



strategies are being implemented to combat piracy?

Increased naval presence and international collaboration. How does naval presence affect freedom of navigation? A robust naval presence deters threats, ensuring secure navigation.

### What is the significance of the Year of Naval Civilians?

It acknowledges the critical contributions of civilian roles in supporting naval operations.

### How can civilians contribute to national service?

By providing essential services and support that strengthen military capabilities.

The Hindu

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## Understanding the Ceasefire Agreement

The ceasefire agreement announced just days before the inauguration of President-elect Donald Trump, took effect on January 19, 2025. This pivotal moment was facilitated through extensive negotiations, with Qatar playing a crucial role as a mediator. Timeline of Events: January 15, 2025: Outgoing President Joe Biden delivers his final address. January 19, 2025: Ceasefire agreement takes effect. Key Players: President-elect Donald Trump: Seeking to showcase American strength. Outgoing President Joe Biden: Aiming to salvage his legacy. Hamas: Committed to ending hostilities in Gaza for the sake of its people

Reactions from Gaza and Beyond The announcement of the ceasefire sparked celebrations among Palestinians in Gaza, who had endured relentless hardships during

the conflict. Public Sentiment: Joyous gatherings and demonstrations in Gaza. Expressions of hope for a more peaceful future. Israeli Leadership's Response: Prime Minister Netanyahu's cautious optimism. Concerns over Hamas's continued influence in the region

Political Implications for Israel and Hamas This ceasefire presents complex political challenges for both Israel and Hamas. Netanyahu's Position: Balancing national security concerns with international expectations. Navigating the domestic political landscape amidst criticism. Hamas's Future: Continued control over Gaza despite military setbacks. Ongoing ideological opposition to Israeli policies.

The Path Forward: Aid and Rebuilding Gaza Beyond the political ramifications, the humanitarian crisis in Gaza demands immediate attention. Urgent Aid Needs: Food and medical supplies are critically low. International support is essential for effective relief efforts. Rebuilding Initiatives: Discussions on reviving the Palestinian Authority. Long-term strategies for sustainable development.

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## Economic Growth and Challenges in India Key Economic Concerns

📊 Economic Growth Concerns: Senior RBI officials emphasize the need to boost consumption to revive India's slowing economic growth, as private capital expenditure shows no signs of recovery while government spending has decreased.

🏭 Investment and Manufacturing Issues: Investment and manufacturing are identified as significant obstacles to economic growth,

necessitating a rekindling of consumer demand and investment. Food Inflation Impact: The middle class is hopeful for relief from food inflation, which remains high, particularly affecting disposable incomes in urban areas.

**M** Monitoring Inflation Effects: The RBI warns of the persistent high food inflation and its potential second-order effects, especially in light of rising rural wages and corporate salary expenditures.

**🛒** Rise of E-commerce: Private final consumption is improving, driven by e-commerce and quick commerce, suggesting that fostering competition is more beneficial than imposing restrictions on these sectors.

**🌐** Global Economic Outlook: The global economy is expected to be unpredictable in 2025, with disinflation likely to be uneven, complicating monetary policy adjustments.

**📈** Interest Rate Uncertainty: The future trajectory of interest rates is unclear, as the inflation battle enters a new phase with emerging threats and uncertainties. Summary: RBI officials stress the importance of boosting consumption to address India's economic slowdown, highlighting challenges like high food inflation and the evolving landscape of e-commerce.

## **The Hindu**

### **Russia-Iran Strategic Partnership Comprehensive Partnership:**

Russia and Iran have signed a broad cooperation pact, enhancing their strategic partnership amid Western sanctions. Trade Expansion Goals: President Putin emphasized the need to increase trade and economic cooperation, aiming to resolve technical obstacles for projects like shipping Russian natural gas to Iran. Military and

Technical Cooperation: The treaty encompasses military cooperation, science, education, and cultural exchanges, marking a significant step in bilateral relations. Regional Stability Focus: Pezeshkian highlighted the importance of regional countries resolving their own issues, criticizing external forces for exacerbating tensions.

