the President of India.
- The President must give assent, they cannot return the bill for reconsideration.

2. Effect of the Amendment

- Once the President's assent is given, the amendment becomes part of the Constitution.

Green Hydrogen And The Financing Challenge

SCIENCE AND TECHNOLOGY

Context: As India aims for net-zero emissions by 2070, green hydrogen is critical for decarbonizing industries. The country has set an ambitious target of producing 5 million metric tonnes (MMT) annually by 2030, but high production costs threaten this goal.



Green Hydrogen: A Key to India's Net-Zero Goal

As India aims for net-zero emissions by 2070, green hydrogen is critical for decarbonizing industries. The country has set an ambitious target of producing 5 million metric tonnes (MMT) annually by 2030, but high production costs threaten this goal.

Key Challenges

- **Cost Disparity:** Green hydrogen production costs (\$5.30-\$6.70/kg) far exceed grey/blue hydrogen costs (\$1.9-\$2.4/kg), hindering investment and adoption.
- **High Capital Costs:** Elevated borrowing costs in India increase the levelised cost of electricity (LCOE) and electrolyzer prices, limiting financial viability.
- **Investment Barriers:** Only 27.6% of global clean hydrogen projects have reached final investment stages, highlighting

structural market issues.

Solutions for Scaling Green Hydrogen

1. Policy Innovations:

- Long-term hydrogen purchase agreements and loan guarantees.
- Regulatory sandboxes for testing business models.
- Creation of hydrogen hubs linking renewable energy with industry.

2. Innovative Financing:

- Modular project financing to reduce upfront costs.
- Equipment-leasing models for electrolyzers.
- "Anchor-plus" financing, where creditworthy customers underwrite initial capacity.

3. Global Partnerships:

- Standardized certification for carbon intensity and hydrogen origin.
- Cross-border trade agreements to ensure demand and investment certainty.

Path Forward

Early projects in industrial hubs like Odisha, Maharashtra, and Gujarat must focus on delivering cost-competitive hydrogen. India's abundant renewable resources and strategic financing mechanisms will be pivotal in building a robust green hydrogen sector.



"If you invest more in your education, then you are likely to get more interest in it."

—Benjamin Franklin

U.S. Fed Is Likely To Slow Its Rate Cuts With Inflation Pressures Still Elevated

ECONOMIC DEVELOPMENT



Key Points on Federal Reserve's Rate Cuts and Economic Outlook

Interest Rate Cuts

- The Federal Reserve is expected to lower its benchmark rate by 0.25% to around 4.3% this week.
- This marks the third consecutive rate cut but signals a shift to a more gradual pace in 2025.
- Economists predict fewer cuts next year (two or three), while Wall Street expects just two.

Inflation Concerns

- Inflation, though down from its peak of 9.1% in mid-2022, remains above the Fed's 2% target.

- Core inflation (excluding food and energy) has been stuck at 2.8% annually since March.

Economic Performance

- The U.S. economy has grown at a solid pace, expanding 2.8% annually in Q3.
- Retail sales remain strong, indicating robust consumer demand.

Challenges to Rate Cuts

- High loan rates will persist, impacting borrowing costs for households.
- Some economists argue against further cuts, given persistent inflation and strong growth.

Impact of Fiscal Policies

- Uncertainty around President-elect Donald Trump's proposed policies (tariffs, deportations, tax changes) could influence inflation and the Fed's cautious approach.
- Proposed corporate tax cuts are being factored into the Fed's economic analyses.

Neutral Interest Rate

- The Fed aims to reduce rates to a "neutral" level, estimated at 3%-3.5%, which neither stimulates nor restricts growth.
- Disagreement persists on the exact neutral level, and rates may remain higher if inflation stays elevated.

Fed's Cautious Approach

- Officials emphasize "letting up on the brake" rather than stimulating the economy.
- Concerns over future rate hikes in a volatile political environment could further slow rate cuts.



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