

India says US protectionism is regressive

September 12 2010

India's trade minister lashed out at perceived protectionist moves by the US on Saturday, calling them "regressive" and saying they could delay economic recovery.

The statement by Trade Minister Anand Sharma came after the state of Ohio banned outsourcing back-office jobs to places such as India in an effort to boost domestic employment.

It also follows a recent US law raising visa fees for skilled workers, that will India says will hit its flagship outsourcing sector.

"We feel these are regressive measures," Sharma told reporters as he visited India's second-largest software exporter by sales, <u>Infosys</u> <u>Technologies</u>, in the southern city of Bangalore.

"The leading economy of the world -- the United State of America -- has to have more confidence to engage with the rest of the world," Sharma said in televised remarks.

Ohio state has banned sending abroad government information technology and back-office projects.

India said earlier in the week it would formally raise its concern over Ohio's ban on offshore outsourcing with the United States at a high-level trade meeting in Washington later this month.

New Delhi will also raise the issue of increased fees for skilled worker



visas that will boost annual US visa costs for the <u>outsourcing</u> sector by 200-250 million dollars annually, according to industry estimates.

"Protectionist tendencies are unhealthy and negative, and lessons from the past make it abundantly clear they end up deepening the recession, they do not help in recovery of economies," Sharma said.

"Any mindset, which is isolationist and inward-looking ends up hurting the economies and societies," he said.

The US measures have come as the country seeks to combat unemployment, which is nearing 10 percent.

The row comes ahead of US President Barack Obama's visit to India in November.

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Citation: India says US protectionism is regressive (2010, September 12) retrieved 27 April 2024 from <u>https://phys.org/news/2010-09-india-protectionism-regressive.html</u>

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