



Current Affairs of the Day

PAPER 2:

International Relations:

1. With economic measures, India seeks to turn tables on China
2. EU clears use of remdesivir to fight virus
3. Beijing rejects criticism of S. China Sea drills
4. South China Sea Dispute
5. 'Enrica Lexie' Case (Italy v. India)

Health:

1. Not the time to profiteer: NPPA
2. National Pharmaceutical Pricing Authority (NPPA)



Not the time to profiteer: NPPA

➤ To ensure sufficient availability of critical medical equipment for clinical management of COVID-19 in the country, the Union Health Ministry said on Friday that it had identified a list of critical medical equipment



Viral tracker

With 20,923 new COVID-19 cases and 436 deaths, the cumulative tally rose to 6,47,522 cases and 18,662 deaths on Friday. The graphs depict new cases (C) and new deaths (D) in the last 14 days in select States. If the average cases or deaths in the last seven days are much higher than the previous seven days, then the cases/deaths are rising (red), if they are lower then dropping (green), if they are similar, then flatlining (orange)

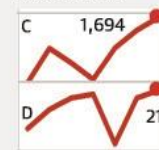
NEW CASES AND DEATHS IN INDIA

CASES	DEATHS
20,923	436
7 DAY-CHANGE	7 DAY-CHANGE
+9.8%	+15%

MAHARASHTRA



KARNATAKA



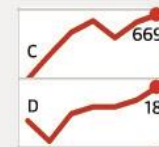
NOTE

*Cases/deaths and the comparison does not include Telangana as data was not released till 10.30 p.m.

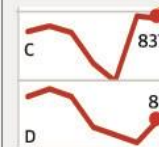
TAMIL NADU



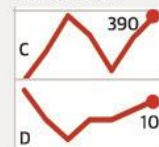
WEST BENGAL



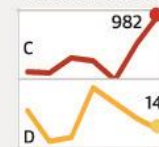
ANDHRA PRADESH



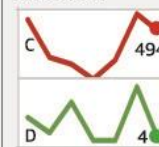
RAJASTHAN



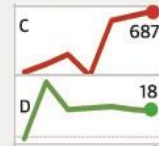
UTTAR PRADESH



HARYANA



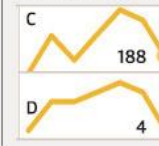
GUJARAT



DELHI



MADHYA PRADESH



FIGURES ON THE GRAPHS DEPICT NEW CASES AND NEW DEATHS RECORDED IN THOSE STATES ON FRIDAY

and had requested the **National Pharmaceutical Pricing Authority (NPPA)** to ensure its availability at affordable prices.

Details:

- All the medical devices have been notified as drugs and have come under the regulatory regime of the **Drugs and Cosmetics Act, 1940 and Drugs (Prices Control) Order, 2013**, with effect from April 1.
- A stakeholders consultation with medical devices industry associations and civil society groups was held by the NPPA on July 1 wherein it was stressed that all the manufacturers and importers of critical medical equipment shall ensure sufficient availability of the same.
- It has been reiterated that all the medical devices have come under price regulation accordingly, price increase of medical devices would be monitored.



Value Added Information

National Pharmaceutical Pricing Authority (NPPA):

- It was established on 29th August 1997 as an independent body of experts under Department of Pharmaceuticals, Union Ministry of chemicals and Fertilizers as per the decision taken by the Cabinet committee in September 1994 while reviewing Drug Policy.
- The NPPA invoked extraordinary powers in public interest under para 19 of DPCO 2013 for upward revision of the ceiling prices.

Functions:

- To implement and enforce the provisions of the Drugs Price Control Order (DPCO), 1995/2013 in accordance with the powers delegated to it.
- To undertake and/or sponsor relevant studies in respect of pricing of drugs/formulations.
- To monitor the availability of drugs, identify shortages, if any, and to take remedial steps.
- To collect/maintain data on production, exports and imports, market share of individual companies, profitability of companies etc. for bulk drugs and formulations.
- To deal with all legal matters arising out of the decisions of the Authority.
- To render advice to the Central Government on changes/revisions in the drug policy.
- To render assistance to the Central Government in the parliamentary matters relating to the drug pricing.

