

**CONSULATE GENERAL OF INDIA**  
**SAN FRANCISCO**

**MONTHLY COMMERCIAL REPORT DECEMBER 2015**

**Important Commercial News – Dec. 2015**

**1 U S International Trade**

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis, through the Department of Commerce, announced today that the goods and services deficit was **\$42.4 billion** in November, down \$2.2 billion from \$44.6 billion in October, revised. November exports were **\$182.2 billion**, \$1.6 billion less than October exports. November imports were **\$224.6 billion**, \$3.8 billion less than October imports.

The November decrease in the goods and services deficit reflected a decrease in the goods deficit of \$2.3 billion to \$61.3 billion and a decrease in the services surplus of \$0.1 billion to \$18.9 billion.

Year-to-date, the goods and services deficit increased \$25.2 billion, or 5.5 percent, from the same period in 2014. Exports decreased \$99.0 billion or 4.6 percent. Imports decreased \$73.7 billion or 2.8 percent.

*Exports of goods* decreased \$1.4 billion to \$122.2 billion in November.

*Exports of goods on a Census basis* decreased \$1.9 billion.

- Other goods decreased \$0.7 billion.
- Industrial supplies and materials decreased \$0.7 billion.
  - Nonmonetary gold decreased \$0.5 billion.
- Consumer goods decreased \$0.6 billion.
  - Cell phones and other household goods decreased \$0.3 billion.

*Imports of goods* decreased \$3.7 billion to \$183.5 billion in November.

*Imports of goods on a Census basis* decreased \$3.5 billion.

- Consumer goods decreased \$3.0 billion.
  - Cell phones and other household goods decreased \$1.8 billion.
  - Pharmaceutical preparations decreased \$0.6 billion.
- Capital goods decreased \$0.6 billion.
  - Computers decreased \$0.3 billion.

The November figures show surpluses, in billions of dollars, with South and Central America (\$2.7), OPEC (\$1.1), Saudi Arabia (\$0.4), United Kingdom (\$0.3), and Brazil (\$0.1). Deficits were recorded, in billions of dollars, with China (\$30.2), European Union (\$12.8), Japan (\$5.6), Germany (\$5.5), Mexico (\$5.4), Italy (\$2.4), South Korea (\$2.3), India (\$2.1), France (\$2.1), and Canada (\$0.9).

The deficit with **Mexico** decreased \$0.9 billion to \$5.4 billion in November. Exports decreased \$0.9 billion to \$18.8 billion and imports decreased \$1.8 billion to \$24.2 billion.

The surplus with members of **OPEC** increased \$0.7 billion to \$1.1 billion in November. Exports increased \$1.3 billion to \$6.5 billion and imports increased \$0.6 billion to \$5.4 billion.

## **2 Boeing, Tata to develop Apache fuselage in Hyderabad**

Boeing and Tata Advanced Systems Limited (TASL) formally announced that a centre to manufacture aerostructures for AH-64 Apache helicopter will come up in Hyderabad. The officials of the two companies made the announcement in the presence of Telangana's information technology minister KT Rama Rao on the sidelines of suppliers' meet of Boeing.

The state government agreed to allocate land and provide all other support required for the unit, which is coming up near aerospace Special Economic Zone (SEZ) at Adibatla on the outskirts of the city, where TASL already has four joint

ventures with global companies. The announcement came as a follow-up to the joint venture the two companies announced last month.

Pratyush Kumar, president, Boeing India, said they were making a beginning with manufacture of aerosturcures for Apache and would take this partnership forward to develop advanced systems.

The AH-64 Apache is the world's most advanced multi-role combat helicopter and is used by the US Army and defence forces of other countries. Boeing has delivered more than 2,100 Apaches to customers around the world since 1984, according to the information on the company's website.

