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Warning on Scarcity of Drugs and Medical Devices

Why in News

Recently, the **Department of Pharmaceuticals** has warned of a nationwide **shortage of medicines and medical devices**.

- It has urged the **Ministry of Home Affairs** to take **immediate steps to help** the drug makers resume production under the current **lockdown**.
- The **National Pharmaceutical Pricing Authority** (NPPA) had also written to all State Chief Secretaries on the problems faced by the pharma firms.

A bitter pill

The Indian pharma industry is hit hard by the restrictions imposed during the lockdown

- Pharma and medical device producers are operating at just 20 to 30% of their capacity

- Reverse migration and the inability of local workers to turn up has reduced their labour force

- Lack of adequate transport and logistics services (such as couriers)

- Mistreatment by police and local officials

- Lack of clarity on permits for factory operations

- Ancillary industries such as packaging and raw material suppliers are shut

- As close to 50% of the pharmaceutical output is exported by India, the domestic market is more vulnerable to such production shocks



Key Points

- The Department of Pharmaceuticals under the **Ministry of Chemicals and Fertilizers** is **entrusted with ensuring the seamless production and distribution** of critical life-saving medicines in the wake of the lockdown to contain the **Covid-19 pandemic**.
- **On an average**, drug and medical device makers are functioning at only **20%-30% of their full capacity** during the lockdown.
- **Production units** engaged in making **essential commodities**, including medicines, vaccines, masks and their ancillaries have been **exempted from the restrictions** imposed as per the national lockdown.
- If the production will not reach the **pre-lockdown level** soon, it would lead to shortages of medicines and medical devices in the coming weeks.
- Both in the **public and private** sector, the **seamless functioning** of pharma manufacturing and distribution units is **crucial** in dealing with the crisis.
- A **helpline** has been created for **pharma producers' operational complaints**, which are also being referred to State Drug Controllers for suitable intervention.

Challenges

- **Export** of Indian pharmaceuticals offer a **better price in global markets** which can lead to **disproportionate shortages in the domestic market**.
- **Restrictions on mobility and production** in several states.
- **Unavailability of labour, transport and courier** services.
 - Reverse migration (from cities to sub-urban/rural areas) of labour and local workers.
 - Lack of public transport options and the fear of police action.
 - Drivers have left their trucks on highways fearing stoppage of vehicles on State, district and city borders and lack of food and diesel on the route.
- **Closure of ancillary industries** which are not being considered essential by few local administrations.

They supply packaging material, excipients (required for tablets and capsules manufacturing), utility consumables like briquettes/gases (required to run boilers) and spare parts.

Suggestions

- **Suitable measures** are needed to **reduce the export** and **focus more on domestic needs**.
- State and district administrations need to be **sensitised** so that they can proactively fulfil the needs of pharma units to function fully.
- **Allowance** to the pharma industry to **ferry back their contractual workers** from their native places and **make courier services fully functional** in metro, Tier 1 and Tier 2 cities.
- **Drivers with commercial licences** should be **allowed to move** with or without a vehicle by treating it as a 'pass' during the lockdown.
- The **apprehensions of the drivers need to be addressed** and they also need to be **motivated and incentivised**.

Source: TH

Listing More Private Hospitals under PM-JAY

Why in News

The **National Health Authority** has launched an **express empanelment process** called **Hospital Empanelment Module (HEM) Lite** to bring a large number of private hospitals under **Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY)**.

The move came in the backdrop of the current situation of **Covid-19 outbreak**, when many medical colleges, civil hospitals and district hospitals which were otherwise treating bulk of AB-PMJAY patients are **being converted as dedicated covid-19 facilities** in States.

