

India takes US visa fee hike to WTO

April 10 2012

India is challenging the United States at the World Trade Organisation over increased visa fees for skilled workers that have hit the country's flagship outsourcing firms, an official said Tuesday.

"We are pursuing this at the consultation level. It is our hope we reach an amicable conclusion," a senior commerce department official in New Delhi told AFP, asking not to be named.

India has sought consultations with Washington, which is the first step in the World Trade Organisation's complaints process, he said.

Indian Commerce Minister Anand Sharma discussed the visa issue with his US counterpart John Bryson when he visited New Delhi last month, the official added.

More than half of the world's top 500 companies outsource work to India which has become the world's back office where Western firms have set up call centres, and number-crunching and software development outlets to cut costs.

But the Indian industry, which expects to earn \$78 billion in export revenues this year, also flies thousands of employees each year to the US to work at their clients' locations as on-site technicians and engineers.

US sponsors of the legislation said the law would hike fees for certain Indian outsourcing firms, naming [Wipro](#), [Infosys](#) and [Tata Consultancy Services](#), which they accused of seeking to "exploit" visas to "import

foreign workers."

The companies denied the allegations and Indian industry officials called the legislation discriminatory.

Under the 2010 law, US visa fees for [skilled workers](#) nearly doubled to \$4,500 from \$2,500 for firms with more than a 50 percent non-American workforce.

Outsourcing has become an important issue in the US presidential election campaign with President [Barack Obama](#) promising to "insource" jobs to help reduce high unemployment.

The [visa](#) case comes after the United States last month launched a similar action against India at the WTO, charging that New Delhi's ban on poultry and egg imports violated global trade rules.

India said it imposed the ban to "prevent avian flu."

The trade disputes come as the countries navigate some of the choppiest waters since they began to build closer ties in the late 1990s, with Washington weighing sanctions unless New Delhi significantly cuts oil imports from Iran.

(c) 2012 AFP

Citation: India takes US visa fee hike to WTO (2012, April 10) retrieved 25 April 2024 from <https://phys.org/news/2012-04-india-visa-fee-hike-wto.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.