Drug Prices Control Order (DPCO):

- The Drugs Prices Control Order, 1995 was an order issued by the Government of India under Sec. 3 of Essential Commodities Act, 1955 to regulate the prices of drugs.



- The Order interalia provides the list of price controlled drugs, procedures for fixation of prices of drugs, method of implementation of prices fixed by Govt., penalties for contravention of provisions etc.
- For the purpose of implementing provisions of DPCO, powers of Govt. have been vested in NPPA. Later, the Drugs (Prices Control) Order (DPCO) 2013 was notified.

National List of Essential Medicines (NLEM):

- It was adopted as the primary basis for determining essentiality, which constitutes the list of scheduled medicines for the purpose of price control.
- The DPCO 2013 contains 680 scheduled drug formulations spread across 27 therapeutic groups. However, the prices of other drugs can be regulated, if warranted in public interest.

NOTE: Drugs are essential for health of the society. Drugs have been declared as Essential and accordingly put under the Essential Commodities Act.

With economic measures, India seeks to turn tables on China

Key Points:

- India is considering a range of economic measures aimed at Chinese firms amid the border tensions. The move to ban 59 Chinese apps may be just the start, with other measures likely to follow if tensions along the Line of Actual Control (LAC) continue, without disengagement.
- Power Minister R.K. Singh said India would not import power equipment from China — worth \$2 to \$3 billion annually — while Minister for Road Transport and Highways Nitin Gadkari said on July 1 Chinese companies would not be allowed to take part in road projects.
- The government is considering trade and procurement curbs targeting China. The government is also increasing scrutiny of Chinese investments in many sectors, and weighing a decision to keep out Chinese companies from 5G trials.
- The moves could potentially cost Chinese companies billions of dollars. The message from Delhi is it cannot continue trade and investment relations as



normal, if China does not agree to return to the status quo of April before its incursions along the LAC began.

Chinese reaction:

- The Chinese government has hit out at the measures, while state media have widely criticised calls in India to boycott Chinese goods. China is itself no stranger to such moves, having frequently deployed economic countermeasures, from restricting market access to boycotting goods, in the midst of its own disputes, with countries ranging from South Korea and Japan to the Philippines.
- China's state media spearheaded a boycott of South Korean goods in 2016 and 2017, when Seoul deployed the U.S. Terminal High-Altitude Area Defense missile system.

China's leverage

- In all those relationships, China had particular leverage that it used to inflict immediate economic pain. In the India-China economic relationship, where trade is lopsided in China's favour, both sides have different levers that they could turn to, but options are tilted in China's favour because China is far less dependent on India's market than India is on Chinese imports.
- India's biggest lever is its market. For TikTok, one of the 59 apps banned, India is the biggest overseas market with more than 100 million users. While the parent company ByteDance reported modest earnings of \$5.8 million in 2018-19, its first full year in India, a source close to the company told the Chinese finance magazine Caixin that ByteDance "is anticipating a loss of more than \$6 billion, most likely more than the combined losses for all the other Chinese companies behind the other 58 apps banned in India."
- If India does have leverage that could hurt potential revenues of Chinese companies, the problem for New Delhi is China could inflict immediate economic pain should it choose to.
- In 2019-20, India's imports from China accounted for \$65 billion out of two-way trade of \$82 billion. India relies on China for crucial imports for many of its industries, from auto components to active pharmaceutical ingredients (APIs). Between 70% to 90% of APIs come from China.