Key Points

- With the launch of **express empanelment process**, patients suffering from **serious illnesses, such as cancer, cardiac issues and diabetes** that require continuous treatment, will be able to **continue getting inpatient services** without the fear of contracting the Covid -19 infection.
- The mechanism will also help in empanelling dedicated **Covid-19** hospitals.
- Hospitals **can empanel themselves for a temporary period of 3 months** through a simpler, user friendly online system available on the **scheme's website www.pmjay.gov.in**.
- Using the HEM Lite process, it will take **less than one hour for a hospital to fill the application form along with documents**. The system has been built in a way to ensure that the rest of the process of approvals by concerned authorities is **expeditious**.
- These hospitals have the choice whether to provide regular treatment for serious illnesses such as cancer and cardiac illnesses under the scheme **or convert themselves into covid-19 only hospitals providing dedicated testing** and treatment to covid-19 patients.

The government recently decided to **bring testing and treatment of covid-19** under AB PM-JAY scheme.

- The **State Health Agency (SHA) will sign an MoU** with express empaneled hospital for three months only.
After this period, the SHA can **continue with the empanelment on mutual agreement between hospital and SHA**, but **only after the detailed empanelment process is followed** i.e. hospital has filled the entire form and District Implementation Unit (DIU) and SHA have verified the details, etc.

Pradhan Mantri Jan Arogya

- PM-JAY offers **a sum insured of Rs.5 lakh per family** for secondary care (which doesn't involve a super specialist) as well as tertiary care (which does).
- It is an entitlement-based scheme that targets the beneficiaries as **identified by latest Socio-Economic Caste Census (SECC) data**. Once identified by the database, the beneficiary is considered insured and can walk into any empanelled hospital.
- The insurance cost is **shared by the centre and the state mostly in the ratio of 60:40**.

- Empanelled hospitals agree to the packaged rates under PM-JAY—there are about **1,400 packaged rates for various medical procedures under the scheme.**
 - These packaged rates also mention the **number of average days of hospitalization for a medical procedure and supporting documents that are needed.**
 - These rates are flexible, but once fixed hospitals can't change it and under no circumstances can they charge the beneficiary. The scheme also has prescribed **a daily limit for medical management.**
- The **National Health Agency** has been constituted as an autonomous entity under **the Society Registration Act, 1860** for effective implementation of PM-JAY in alliance with state governments.
- The **State Health Agency (SHA)** is the apex body of the State Government responsible for the implementation of AB PM-JAY in the State.

Source: TH

ADB Assures Covid-19 Support Package

Why in News

The **Asian Development Bank (ADB)** has assured the Ministry of Finance of USD 2.2 billion (about Rs 16,500 crore) support to India in its fight against the **Covid-19 pandemic.**

- On **18th March, 2020**, ADB announced an **initial package of approximately USD 6.5 billion** to address the immediate needs of its **developing member countries, including India**, as they respond to the Covid-19 pandemic.
- The **World Bank** has approved a **\$1-billion assistance to help India** prevent, detect and respond to the outbreak, and strengthen its public health preparedness.

Key Points

- **Background: Weakening global economic growth** is causing
 - Disruptions in India's trade and manufacturing supply chains,
 - Slowdown in tourism and other economic activities,
 - Strain on the large number of micro, small, and medium-sized enterprises,
 - A negative impact on the livelihood of formal and informal labourers across the country, etc.

- **ADB praised efforts of the Government:** ADB praised the Indian government's decisive response to the pandemic, including
 - **A national health emergency program.**
 - **Tax and other relief measures** provided to businesses.
 - **Rs 1.7 lakh crore economic relief package** (Pradhan Mantri Garib Kalyan Yojana), which provides immediate income and consumption support to the poor, women, and workers affected by the three-week nationwide lockdown.
- **ADB's Support to India**
 - It is now preparing **USD 2.2 billion in immediate assistance** in response to Covid-19 to the health sector to help alleviate the economic impact of the pandemic on the poor.
 - ADB is also engaged with the **private sector to meet its financing needs** during this period.
 - It is ready to provide **further financial assistance and policy advice** whenever the situation warrants.
 - ADB is also planning to **consider all financing options available to meet India's needs**, to facilitate swift disbursement of ADB funds including emergency assistance, policy-based loans, and budget support.

