

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2623
ANSWERED ON:08.08.2003
US ACT AGAINST OUTSOURCING
BRAHMANAND MANDAL;DR. KIRIT SOMAIYA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the total percentage of outsourcing works of US companies is done in India;
- (b) whether US administration is posing a number of obstacles on outsourcing work;
- (c) if so, whether some of the American States have passed Act against outsourcing I.T. business;
- (d) if so, the details thereof;
- (e) the likely impact of this Act on India`s I.T. business;
- (f) whether the Government have taken up the matter with US Government;
- (g) if so, the response of the US Government thereto;
- (h) whether the Government are satisfied with the US Government`s response; and
- (i) if not, the action plan chalked out by the Ministry of Commerce and Industry with the coordination of other concerned Ministries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI S.B. MOOKHERJEE)

- (a) : No such data is available, however, as per estimates out of India`s total IT exports, 67.7% are to the United States of America.
- (b) to (e): US States of New Jersey, Washington, Missouri, Connecticut, have introduced Bills for restricting outsourcing of Government contracts to outside of USA. None of the Bills in any of the US States have been passed so far. The Bills if passed would have a marginal effect on our exports to USA.
- (f) & (g): Yes, Sir. The issue has been raised at several forums including the recent meeting of the Minister of Commerce & Industry with United States Trade Representative (USTR). USTR described these Bills as `bad policy`.
- (h) & (i): The Government is closely monitoring the progress of the various bills introduced in some States of USA. A task force to be chaired by the Department of Information Technology and having representatives from the Ministry of Finance, Ministry of External Affairs and Ministry of Commerce & Industry is being constituted by Department of Information Technology to protect India`s interests in this matter. The Government has also involved the Indian industry in this effort.