

US bill to cost India \$30 billion

Aian Age | Aug 16, 2014

If enacted, the bill could hit interests of Indian IT firms

The Indian economy could lose \$30 billion annually with the IT industry being the hardest hit if the Immigration Bill under consideration in the US Congress becomes a law, Indian American Advisory Council of House Republican Conference (IAAC) of US Parliament has said.

The IAAC, which advises US House of Representatives on India related issues, stated the 'US Immigration Bill S744' calls for significantly cutting down on outsourcing of work for certain visa holders that is mostly used by Indian firms and professionals.

"If the bill becomes a law, then India's GDP gets reduced by about \$30 billion a year. On top of that, employment situation will be badly hit. Direct impact will be 10 million Indian IT professionals will no longer have any work," IAAC chairman Shalabh Kumar told.

He said most of the Indian IT professionals are either working on H1B or L1 visas.

H1B Visa allows US companies to employ foreign professionals and L1 allows employee of an international company to temporarily transfer an employee to a parent branch or subsidiary of the same company in the US.

The bill bans outplacement of H1 or L1 visa holders if they form more than 15 per cent of a firm's US workforce.

It also limits the proportion of H1B and L1 visa workers relative to a firm's total US employees to 50 per cent by fiscal 2017, starting October 2016.

"About 98 per cent Bill is focussed on providing relief to 20 million Hispanic Americans. Democrats wants them to give citizenship that will give them huge vote bank," Mr Kumar said.

He said the clause that adversely impacts India's interest was added in the Bill following complaints by some American corporations and a poll campaign slogan 'Say No to Bangalore and Yes to Buffalo' used by Barack Obama in 2009.