Though the state government officials had earlier estimated that the project could entail an investment of about Rs 200 crore, Kumar declined to give any figure. "We don't make the investment figures public," he said. "The first step is fuselage manufacturing. We are now starting with the process and it may take three to four months to get all approvals," he told IANS when asked about the timeframe for the JV. Sukaran Singh, CEO and managing director of TASL, said this joint venture would be a big push for make in India programme.

Rama Rao said the addition of marquee name like Boeing would be a big value addition for Telangana and would boost the state government's efforts to make Hyderabad a hub of aerospace and defence. "There is no bigger name than Boeing in aerospace and defence and this joint venture will be help attract more companies," he said. He recalled that the beginning for this partnership was made in May when he met Boeing officials during his visit to the US.

The minister said Boeing setting up a shop would also bring several suppliers to the city and create employment opportunities. "We already have 1,000 SMEs in this sector in and around Hyderabad. The challenge before us is to expand this SME base and upgrade the tier III suppliers to tier II and tier II," the minister added.

He assured all the support in creating the entire ecosystem for the sector and also promised that if required the state government on behalf of the companies investing in the state will take up their issues with the central government. The minister said three more aerospace and defence parks would come up in the city. An aviation academy is also proposed to be developed in collaboration with Aerocampus Aquitaine, France.

### **3 Feinstein at center of move to restrict visa-free travel to U.S.**

Democratic Sen. Dianne Feinstein of California is leading a push in the Senate to tighten restrictions on foreign travelers to the United States in the wake of the Paris terror attacks, but tourism leaders in California and nationwide argue that Feinstein's proposal goes too far.

Feinstein introduced a bill to clamp down on a program that allows people from 38 countries, mostly European but also allies such as Australia, Japan and South Korea, to travel to the U.S. without a visa.

Her proposal would require that travelers be fingerprinted before arriving in the U.S. and would forbid anyone who'd visited Iraq or Syria in the past five years from coming to America without a visa – a process that sometimes takes weeks and involves an interview at a U.S. consulate.

Although Congress is often incapacitated by partisan fights and dysfunction, with significant policy bills rarely making much headway, the drive to restrict foreign travelers under what's called the visa-waiver program could be different, given a boost by the Nov. 13 Paris terror attacks and the controversy over accepting Syrian refugees.

Feinstein's co-sponsor on the bill is Republican Sen. Jeff Flake of Arizona. House Majority Leader Kevin McCarthy, R-California, also favors restricting visa waivers. "We want to make sure we do that very soon," he said.

An estimated 20 million foreigners a year travel to the U.S. without going through the in-person interviews at American embassies and consulates that are required

when getting a visa.

Feinstein's legislation comes 12 days after the House of Representatives, reacting to the Paris attacks, voted 289-137 to block President Barack Obama's plan to settle 10,000 Syrian refugees in the U.S. in the next year.

California Reps. Ami Bera and John Garamendi were among the 47 Democrats who broke ranks to support the Republican measure, which would prevent Syrian and Iraqi refugees from entering the U.S. unless the heads of three federal security agencies deemed each one does not pose a threat.

Feinstein, the top Democrat on the Senate Intelligence Committee, is not calling for a stop to allowing Syrian refugees into the country, but she called the visa-waiver program "the soft underbelly of our national security." The Paris attackers identified so far were not citizens of Middle Eastern nations such as Syria and Iraq, but rather France and Belgium, countries from which travelers can visit the U.S. for up to 90 days without a visa.

"Terrorists could exploit the program, could go from France to Syria, as 2,000 fighters have done, come back to France, use the visa-waiver program and without further scrutiny, come into the U.S.," Feinstein said.

Barb Newton, president of the California Travel Association, said she supports Feinstein's goal but wants to ensure the visa measures are effective and don't just obstruct legitimate travelers to the U.S.

"Travel and tourism is an incredibly important economic driver for California," Newton said. "We want to make sure it's not just rash gut reactions to the Paris terrorism that is causing people to make decisions without thinking through the implications."

