

**INTERNATIONAL RELATION**

**Black Sea**

Recently, the US Defence Secretary has urged more defence cooperation among friendly Black Sea countries amid Russia “militarisation” of the region. This came ahead of a NATO Ministers summit.



**Key Points**

**Geographical Location of Black Sea:**

- The Black Sea is located between Eastern Europe and Western Asia.
- It is surrounded by the Pontic, Caucasus, and Crimean Mountains in the south, east and north respectively.
- The Black Sea is also connected to the Sea of Azov by the Strait of Kerch.
- The Turkish straits system - the Dardanelles, Bosphorus and Marmara Sea - forms a transitional zone between the Mediterranean and the Black Sea.
- The bordering countries of Black Sea are: Russia, Ukraine, Georgia, Turkey, Bulgaria and Romania.
- There is a significant absence of oxygen in the water (anoxic waters).

**Russian Interest in Black Sea:**

- The unique geography of the Black Sea region confers several geopolitical advantages to Russia.
  1. Firstly, it is an important crossroads and strategic intersection for the entire region. Access to the Black Sea is vital for all littoral and neighboring states, and greatly enhances the projection of power into several adjacent regions.
  2. Secondly, the region is an important transit corridor for goods and energy.
  3. Thirdly, the Black Sea region is rich in cultural and ethnic diversity, and due to geographical proximity, shares close historical ties with Russia.
- Russia invaded Ukraine in 2014 and carved off the strategically vital peninsula of Crimea, the largest land grab from a sovereign state in this century.
  1. Most countries do not recognise the takeover and stand behind Ukraine’s claims to the waters.
  2. In November 2020, India voted against a Ukraine-sponsored resolution in the UN that condemned alleged human rights violations in Crimea thereby backing old ally Russia on the issue.

**US Interest in Black Sea:**

- The Black Sea is bordered by Bulgaria, Georgia, Romania, Russia, Turkey and Ukraine. All these countries are NATO countries.
- Due to this faceoff between NATO countries and Russia, the Black sea is a region of strategic importance & a potential maritime flashpoint.
- NATO members Turkey, Greece, Romania and Bulgaria are in the Black Sea, but warships from the US, UK and other NATO allies also have made increasingly frequent visits in a show of support to Ukraine. Russia has frequently responded to NATO warships visits near Crimea, casting them as destabilizing.

**GOVERNANCE**

**UDAN Scheme**

Ahead of UDAN Day (21st October), the Ministry of Civil Aviation flagged off 6 routes, expanding the aerial connectivity of North-East India, under the UDAN Scheme. The Government of India has

acknowledged the contribution of the scheme and has identified 21st October as UDAN Day, the day on which the scheme document was first released.

**Key Points****Launch:**

- Ude Desh Ka Aam Naagrik (UDAN) was launched as a Regional Connectivity Scheme (RCS) under the Ministry of Civil Aviation in 2016.

**Objectives:**

- To develop the regional aviation market.
- To provide affordable, economically viable and profitable air travel on regional routes to the common man even in small towns.

**Features:**

- The scheme envisages providing connectivity to un-served and underserved airports of the country through the revival of existing air-strips and airports. The scheme is operational for a period of 10 years. Under-served airports are those which do not have more than one flight a day, while unserved airports are those where there are no operations.
- Financial incentives from the Centre, state governments and airport operators are extended to selected airlines to encourage operations from unserved and under-served airports, and keep airfares affordable.

**Achievements So Far:**

- Till date, 387 routes and 60 airports have been operationalised out of which 100 routes are awarded in the North East alone.
- Under the KRISHI UDAN Scheme, 16 airports have been identified to enhance the export opportunities of the North East region establishing dual benefits of enhancement of cargo movements and exports.

**UDAN 1.0**

- Under this phase, 5 airlines companies were awarded 128 flight routes to 70 airports (including 36 newly made operational airports).

**UDAN 2.0**

- In 2018, the Ministry of Civil Aviation announced 73 underserved and unserved airports.
- For the first time, helipads were also connected under phase 2 of the UDAN scheme.

**UDAN 3.0**

- Inclusion of Tourism Routes under UDAN 3 in coordination with the Ministry of Tourism.
- Inclusion of Seaplanes for connecting Water Aerodromes.
- Bringing in a number of routes in the North-East Region under the ambit of UDAN.

