

# Indian IT firms budgeting larger amount of money for lobbying in the US

BY MEGHA MANDAVIA & JOCHELLE MENDONCA, ET BUREAU | FEB 15, 2018, 11.25 PM IST

MUMBAI | BENGALURU: Indian outsourcing firms are allocating larger amounts of money to directly lobby with lawmakers in the US in a bid to counter the rising threat of protectionism in the world's biggest market for technology services.

The country's largest software exporter, [TCS](#), spent over a third more in 2017 on lobbying expenses while rival [Infosys](#) hiked its spend by nearly five-fold. In contrast, industry grouping National Association of Software Services Companies recorded a drop of 11% in lobbying expenses last year according to a Washington-based research group.

**"Earlier companies used to shy away from directly lobbying and used trade bodies," said Kartik Maheshwari, leader for technology companies at law firm Nishith Desai Associates. "Indian technology companies are recognising the current climate in the US is a much bigger threat than (before)" he added. The US accounts for over half of Indian IT's \$117-billion outsourcing business.**

Bengaluru-headquartered Infosys spent \$2,00,000 on lobbying in 2017 compared to \$40,000 that it spent in the previous year, while TCS upped its spend from \$80,000 in 2016 to \$1,10,000 last year. The increase was marginal for New Jersey-based [Cognizant](#), which spent \$1.7 million in 2017, according to data from the Center for Responsive Politics. The direct approach by the Indian software exporters comes even as the country's apex industry body has decreased its spending. [Nasscom](#) spent about a tenth less on making its concerns heard among US lawmakers with an annual spend of \$3,90,000 last year the data showed.

The software lobby raised issues such as immigration, taxes, trade and foreign relations.

Legal experts are of the view that going direct helps India-based companies highlight specific initiatives they've undertaken to hike investments and build skills amongst US-based employees.

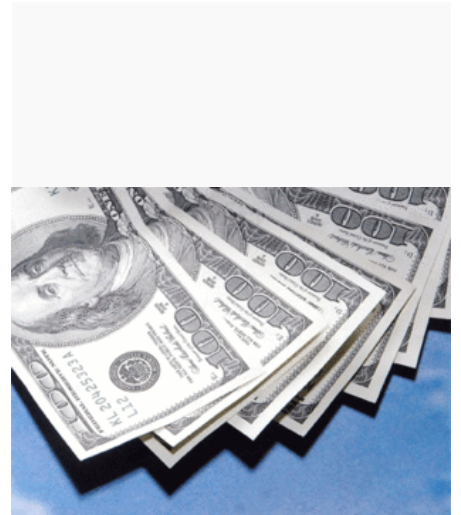
"It would not be any US politician's interest to help Nasscom, but the companies can sell a more compelling story. Nasscom is too India," said a US-based lawyer who works with IT companies.

"It makes sense for IT companies to go separate of Nasscom," he added. TCS, Infosys, Cognizant and Nasscom declined to comment for this story.

In recent months, the Indian outsourcing companies have unveiled plans to hire more engineers locally in the US, in a move widely seen as an attempt to assuage the Trump administration's concerns and avoid regulatory backlash.

To be sure, the lobbying expenses of the Indian outsourcing companies are only a fraction of what US-based technology corporations spend to make their voices heard among policy-makers on a range of issues such as taxes, healthcare and worker issues.

Data from the Center for Responsive Politics showed that [Accenture](#) spent \$3.41million lobbying in 2017, while [IBM](#) spent over \$5 million. Search giant Google was the topper with annual spend of over \$18 million. "While Indian government has reduced bilateral lobbying with US lawmakers, the Trump administration's frontal attack on job outsourcing and immigration continues," said Maheshwari.



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