EU clears use of remdesivir to fight virus

- The European Commission, the bloc's executive arm, on Friday authorised the use of **anti-viral drug remdesivir** to treat COVID-19.
- At least two major U.S. studies have shown that remdesivir can reduce the duration of hospital stays for COVID-19 patients.

Beijing rejects criticism of S. China Sea drills

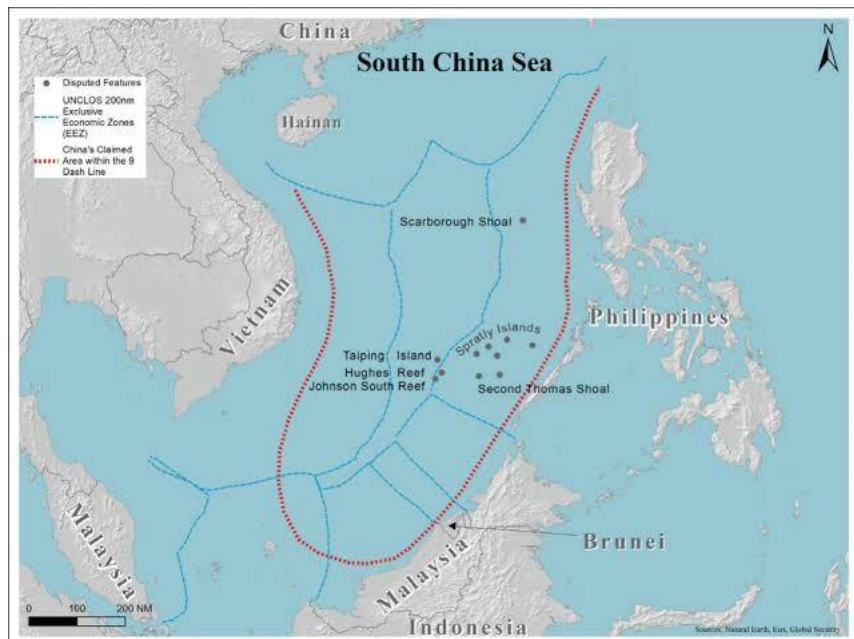
- China on Friday rejected criticism by the U.S. Defense Department of its plan to hold military exercises in the **South China Sea**, and suggested that Washington was to blame for increased tensions in the region.
- China announced last week it had scheduled five days of drills near the **Paracel Islands, claimed by both Vietnam and China.**

Value Added Information

South China Sea Dispute:

What's the issue now?

- The focus this time is on two disputed archipelagos of the Spratly Islands and the Paracel Islands in the middle of the South China Sea waters, between the territory of Vietnam and the Philippines.





- Beijing unilaterally renamed 80 islands and other geographical features in the area, drawing criticism from neighbouring countries who have also laid claim to the same territory.

What is the Spratly Islands dispute about?

- The ongoing territorial dispute is between China, Taiwan, Vietnam, the Philippines, and Malaysia concerning the ownership of the Spratly Islands archipelago and nearby geographical features like corals reefs, cays etc.
- Brunei has contained its objections to the use of its maritime waters for commercial fishing.
- The islands may have large reserves of untapped natural resources including oil.

What is the Paracel Islands dispute about?