**UDAN 4.0**

- In 2020, 78 new routes were approved under the 4th round of RCS-UDAN to further enhance the connectivity to remote & regional areas of the country.
- Kavaratti, Agatti, and Minicoy islands of Lakshadweep will be connected by the new routes of UDAN 4.0.

**UDAN 4.1**

- The UDAN 4.1 focuses on connecting smaller airports, along with special helicopter and seaplane routes.
- Some new routes have been proposed under the Sagarmala Seaplane services. Sagarmala Seaplane Services is an ambitious project under the Ministry of Ports, Shipping and Waterways with potential airline operators.

**KRISHI UDAN**

- It was launched by the Ministry of Civil Aviation in August 2020, on international and national routes to assist farmers in transporting agricultural products so that it improves their value realisation.

**International UDAN**

- Under International UDAN, the plan is to connect India's smaller cities directly to some key foreign destinations in the neighbourhood.

**Way Forward**

- Airlines have leveraged the scheme strategically towards gaining additional slots at congested tier-1 airports, monopoly status on routes and lower operational costs. Thus, stakeholders should work towards making the UDAN scheme sustainable on its own and improve its efficiency.

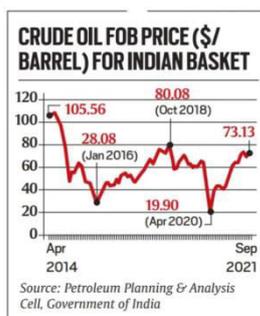
- Airlines should undertake marketing initiatives so that more and more people can take advantage of the UDAN scheme.
- More infrastructure is required for the successful implementation of the scheme across the country.

**ECONOMY**

**High Crude Oil Prices**

As the global recovery gains strength, the price of crude oil is nearing its highest level since 2018. Brent crude oil prices rose to USD 85.89 a barrel, the highest price since October 2018. US West Texas Intermediate (WTI) crude prices climbed to USD 83.40 a barrel, highest since October 2014.

- On the other side the price of natural gas and coal are hitting record highs amid an intensifying energy shortage.



**Key Points**

**Oil Pricing:**

- Generally, the Organization of the Petroleum Exporting Countries (OPEC) used to work as a cartel and fix prices in a favourable band.
- 1. OPEC is led by Saudi Arabia, which is the largest exporter of crude oil in the world (single-handedly exporting 10% of the global demand).
- 2. 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.
- OPEC could bring down prices by increasing oil production and raise prices by cutting production.
- The global oil pricing mainly depends upon the partnership between the global oil exporters instead of a well-functioning competition.
- Cutting oil production or completely shutting down an oil well is a difficult decision, because restarting it is immensely costly and complicated. Moreover, if a country cuts production, it risks losing market share if other countries do not follow the suit.
- Recently, OPEC has been working with Russia, as OPEC+ to fix the global prices and supply. In 2016, OPEC allied with other top non-OPEC oil-exporting nations to form an even more powerful entity named OPEC+ or OPEC Plus.

**Reasons for High Prices:**

- **Slow Production:**
- 1. Key oil producing countries have kept crude oil supplies on a gradually increasing production schedule despite a sharp increase in global crude oil prices. OPEC+ had agreed to sharp cuts in supply in 2020 in response to Covid-19 global travel restrictions in 2020 but the organisation has been slow to boost production as demand has recovered.
- **Supply Side Issues:**
- 1. Supply side issues in the US including disruptions caused by hurricane Ida and lower than expected natural gas supplies from Russia amid increasing demand in Europe have raised the prospect of natural gas shortages in the winter.

**Impact on India:**

- **Current Account Deficit:** The increase in oil prices will increase the country's import bill, and further disturb its current account deficit (excess of imports of goods and services over exports).
- **Inflation:** The increase in crude prices could also further increase inflationary pressures that have been building up over the past few months.