Asian Development Bank

- ADB is a **regional development bank** established on **19th December 1966**.
- ADB now has **68 members, 49 from within Asia**.
- **Japan holds the largest proportion** of shares in ADB followed by the USA.
- It aims to promote social and economic development in Asia.
- ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.
- ADB is **headquartered in Manila, Philippines**.

Source: IE

India-Pak Tension Amidst Covid-19

Why in News

Recently, India has said that the degree of seriousness of each **South Asian Association for Regional Cooperation** (SAARC) member-nation in collectively fighting the **Covid-19 pandemic** can be gauged by their behaviour.

The statement is in clear reference to Pakistan's opposition to India's leadership in dealing with the crisis in the region.

Key Points

- Pakistan has pledged to contribute \$3 million to **SAARC Covid-19 Emergency Fund**.
- Pakistan has also demanded that any **initiative to deal with the situation must be brought under SAARC's framework** and utilised in accordance with the SAARC charter.
- **Pakistan also boycotted a video conference of trade officials** of the SAARC members.
 - It has said that these initiatives would only be effective if these are headed by the group's secretariat and not by India.
- India has maintained that **such initiatives** (formation of emergency fund) are **taken under extraordinary circumstances** which are **focused on jointly fighting** an issue or problem **without the limitations of procedural formalities**.
 - Each member nation** has the **right to decide on the timing, manner and implementation** of their SAARC Covid-19 Emergency Fund commitments.

India's Role

- India has **taken the lead role in taking preventive measures** against the **novel coronavirus** crisis in the region.
- In March, India proposed an **Covid-19 Emergency Fund** in the **video conference of SAARC members** on **forming a joint strategy** to fight Covid-19.
 - The Fund would be based on a **voluntary contribution** from all SAARC members.
 - **Indian Prime Minister contributed \$10 million** to the fund.
 - Following Indian lead ,subsequently, Nepal and Afghanistan (\$1 million each), Maldives (\$200,000), Bhutan (\$100,000), Bangladesh (\$1.5 million) and Sri Lanka (\$5 million) also pledged to contribute to the fund.
 - The fund is used to **meet the cost of immediate actions** by any member and will be coordinated through foreign secretaries and embassies of the member countries.
- India has also **extended assistance in materials and services to Afghanistan, Bangladesh, Bhutan, the Maldives (Operation Sanjeevani), Nepal and Sri Lanka** keeping in mind their early commitments to the fund and serious behaviour.

South Asian Association for Regional Cooperation

- It was **established on 8th December 1985** with the signing of the **SAARC Charter** in **Dhaka (Bangladesh)**.
- It has 8 members: **Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka and Afghanistan**.
 - Afghanistan** became its **newest member** at the **13th annual summit in 2005**

- The **Headquarters** and **Secretariat** are at **Kathmandu, Nepal**.
- **Principles:**
 - Respect for the principles of sovereign equality, territorial integrity, political independence, non-interference in the internal affairs of other States and mutual benefit.
 - Such cooperation shall not be a substitute for bilateral and multilateral cooperation but shall complement them.
 - Such cooperation shall not be inconsistent with bilateral and multilateral obligations.



Source: IE

Talks on Oil Cut Deal at G-20

Why in News

Recently, at **G20** talks, top oil nations pushed to finalise a deal on oil cuts to lift prices slashed by the coronavirus crisis.

Key Points

- Measures to curb the spread of the **coronavirus have destroyed demand for fuel** and driven down oil prices.
It strained the budgets of oil producers and also affected the U.S. shale industry which is more vulnerable to low prices due to its higher costs.
- **Saudi Arabia** and **Russia and its allies (OPEC + group)**, had forged a pact to curb crude production by the **equivalent of 10% of global supplies**.

