

RBI keeps repo rate at 6.5%, raises GDP growth forecast

Holding steady

The repo rate — the rate at which RBI lends to commercial banks — has been kept unchanged at 6.5%



Vikas Dhoot
NEW DELHI

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) on Friday unanimously decided to keep key interest rates unchanged, raised its GDP growth projection for 2023-24 to 7% from 6.5%, and retained its average inflation forecast at 5.4%, while warning that inflation could spike through November and December.

"We have made significant progress in bringing inflation below 5% despite intermittent blips... The target of 4% inflation is yet to be reached and we have to stay the course. Headline inflation remains volatile due to supply shocks," RBI Governor Shaktikanta Das said.

There was no immediate relief for borrowers as the key repo rate remained unchanged at 6.5%.

While food inflation has moderated from the double-digit levels of July to 6.2% in October, the Governor said the inflation outlook would be considerably influenced by uncertain food prices.

"While monetary policy may look through one-off shocks, it has to keep an eye on ensuring food inflation spikes don't become generalised," Mr. Das said.

Five of the six MPC members voted to persist with a policy stance focus on "withdrawal of accommodation", but there was no indication of when interest rates may be trimmed.

Governor Das stressed that the idea was not just to achieve 4% inflation but to maintain it at that level on a durable basis and it is not possible to provide a "forward guidance" in the current scenario when there is excessive uncertainty.

"We expect the Central bank to maintain a prolonged pause on monetary policy rate until August 2024 and opt for a pivot thereafter with visibility on the durability of the 4% inflation target getting better," QuantEco Research said on Friday.

Upgrading its growth forecast, the MPC reckoned that the real GDP growth for 2023-24 would be 7%, with the third quarter clocking 6.5% growth and the fourth quarter 6%.

Delhi's unemployment rate higher than national average, finds govt. report

Delhi govt. report estimates the population in the national capital to reach 2.65 crore by 2036; it also observes an improvement in city's sex ratio, which still remains below national average

The Hindu Bureau
NEW DELHI

The unemployment rate (UR) in Delhi was higher than the national average for 2021-22, according to a Delhi government report. The report also stated that the city's population is likely to reach 2.65 crore by 2036 while noting an improvement in the city's sex ratio, which continues to remain below the national average.

The report – 'Women & Men in Delhi-2023' – found that the Capital's UR was 5.1% for men and 6% for women, higher than the 4.4% national average UR for men and 3.3% national average UR for women, respectively.

The report defines an unemployed person as one who wants to work but is not doing so even though they are available for employment and actively seeking work, "thus reflecting the inability of an economy to generate suitable employment".



More male workers were found to be engaged in casual work than female workers. FILE PHOTO

ble employment".

However, the report noted that the UR in Delhi had come down in 2021-22 over the previous three years.

Regular jobs for women

It also found women workers switching from part-time work to regular employment.

In 2021-22, 33.1% men were self-employed, 63.3% were engaged in regular employment, and 3.5% in casual work. At the same time, only 17% women

were found to be self-employed while 83% were engaged in regular employment. "This shows a switch from casual labour to salaried employment for women workers in 2021-22," the report said.

A major proportion of male workers were found to be engaged in the 'trade, hotel & restaurant' sector (29.77%), followed by manufacturing and other services. Most of the female workers (59.74%) were engaged in 'other services', followed by 'trade, hotel

and restaurant' (14.73%) and manufacturing (14.19%). The city's labour force participation rate was 57.5% for men and 9.4% for women, against the national figures of 57.3% for men and 24.8% for women, respectively.

According to the Organisation for Economic Co-operation and Development, the labour force participation rate is calculated as the labour force divided by the total working-age population.

Increasing headcount

As per the report, the city's population is estimated to increase by over 50% in 25 years, rising from 1.67 crore as per the 2011 census to 2.65 crore by 2036. It also observed an increase in the sex ratio in the national capital.

Delhi's sex ratio was 868 as per 2011 census, while the national average was 943. By 2036, the city's sex ratio is projected to be 899 against the national average of 952.

Start 'Wed in India' movement, urges Modi; exhorts the rich to invest in Uttarakhand

Ishita Mishra

NEW DELHI

Prime Minister Narendra Modi on Friday inaugurated the second Global Investors Summit in Uttarakhand where he urged rich Indians to have at least one destination wedding in the hill State and initiate the 'Wed in India' movement on the lines of 'Make in India'.

"We in India believe that it is God who brings two people together in marriage. Then why are these young people, instead of starting their new life from the land of God, running to foreign countries [for their wedding]," said the PM.

