Indian outsourcers 'employ 100,000 in US'

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India's IT outsourcing sector has nearly doubled the number of jobs it has created in the US in the last five years and now employs more than 100,000 people, an industry group said on Friday.

The workforce of Indian information technology firms in the US was 107,000 in the last fiscal year to March 2011, from 58,000 in 2005/2006, the National Association of Software and Services Companies (Nasscom) claimed in a report.

The study is an attempt to counter criticism that Indian outsourcing firms are responsible for job losses in the United States amid an expected uptick in protectionist rhetoric ahead of the US presidential election in November.

"During the recession, Indian firms were able to add jobs and hire locals in the US, instead of reducing headcount," the Nasscom report said, adding that Indian firms had invested $5 billion through 128 acquisitions from 2007-2011.

Som Mittal, president of Nasscom, said the next phase of the India-US partnership should be the "continuation and vast expansion of investments both nations are making in the other."

India's IT industry, centred in tech hub Bangalore, carries out a wide range of jobs for Western firms like answering bank client calls, processing insurance claims, number-crunching and software development outlets.

India, with its English-speaking workforce, accounts for at least 50 percent of the global outsourcing market.

North American and European clients contribute nearly 80 percent of the IT sector's revenues, which include large firms like BP, Proctor and Gamble, Citibank, Deutsche Bank and Volkswagen.

In 2010, Ohio state banned outsourcing of government information technology and back-office projects to India to combat unemployment.

US lawmakers are also reportedly considering proposals such as curbing tax breaks on firms that outsource or cutting visas for skilled workers from India.

Most of India's top software outsourcing firms reported strong third-quarter profits but say the global outlook remains difficult.

Nasscom forecasts India's IT export revenues to slow in the new financial year which starts in April, estimating growth of up to 14 percent to $78 billion in the period.

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