- They **also want other producers** including the United States and Canada to cut a further 5%.
 - The **crisis in the oil market** has **pushed Russia and Saudi Arabia to patch up differences** after their hostile meeting in March, 2020.
 - The **dispute over how best to tackle falling prices** led them to scrap their existing pact on production restraint that had helped balance the oil market for three years.
- Russia and Saudi Arabia agreed that their cuts would both be calculated from an October 2018 baseline.
- But **efforts to conclude the deal hit the buffers** when **Mexico said it would only cut output by a quarter of the amount** demanded by OPEC +.
 - Mexico also said that the US had offered to make extra U.S. cuts on Mexico's behalf.
 - Mexico also **cares less about low oil prices** because of its hedging programme, which protects it against price falls.
- The demand for oil has plunged by 30% and even an unprecedented cut of 15% made by the deal in global supplies would have little effect on prices.
- The head of the **International Energy Agency** said **importing countries could offer some support to the market by making extra purchases** of crude for strategic reserves.

The United States has said that it would help demand by opening its strategic reserve to store as much oil as possible.

OPEC +

- The **non-OPEC countries which export crude oil** are termed as **OPEC +** countries.
- OPEC + countries include Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, South Sudan and Sudan.

Organization of the Petroleum Exporting Countries (OPEC)

- The Organization of the Petroleum Exporting Countries (OPEC) is a **permanent, intergovernmental organization**, created at the **Baghdad Conference** in 1960, by **Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela**.
- It aims **to manage the supply of oil in an effort to set the price of oil in the world market**, in order to avoid fluctuations that might affect the economies of both producing and purchasing countries.
- It is headquartered in **Vienna, Austria**.
- OPEC membership is open to any country that is a substantial exporter of oil and which shares the ideals of the organization.

- As of April 2020, OPEC has a total of 13 Member Countries viz. Iran, Iraq, Kuwait, United Arab Emirates (UAE), Saudi Arabia, Algeria, Libya, Nigeria, Gabon, Equatorial Guinea, Republic of Congo, Angola, and Venezuela are members of OPEC.

G-20

- The G20 is an **informal group of 19 countries** and the **European Union**, with representatives of the **International Monetary Fund and the World Bank**.
- The G20 membership comprises a **mix of the world's largest advanced and emerging economies**, representing about two-thirds of the world's population, 85% of global gross domestic product, 80% of global investment and over 75% of global trade.
- The members of the G20 are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States and the European Union.
- It does not have **any permanent secretariat** or headquarters.

Source: IE

Meal Scheme Hit Due to Lockdown

Why in News

Due to **Covid-19** lockdown, implementation of the **Integrated Child Development Services (ICDS) is affected** in large pockets across Maharashtra.

Integrated Child Development Services (ICDS) Programme

- The programme provides **specific interventions** targeted towards the vulnerable groups including children below 6 years and women.
Under it, **anganwadi centres** across India serve **nutritious meals (hot cooked meals)** to children and nursing mothers.
- It is being implemented by the **Ministry of Women and Child Development**.
- It is a **centrally sponsored scheme** and provides **a package of six services** namely supplementary nutrition, pre-school non-formal education, nutrition & health education, immunization, health check-up and referral services.
- About 87 lakh children aged up to 6 years are beneficiaries of the scheme, they are served by nearly 90,000 anganwadis.

Key Points

- Anganwadis are closed due to lockdown and the **delivery of Hot Cooked Meals (HCM) has completely halted** in some pockets.
- In some areas of the State, beneficiaries are beginning to receive grocery supplies instead of Hot Cooked Meals (HCM). However, there are wide complaints of **inadequate supplies**.
- Even, the districts where **malnutrition is a recurring problem haven't received the grocery material**.
 - On 31st March, 2020, ICDS Commissionerate ordered that the HCM be replaced by grocery packages.
- Where the material (grocery packages) has arrived there are **multiple operational problems**.
 - In many villages it's **not possible to go door-to-door**, houses are far apart.
 - It is being said that the government is not providing any additional funds for gloves and masks.
 - Beneficiaries are gathering at the anganwadi, which is hampering social distancing.
- Another dilemma is that the **grocery packages will most certainly be consumed by the entire household**. Women who are pregnant or lactating, could benefit the least as they're generally the last to eat.