Asking all youngsters to start a 'Wed in India' movement, Mr. Modi said that it surprises him how all the "dhannaseth" (rich) people of India follow the trend of getting married abroad.

Addressing the gather-



PM Narendra Modi with Uttarakhand CM Pushkar Singh Dhami during the inauguration of 'Uttarakhand Global Investors Summit 2023' in Dehradun on Friday. PTI

ing at the investors summit organised at Forest Research Institute (FRI) in Dehradun, the PM pointed out that many in the audience are likely to have had weddings in foreign countries.

"I know that all of you present here will not invest in the State. All I am asking is that have at least one wedding in your family in Uttarakhand in the next five years. Even if 5,000

weddings take place here, a huge infrastructure will develop, giving jobs to many," he added.

Complimenting the BJP-led Uttarakhand government and all those involved in the successful rescue of workers after the recent tunnel collapse at Silkiyara, the PM reiterated the benefits of a double-engine government whose "double efforts" are visible everywhere.

New climate draft seeks tripling of renewable energy capacity

Jacob Koshy
NEW DELHI

The latest draft of the Global Stocktake, one of the key documents being negotiated at the UN's climate summit in Dubai, has linked the tripling of renewable energy capacity with a "phase-out", or a time-bound ending, of the use of fossil fuels.

Though by no means final and only offered as an "option", it expresses a strong push by the leadership at the COP-28 climate talks to move towards ending the fossil fuel economy.

"Tripling renewable energy capacity globally by 2030... ensuring that the increase in renewable energy capacity is strategically implemented to displace fossil fuel-based energy, thereby significantly reducing global reliance on non-renewable and high-emission energy sources," appears as one of the options that participant Ministers can deliber-



Going green: The tripling of energy capacity was a clause that first came up formally during the G-20 summit in India. REUTERS

ate upon and choose to retain or exclude in the final version of the agreement, expected on December 12. The draft can be viewed on the UN climate website.

India is unlikely to agree to such a clause, a source close to negotiations told *The Hindu*, as it was "prescriptive" in tenor. "Much more consultation remains and India's position is to not support such a clause. Tripling capacity is fine but not with such conditions which are prescriptive in nature," the person said.

The latest draft also

does away with the clause calling for a "just and orderly phase-out of fossil fuel" that appeared in the first version of the text on December 6.

This has now been replaced with four pointed options demanding that fossil fuels – responsible for 80% of greenhouse gas emissions – be phased out in such a way that global temperatures do not rise more than 1.5 degrees Celsius by 2100, and energy companies become fossil fuel-free by mid-century. Here too, there's an option

for "no text", meaning that all references to doing away with fossil fuels can be entirely deleted.

Unchanged from an earlier version of the text is the clause on a "rapid phase-out of unabated coal power".

At the COP-26 in Glasgow two years ago, on the insistence of India and backed by the United States and China, the world had agreed to "phase down" but not "phase out" coal.

'Unacceptable riders'

The tripling of energy capacity was a clause that first came up formally in international agreements during the G-20 summit in India. However, India has chosen not to commit to such a pledge at COP-28 as it came with "unacceptable" riders, according to those familiar with the Indian position.

On Friday, Simon Steill, executive secretary of the UN Framework Conven-

tion on Climate Change, under whose purview the talks are taking place, said, "This week, I don't want to see diversions and political tactics that hold climate ambition hostage. I urge all ministers and negotiators to think outside the box."

'Define climate finance'

India on Friday focused on the other big lacuna in negotiations regarding "climate finance".

While this broadly refers to funds that are necessary for countries to transition their economies to renewable energy, and adapt to climate change, only a fraction of promised sums have actually made their way from developed to developing countries and a definition of such financing remains hazy.

"The lack of a definition leads to a lack of trust and transparency on a matter that should be as clear as crystal," said Environment Minister Bhupendra Patel, addressing a ministerial

dialogue on climate finance. He said that countries should prioritise defining climate finance, which would then automatically translate into the best ways to fund the clean energy transition.

Differing definitions mean that the Organisation for Economic Cooperation and Development (OECD) has estimated that climate finance in 2020 amounted to \$83 billion, while Oxfam estimated that it was only \$22 billion.

Climate finance must account for the specific circumstances of a country, to be actual grants not requiring interest payments, and low-cost loans, Mr. Yadav argued.

