

**GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4492

ANSWERED ON:07.09.2012

US BAN ON OUTSOURCING TO INDIA

Singh Shri Rajiv Ranjan (Lalan);Venugopal Shri P.;Yadav Shri Dinesh Chandra

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) whether the Government is aware of the decisions/measures being taken by the US Government to prevent outsourcing of jobs to India;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether Government has held discussions with US Government in this regard;
- (d) if so, the details thereof and the outcome thereon;
- (e) whether the Government has made any assessment of the likely impact of such decisions on the job opportunities in our country;
- (f) if so, the details thereof and if not, the reasons therefor; and
- (g) the steps taken/proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRIMATI PRENEET KAUR)

(a) & (b) The Government is aware that in addition to several measures taken by the United States that have adversely affected the mobility of skilled professionals from India to the United States, there is also a growing protectionist tendency against the development of international supply chain in the services industry. The Ohio Governor had issued an Executive Order in June 2011 prohibiting any state executive agency to enter into any contract which uses any public funds within its control to purchase services which will be provided outside the United States. A number of bills have been introduced in the U.S. Congress against the outsourcing industry, including the 'Bring Jobs Home Act', aimed at discouraging outsourcing of U.S. businesses to other countries, and the 'Fairness in High Skilled Immigrants Act', which has provisions for intrusive investigations on companies operating in India on matters relating to visa fraud and abuse.

(c) to (g) Indian IT companies and industry associations like NASSCOM have drawn government's attention to the possible adverse impact of increase in fees for H1B and L category visas on the Indian IT companies. The Government uses every opportunity, including during trade-related meetings, to raise with the U.S. Government its concerns over such protectionist legislative measures and visa difficulties faced by Indian professionals. The issue was again raised by the External Affairs Minister with the U.S. Secretary of State Hillary Clinton during the third India-U.S. Strategic Dialogue held in Washington on 13 June 2012. The two leaders recognised that steps should be taken to facilitate greater movement of professionals, investors and business travelers to further strengthen economic partnership between the two countries.