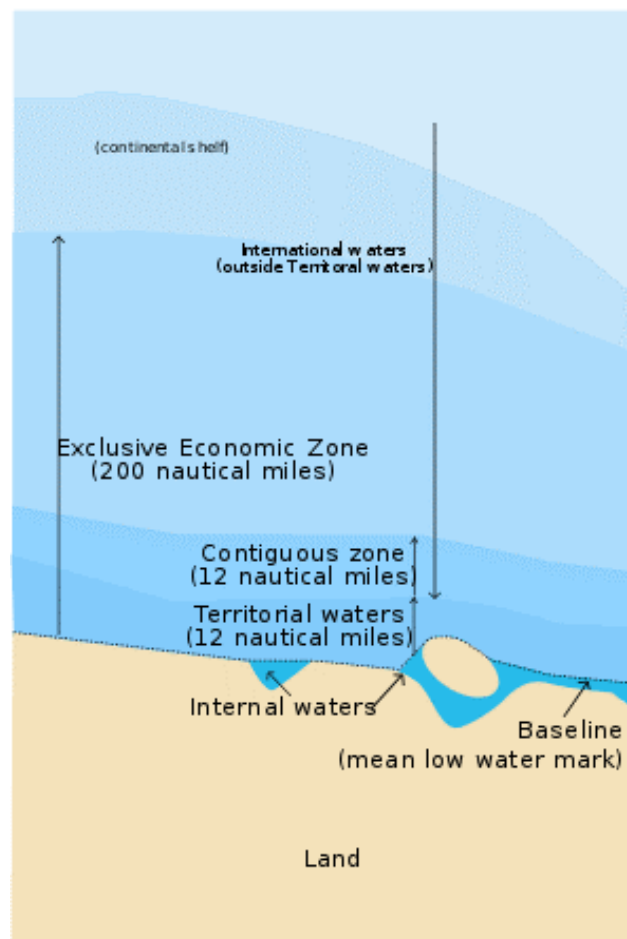
- Located in the South China Sea, almost equidistant from China and Vietnam.
- Beijing says that references to the Paracel Islands as a part of China sovereign territory can be found in 14th century writings from the Song Dynasty.
- Vietnam on the other hand, says that historical texts from at least the 15th century show that the islands were a part of its territory.
- With increased tensions accelerated by Colonial powers, China and Vietnam fought over their territorial disputes in January 1974 after which China took over control of the islands.
- In retaliation, in 1982, Vietnam said it had extended its administrative powers over these islands.
- In 1999, Taiwan jumped into the fray laying its claim over the entire archipelago.
- Since 2012, China, Taiwan and Vietnam have attempted to reinforce their claims on the territory by engaging in construction of government



administrative buildings, tourism, land reclamation initiatives and by establishing and expanding military presence on the archipelago.

Understanding UNCLOS:

- United Nation Convention on the Laws of the Sea defines the rights, responsibilities of nations with respect to their use of world's oceans, establishing guidelines for businesses, environment, and the management of marine natural resources.





'Enrica Lexie' Case (Italy v. India)

- **Permanent Court of Arbitration (PCA) tribunal** has now ruled that Italian marines held “diplomatic immunity” and would face a trial in Italy, not India.
- However, PCA tribunal found merit in India’s counter-claim that the marines on board “Enrica Lexie” had violated the freedom of navigation rights under the United Nations Convention on the Law of the Sea (UNCLOS) by shooting at fishing boat and should pay compensation to the victims’ families, the boat owner and crew members.
- The tribunal said India must cease to exercise its jurisdiction.

About Enrica Lexie case:

- It is an ongoing international controversy about a shooting that happened off the western coast of India.
- On 15 February 2012, two Indian fishermen on board Indian fishing vessel were killed off the coast of Kerala after they were fired upon by Italian marines on board the Italian-flagged commercial oil tanker MV Enrica Lexie.
- Italy had approached the International Tribunal for the Law of the Sea (ITLOS) in 2015 and the matter was heard by the Permanent Court of Arbitration in July 2019.

Value Added Information

- The **International Tribunal for the Law of the Sea (ITLOS)** is an independent judicial body established by the **United Nations Convention on the Law of the Sea (UNCLOS)** to adjudicate disputes arising out of the interpretation and application of the Convention.
- The **Permanent Court of Arbitration (PCA)** is an intergovernmental organization located at The Hague in the Netherlands.
- The PCA is **not a court in the traditional sense** but provides services of arbitral tribunal to resolve disputes that arise out of international agreements between member states, international organizations or private parties.
- The PCA is constituted through two separate multilateral conventions and is **not a United Nations agency**, but the PCA is an official United Nations Observer.