Source: IE

Revoke Order Weakening PCPNDT Act: AIDWA

Why in News

The **All India Democratic Women's Association (AIDWA)** has asked the government to withdraw an order that could weaken the implementation of the law banning pre-natal sex determination.

Key Points

- AIDWA referred to the **gazette notification** issued by the Health Ministry on 4th April 2020, which **suspended Rule 8, Rule 9(8) and Rule 18A(6)** of the **Pre-Conception and Pre-Natal Diagnostic Techniques (PCPNDT) Act, 1994**.
- The **suspended clauses deal with:**
 - Process for renewal of registration of genetic and ultrasound clinics.
 - Responsibilities of labs and clinics in maintaining and preserving records of all tests, techniques and procedures and sending a report to the concerned appropriate authority.
 - Duties of district authorities in sharing a quarterly progress report.

- After seeing the resistance, the Health Ministry **clarified** that the move **only allowed an extension of the deadline for submitting the progress reports** until 30th June 2020.
- The AIDWA has **rejected** the government's explanation and has asked the government to **revoke the notification**.
 - It has highlighted that the **suspension** of these rules throughout the country would **mean that clinics and genetic labs can carry on functioning without any scrutiny**.
 - This is the **only scrutiny that these labs are subjected to**, to assess their adherence to the basic rules and **to ensure that sex selection is not being carried** out by them.
- It has suggested that the government can issue an administrative order to delay the submission of the reports under Rule 9(8) and 18A(6) till 30th June while **making it clear that the relevant records must be maintained as mandated** by the PCPNDT Act.

However, the application for re-registration should not be allowed to be postponed since this can be done online.

Pre-Conception and Pre-Natal Diagnostic Techniques Act

- It was **enacted in 1994** and **amended in 2003**.
- It is an **important tool for addressing sex selective eliminations**.
- **Objectives:**
 - To ban the use of sex selection techniques before or after conception.
 - To prevent the misuse of prenatal diagnostic technique (PDNT) for sex selective abortion.
- **Offences under the act include:**
 - Conducting or helping in the conduct of prenatal diagnostic technique in the unregistered units.
 - Sex selection on a man or woman.
 - Conducting PNDT for any purpose other than the one mentioned in the act.
 - Sale, distribution, supply, renting etc. of any ultrasound machine or any other equipment capable of detecting sex of the foetus.

All India Democratic Women's Association

- It is an **independent left oriented women's organisation** committed to achieving **democracy, equality and women's emancipation**.
- It was **founded in 1981** as a national level mass organisation of women.
- Its **members are from all strata in society**, regardless of class, caste and community. About **two-thirds of the organization's strength** is derived from **poor rural and urban women**.

- It **upholds secular values and challenges and resists cultural practices demeaning to women** and believes that the emancipation of women in India requires fundamental systemic change.

Source: TH

NBFCs Face Moratorium Issue with Banks

Why in News

Non-Banking Financial Companies (NBFCs) may face a tough time following the Reserve Bank of India's recent directive on providing a moratorium on repayment.

This is because though these entities are providing **moratoriums to their customers**, they still have to continue repaying banks and other borrowers.

Key Points

- **Banks are not willing to offer any moratorium** on term loans taken by the NBFCs. This has put significant pressure on liquidity profiles of many NBFCs.
 - A significant part of money disbursed by NBFCs is loan taken **from banks**.
 - **Moratorium simply refers** to a legal authorisation to existing borrowers to defer or postpone their loan repayments for a predetermined period.
- The Reserve Bank of India (RBI) had asked banks, co-operative banks and NBFCs to offer a **three-month moratorium on loan repayments by their customers** in the wake of the **Covid-19 pandemic** and the nationwide lockdown.
 - The RBI has not specifically said NBFCs should not be given moratorium by banks.
 - While a few banks are inclined to offer moratorium on NBFC loans, some of the big banks have ruled out any such facility.
- The NBFCs have already been facing liquidity problems due to the the **IL&FS and DHFL crises**.

