

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3676
ANSWERED ON:03.09.2012
BAN ON OUTSOURCING
Ramkishun Shri

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the State of Ohio in United States of America has imposed ban on outsourcing and bank office projects at offshore destinations like India; and

(b) if so, the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) On 6th August, 2010, the then Ohio Governor, Ted Strickland issued an Executive Order prohibiting the spending of public funds for services provided from offshore locations such as India. This order was replaced by new Governor John Kasich with another Executive Order in June 2011. Some of the key provisions of the Executive Order of June 2011 are similar to the Executive Order of August 2010. Its main provision reads as under:

"No State Cabinet Agency, Board or Commission ("Executive Agency") shall enter into any contract which uses any public funds within its control to purchase services which will be provided outside the United States. This Executive Order applies to all purchases of services made directly by an Executive Agency and services provided by subcontractors of those providing services purchased by an Executive Agency."

(b) India has consistently raised the issue of impact of US protectionist tendencies on Indian industry, especially Indian IT companies, at high level bilateral meetings between the Indian and the US leadership.