- **Fiscal Health:** If oil prices continue to increase, the government shall be forced to cut taxes on petroleum and diesel which may cause loss of revenue and deteriorate its fiscal balance.
- 2. The growth slowdown in the last two years has already resulted in a precarious fiscal situation because of tax revenue shortfalls.
- 3. The revenue lost will erode the government's ability to spend or meet its fiscal commitments in the form of budgetary transfers to states, payment of dues and compensation for revenue shortfalls to state governments under the Goods and Services Tax (GST) framework.
- **Economic Recovery:** Although the rising prices have impacted the world, India is particularly at a disadvantage as any increase in global prices can affect its import bill, stoke inflation and increase its trade deficit, which in turn will slow its economic recovery. India and other oil importing nations have called on OPEC+ to boost oil supply faster, arguing that elevated crude oil prices could undermine the recovery of the global economy.
- **Natural Gas Price:** The increase in gas prices has put upward pressure on the price of both Compressed Natural Gas (CNG) used as a transport fuel and Piped Natural Gas (PNG) used as a cooking fuel.

**IMPORTANT FACTS FOR PRELIM**

**Submarine Launched Ballistic Missile : North Korea**

Recently, North Korea fired a Submarine Launched Ballistic Missile (SLBM) from off its East Coast. North Korea is barred from testing ballistic missiles and nuclear weapons under international law.



**Key Points**

**Ballistic Missile:**

- It is a rocket-propelled self-guided strategic-weapons system that follows a ballistic trajectory to deliver a payload from its launch site to a predetermined target. Ballistic trajectory is the path of an unpowered object, as a missile, moving only under the influence of gravity and possibly atmospheric friction and with its surface providing no significant lift to alter the course of flight.
- It can carry conventional high explosives as well as chemical, biological, or nuclear munitions.
- The International Code of Conduct against Ballistic Missile Proliferation (ICOC), now known as the Hague Code of Conduct against Ballistic Missile Proliferation (HCOG), is a political initiative aimed at globally curbing ballistic missile proliferation. India is a signatory to this convention.
- Established in April 1987, the voluntary Missile Technology Control Regime (MTCR) aims to limit the spread of ballistic missiles and other unmanned delivery systems that could be used for chemical, biological, and nuclear attacks. India has joined the MTCR.

**Some of India's Ballistic Missiles:**

1. Agni P missile
2. Shaurya missile
3. Prithvi missile
4. Dhanush
5. Sagarika etc.

**DAILY ANSWER WRITING PRACTICE**

**Qns. Although the Indian pharmaceutical industry has emerged as the third global producer in the generic medicine manufacturing, many regulations are still archaic. Elaborate on the reforms needed in the pharmaceutical industry to meet the present-day needs. (250 words)**

**Ans:**

**Introduction**

The Indian pharmaceutical industry is one of the major contributors to the Indian economy and it is the world's third-largest industry by volume. The Indian pharmaceutical industry's success can be credited to its world-class capabilities in formulation development, entrepreneurial abilities of its people, and the vision of its business leaders to establish India's footprint in the United States and other large international markets.

**Body**

According to the Economic Survey of 2020-21, the Indian pharmaceuticals sector is expected to expand multifold and become a \$ 130 billion industry by 2030, while medicine spending is projected to grow rapidly too, leading India to become one of the top 10 countries in terms of such expenditure.

**Regulations governing the Pharma industry:**

- The Drugs and Cosmetics Act (DCA) of 1940, read together with the Drugs and Cosmetics Rules of 1945, are the primary legislations governing the import, manufacture, distribution and sale of drugs and cosmetics in India.
- In addition, there are other industry-specific rules and regulations around medical devices, prices of essential notified drugs, narcotic and psychotropic drugs and substances, development of new drugs and undertaking clinical trials.
- However, with the advancement of research and development, innovation and technology, as well as challenges such as the covid pandemic, the pre-independence era DCA and regulatory framework governing the sector in general need to keep pace, so as to provide a conducive and business-friendly environment for further growth and foreign investment in the sector.

**Reforms needed:**

• **The New Drugs, Cosmetics and Medical Devices Act**

1. This development is a good move forward, the task at hand is of great significance for India as well as the rest of the world, given the country's importance in the global pharmaceutical industry, and the new committee has its work cut out in a relatively short time frame.
2. The aspects which needs to be looked into are as follows

• **Digital health:**

1. New-age technologies and internet-based business models such as e-pharmacies are major drivers of growth.
2. However, specific regulations for such business models are necessary to provide a clear and predictable regulatory framework that would aid further investment in this segment.