"The flow of finance has to be along with access to technology such as offshore wind, battery storage. In the absence of these, it would not be possible for the developing countries to meet their commitments on the Paris Agreement," he warned.

Go to Settings to activate

Invidious divide

India can do without politicians
exacerbating a north-south polarisation

The remark on North Indian States made by Dravida Munnetra Kazhagam Member of Parliament S. Senthilkumar in the Lok Sabha, since expunged from the records, was unworthy of a lawmaker. To speak disparagingly of fellow beings for their beliefs, food habits, or cultural practices is nothing short of bigotry. Political preferences vary from region to region in a vast country such as India. There are various imbalances in this vast landscape; for instance, in terms of literacy and education, natural resources, access to trade routes, and demographic composition. These imbalances also reflect in the country's political and economic structures. Some regions are more advanced economically while some others have a higher capacity to influence the political course of the country. Imbalances apart, there is vast diversity in India in terms of religion, language, culture and culinary habits. Nation makers grappled with these challenges of imbalances and diversity, to set in motion the consolidation of the most diverse, and most populated democratic country on the planet. While India has made significant progress in addressing these imbalances and managing the diversity, any honest appraisal would have to account for the unfinished tasks at hand. Regional identities and imbalances are not to be brushed under the carpet or forced into silence, unless the attempt is to create an authoritarian country.

The MP apologised for his unwarranted comments and so did his party. That episode should now be laid to rest. His comments were in the context of the Bharatiya Janata Party's victory in the three Hindi-speaking States of Madhya Pradesh, Rajasthan and Chhattisgarh, while Telangana voted for the Congress, suggesting a divergence between the northern and southern States in political preferences. India has had ruling parties and coalitions of different regional compositions, but the north by virtue of having a larger share of the population has had a bigger say in the country's governance. The suggestion of an invidious north-south divide is baseless and dangerous, while the issue of multiple imbalances is legitimate and real. The States in the south and west are growing faster economically, while those in the north and east are growing faster in population. These trends need to be reconciled in a manner that helps the progress of the country, rather than becoming a source of acrimony. Development outcomes also vary across religious and caste communities in particular regions. There is also a danger that these challenges can accelerate with the impending nation-wide delimitation of Lok Sabha constituencies and the growing gaps in development between regions, and communities. These questions of imbalances cannot be left unaddressed. It is essential that these discussions are informed and respectful, and devoid of any prejudice and hostility.

An icy warning

Threats from glaciers should be in same
risk category as cyclones and quakes

Few barometers measure the climate crisis as evocatively as the state of glaciers, a key component of the cryosphere. The World Meteorological Organization's recent report, "The Global Climate 2011-2020", gives a broad view of the planet's response to greenhouse gas emissions. In the section on the state of glacier health, it points out that, on average, the world's glaciers thinned by approximately a metre a year from 2011 to 2020. When compared across decades, there is significant regional variability, but the overall pattern remains that glaciers in all regions of the world are becoming smaller. In fact, some of the reference glaciers, which are used to make long-term assessments of glacier health, have already melted away as the nourishing winter snow is completely melting away during summer. In Africa, glaciers on the Rwenzori Mountains and Mount Kenya are projected to disappear by 2030, and those on Kilimanjaro by 2040. The report points to the rapid growth of pro-glacial lakes and the likelihood of glacier lake outburst flood (GLOF), posing additional threats to ecosystems and livelihoods. The reports singled out how "...water from glacial melt contributed to one of the decade's worst flooding disasters, the Uttarakhand floods of June 2013".

The fury of a GLOF event was brought home this year by the destruction of the Chungthang dam in Sikkim after the South Lhonak Lake flooded from a melting glacier, triggering catastrophe downstream. Earlier this year, a separate report by the International Centre for Integrated Mountain Development found that the disappearance of glaciers in the Hindu Kush Himalayas was "65% faster in the 2010s than in the previous decade". At the current rate of global greenhouse gas emissions, which is expected to see temperatures increase by 2.5°-3°C by the end of the century, the volume of glaciers is forecast to decline anywhere from 55% to 75%. This means sharp reductions in freshwater supply in the immediate vicinity of 2050. The sensitivity of glacier systems to warming underlines the need for their careful monitoring. Despite awareness of the risks posed by Himalayan glaciers there is no early warning system for the likelihood of GLOF events. Much like warnings before cyclones, floods and earthquakes, authorities must elevate threats from contracting glaciers to the same category of risk. Correspondingly, there is a need to make comprehensive risk assessments, map regions of vulnerability and commission infrastructure development with the highest standards of care.