Historical Context: The partnership has evolved since the collapse of the Soviet Union, with Russia becoming a key ally for Iran, especially in military and nuclear technology. Geopolitical Implications: The agreement comes as Iran faces economic challenges and potential increased pressure from the U.S. under a new administration. Support in Conflict Zones: Both nations have collaborated in supporting the Assad regime in Syria, although recent events have challenged their efforts. Summary: Russia and Iran have solidified their strategic partnership through a comprehensive cooperation pact, focusing on trade, military, and regional stability amid external pressures

Key Aspects of the Partnership Comprehensive Partnership: A broad cooperation pact has been signed to enhance strategic ties. Trade Expansion: Emphasis on increasing trade and resolving technical obstacles. Military Cooperation: Includes military, science, education, and cultural exchanges. Regional Stability: Focus on regional countries resolving their own issues. Historical Context: Evolution of partnership since the Soviet Union's collapse. Geopolitical Implications: Agreement amid economic challenges and U.S. pressure. Conflict Zone Support: Collaboration in supporting the Assad regime in Syria .

## **The Hindu**

### Fiery fest



**Through the flames:** A horse is led through a bonfire during the traditional 'Las Luminarias' festival in honour of San Antonio Abad (Saint Anthony), the patron saint of animals, in San Bartolomé de Pinares, west of Madrid, on Thursday. AFP

## Las Luminarias

Las Luminarias is a traditional festival celebrated in Spain. The festival involves lighting bonfires and candles, creating a vibrant atmosphere. It typically takes place during the night, enhancing the visual spectacle. Participants often carry torches or lanterns as part of the celebration. The event may include music and dancing, contributing to the festive spirit. Las Luminarias is often associated with local customs and community gatherings. The festival usually occurs in winter, marking a significant cultural event in the region. Summary: Las Luminarias is a vibrant night festival in Spain featuring bonfires, torches, and community celebrations.

### The Hindu

## India's economic growth

In the dynamic landscape of India's economy, the recent dip in GDP growth has raised eyebrows and sparked discussions. Currently, India's GDP growth rate stands at 6.4%, a significant decline from previous years. One of the main culprits behind this downturn is the government's capital

expenditure, which has only reached ₹5.14 lakh crore, or a mere 46.2% of the budget target. This article delves deep into the reasons for this decline and explores the implications for future growth.

**Reasons for the Recent GDP Dip** The recent downturn in India's GDP can be attributed to several factors, with government capital expenditure at the forefront. **Limited Capital Expenditure:** For the first eight months of the fiscal year, the government struggled to meet its capital expenditure targets. With only 46.2% of the budget aimed at capital projects utilized, the impact on overall economic growth has been palpable. **Impact on GDP Growth:** The sluggish pace of government spending has a ripple effect on private investment. When public projects falter, private sector confidence wavers, leading to decreased investment and slower economic expansion.

**The Role of Government Capital Expenditure** The role of government capital expenditure cannot be overstated in the quest for sustainable economic growth. **Current Capital Expenditure Levels:** The government must accelerate its spending, aiming for at least a 20% increase based on revised estimates for 2024-25. Such an increase is imperative to stimulate private investment and bolster overall GDP growth. **Future Projections:** Sustainable capital expenditures can have a favorable effect on private investment. The government's investment strategy needs to be tailored to not only meet immediate targets but also to foster an environment conducive to long-term growth.

**Medium to Long-Term Growth Prospects** Looking ahead, the medium to long-term growth prospects for India appear cautiously optimistic. **Projected Growth Rates:** The

International Monetary Fund (IMF) projects a steady real GDP growth rate of around 6.5% over the next five years. This aligns with the potential growth rate, considering global economic conditions and domestic policies. Factors Influencing Growth: The implicit price deflator (IPD) suggests an inflation rate of about 4%, which could lead to a nominal GDP growth of 10.5% to 11%. Improved global conditions and a rise in net exports can further enhance GDP growth, potentially reaching up to 7% in favorable years.

Challenges to Sustained Growth While the future holds promise, several challenges must be addressed to maintain a growth rate of 6.5%. Increasing Base Effects: As the GDP base continues to increase, sustaining a 6.5% growth rate will become more challenging. The initial years may require even higher growth rates to compensate for the larger economic base. Global Economic Factors: Unpredictable global economic conditions can significantly impact domestic growth. External shocks, trade dynamics, and geopolitical tensions can all disrupt the anticipated growth trajectory. Investment Climate: A conducive investment climate is essential for attracting both domestic and foreign investments. Policies that promote ease of doing business and ensure regulatory stability will be crucial.

### Conclusion

The interplay between government capital expenditure and GDP growth is complex yet pivotal. While the current dip in growth rates raises concerns, understanding the underlying factors offers a clearer picture of the economic landscape. By strategically increasing capital expenditure and fostering a favorable investment climate, India can

navigate the challenges ahead and work towards achieving its economic potential.

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