• **Medical devices:**

1. While the Medical Devices Rules of 2017 govern medical devices, there is still dependence on the DCA and the Central Drugs Standard Control Organization (CDSCO) regulates both drugs and medical devices.
2. There have been efforts in the past to enact a separate legislation governing medical devices and the newly set-up committee could consider adopting a similar approach in the proposed legislation.

• **Licensing issues:**

1. One of the conditions under various licences issued under the DCA is a requirement for fresh licences if there is a change in the constitution of the firm operating under earlier issuances.
2. However, what constitutes a change in constitution is not explained, often leading to contradictory interpretations by regulators in different states.
3. Such ambiguity impacts merger and acquisition modalities and timelines in this sector, and so clarity on this aspect may be provided in the proposed bill.

• **Sandbox regime:**

1. Regulators across the globe are considering novel ways in which the startup ecosystem can be encouraged, and regulators in this sector could also adopt the approach of providing a 'sandbox' for innovation that's backed by a suitable regulatory regime around it.

• **Foreign direct investment:**

1. FDI inflows continue to be of utmost importance for the growth of the sector and India's economy at large.
2. Our regulatory regime for FDI in this sector limits overseas investment in brownfield pharmaceutical ventures to 74% of equity under the automatic route and also features sector-specific conditions such as no 'non-compete' restrictions that are likely to have a knock-on impact on FDI inflows.

3. While FDI-norm reforms may not squarely fall within the purview of the proposed bill, it is another area that the committee may consider with a view to pushing for further relaxations in this area to boost investment.

**Conclusion:**

The affordability of healthcare is an issue of concern even in India, and people here would welcome some clarity on the principles of fair pricing vis-à-vis medical products. It is important that the accused companies are given a good hearing. The Government of India has taken up a number of initiatives to create an ecosystem that fosters manufacturing in pharma industries.

**DAILY QUIZ**

Q1. Consider the following statements:

1. In aerodynamics, a speed below the speed of sound is termed as supersonic whereas speed above the speed of sound is termed as hypersonic.
2. A scramjet is a ramjet engine in which the airflow through the engine remains supersonic, or greater than the speed of sound.

Which of the statements given above is/are correct?

- a. 1 only                      **b. 2 only**                      c. Both 1 and 2                      d. Neither 1 nor 2

Q2. Consider the following statements about United Nations Framework Convention on Climate Change (UNFCCC):

1. It is an intergovernmental treaty developed to address the problem of climate change.
2. It entered into force on 21 March 1994.
3. The Montreal Protocol was the first implementation of measures under the UNFCCC.

Which of the statements given above is/are correct?

- a. 1 and 2 only**                      b. 2 and 3 only                      c. 1 and 3 only                      d. 1, 2 and 3

Q3. With reference to 'Global Climate Change Alliance', which of the following statements is/are correct?

1. It is an initiative of the European Union.
2. It provides technical and financial support to targeted developing countries to integrate climate change into their development policies and budgets.
3. It is coordinated by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).

Select the correct answer using the code given below:

- a. 1 and 2 only**                      b. 3 only                      c. 2 and 3 only                      d. 1, 2 and 3

Q4. Consider the following statements:

1. In India, the Himalayas are spread over five States only.
2. Western Ghats are spread over five States only.
3. Pulicat Lake is spread over two States only.

Which of the statements given above is/are correct?

- a. 1 and 2 only  
**b. 3 only**  
c. 2 and 3 only  
d. 1 and 3 only

Q5. With reference to the role of UN-Habitat in the United Nations programme working towards a better urban future, which of the statements is/are correct?

1. UN-Habitat has been mandated by the United Nations General Assembly to promote socially and environmentally sustainable towns and cities to provide adequate shelter for all.
2. Its partners are either governments or local urban authorities only.
3. UN-Habitat contributes to the overall objective of the United Nations system to reduce poverty and to promote access to safe drinking water and basic sanitation.

Select the correct answer using the code given below:

- a. 1, 2 and 3  
**b. 1 and 3 only**  
c. 2 and 3 only  
d. 1 only