- Total bank loan outstandings to Non-Banking Financial Company(NBFC) sector were **Rs.7,37,198 crore as of January 31,2020 showing a rise of 32.2 per cent** on a year-on-year basis.
 - **Collections from customers have declined** due to the **lockdown**, closure of units and job losses.
 - Almost **60% of NBFC borrowings** are from non-bank sources and require continuity in debt servicing.
 - With minimal collections, NBFCs can only depend on their **cash reserves and any backup credit lines from banks**, if available for servicing such debt.
 - Debt service is the cash that is required to cover the repayment of interest and principal on a debt for a particular period.
- **Reserve Bank of India's (RBI) Move**
 - The **RBI** has made available **Rs 1 lakh crore through its targeted long-term repo operations (TLTRO) window**.
 - Corporates and government-owned financiers will also be interested in this window.
 - Only higher rated NBFCs may end up benefiting.
 - **Industry chamber Assocham** has proposed a **special liquidity window for NBFCs**, but the RBI has not shown any inclination so far.

Non-Banking Financial Company

- NBFC is a company registered under the **Companies Act, 1956**.
- It is engaged in the **business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities** issued by Government or local authority or other **marketable securities** of a like nature, leasing, hire-purchase, insurance business, chit business.
- But, it does not include any institution whose principal business is that of **agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property**.
- A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in **one lump sum or in installments by way of contributions or in any other manner**, is also a non-banking financial company (Residuary non-banking company).

Features of NBFCs

- NBFC cannot accept demand deposits.
- NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself.

- Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs.

Source: IE

Swachhata App

Why in News

The **Ministry of Housing and Urban Affairs (MoHUA)** has launched a **revised version of the existing Swachhata-MoHUA App** to handle **queries specific to Covid-19**.

Key Points

- Swachhata-MoHUA is the **official platform for Swachh Bharat Mission** built in partnership with the Ministry of Housing and Urban Affairs.
- The app **enables a citizen to post a civic-related issue** (eg; a garbage dump, public toilets not cleaned, etc.) which is then forwarded to the city corporation concerned and thereafter assigned to the sanitary inspector of the particular ward.
- It serves as an **effective digital tool (e-governance)** enabling citizens to play an active role in the Swachhata of their cities and increase **accountability on the part of Urban Local Bodies (ULBs)**.
- The **revised version includes Covid-19 related support requests** including fogging/sanitation, food, shelter and reporting violation of quarantine/lockdown, suspected cases of Infection.

Swachh Bharat Mission

- To accelerate the efforts to achieve universal sanitation coverage and to put focus on sanitation, the Prime Minister of India **launched the Swachh Bharat Mission on 2nd October, 2014**.
- SBM is being **implemented by the Ministry of Housing and Urban Affairs (MoHUA) and by the Ministry of Jal Shakti** for urban and rural areas respectively.

Source: TH

Durbar Move

Why in News

Recently, for the first time in 144 years, the Jammu & Kashmir (J&K) administration has decided to halt the bi-annual shifting of the capital, called '**Durbar move**' due to the ongoing Covid-19 crisis.

Key Points

- From **May to October, governmental offices are housed** in the **summer capital of J&K, Srinagar**, and the **other six months in its winter capital, Jammu**.
- Durbar Move **acts as a bridge between two diverse cultures** of the Kashmir Valley and the Jammu region.
- The tradition was started during **Dogra ruler Maharaja Ranbir Singh in 1872**.
- Ranbir Singh was Maharaja of Jammu and Kashmir from 1856 to 1885.
- He was the **third son of Gulab Singh**, the founder of the Jammu and Kashmir state.

Source:TH