Tourism brought in \$117.5 billion in direct spending in California last year and \$9.3 billion in state and local tax revenue, according to a report from Gov. Jerry Brown's office. More than 16 million international visitors visit California annually,

the bulk from nations such as Australia, Japan, France, Germany, Great Britain and South Korea that are covered by the visa-waiver program.

Patricia Rojas-Ungár, vice president of government relations for the U.S. Travel Association, said the industry is worried that Feinstein's proposal to require collection of so-called biometric data such as fingerprints would cut the number of visitors.

She said the visa-waiver program is hugely successful at drawing tourists to America. She noted that visitation from South Korea boomed by 40 percent after that nation was added to the program in 2008.

"I don't think we want to rush into implementing something that could have a huge significant negative impact on how the program works," Rojas-Ungár said.

Rojas-Ungár questioned whether the State Department even could collect fingerprint scans from millions of would-be visitors. She said the fingerprints are already collected when the travelers get to American airports.

Rojas-Ungár said the travel industry does support some measures to strengthen the visa-waiver program. She praised plans announced by the White House Monday that include better efforts to determine if a traveler has been to a country that is a "terrorist safe haven" and improve the sharing of terrorism information between nations.

Feinstein said she welcomed the White House announcement but also believes more changes are needed.

Feinstein's bill would require foreign travelers in the visa-waiver program to carry electronic passports that have built-in chips for storing data such as fingerprints. Those fingerprints would need to be taken the first time a traveler makes plans to travel to the United States.

#### **4 Visa fee hike to hamper trade ties with US:**

Terming the hike in visa fee as "discriminatory", industry body FICCI on Tuesday said the move will have a negative impact on efforts made by India and the US to build stronger trade ties. Such legislation will also hamper the growth of the US economy as it will hurt huge tax revenues coming from Indian IT firms, it said.

"FICCI feels that the hike in special fee on the popular H-1B and L-1 visas for James Zadroga 9/11 Health and Compensation Act of 2010 will hamper the growth of the US economy and will be discriminatory for Indian IT companies," FICCI said in a statement.

Almost all Indian IT companies would pay between \$8,000 and \$10,000 per H-1B visa from April 1, when the next annual H-1B visa filing session starts, thus making it quite economically unsustainable for them.

This is not only because of the \$4,000 new fee imposed on Indian IT companies under the Consolidated Appropriations Act 2016, which was signed into law by President Barack Obama, but also due to the series of other fee that the Congress has added in the H-1B visa application over the past one decade.

Notably, the original H-1B visa application fee is \$325. India has been in talks with the US in this regard.

"Indian IT industry is of the opinion that the additional fee is unjustified similar to the earlier border security and now Health and compensation Act it has little relation with the technology industry," FICCI said. Such legislations not only impact business of the Indian IT sector but also limit access to skilled IT personnel for US companies, it added.

FICCI said increasing costs of hiring IT skilled personnel and services will influence US technology companies to consider moving IT operations overseas, thereby reducing US jobs and tax revenues.

"In the longer run, it will also imbalance Americas IT services and products consumer market. In our view linking unemployment and H1-B visa issue with 9/11 Health and Compensation Act is unfair and should be dealt independently with a much broader outlook considering the overall impact on both economies," it said. According to Indian IT body NASSCOM, this is expected to have an impact of about USD 400 million annually on India's technology sector.

Indian technology industry paid \$22.5 billion in taxes during the financial years 2011-15, besides investing USD 2 billion in FY 2011-13 in the US as well as supported 4,11,000 jobs in FY2015 directly or indirectly, according to a NASSCOM report.

## **5 Trade Delegation:**

No Trade related delegation visited India from the jurisdiction of this Consulate during the month.

No Trade related delegation visited the jurisdiction of this Consulate from India during the month.

## **6 Trade enquiries**

The following individuals/organizations approached this Post for various trade related enquiries. All of them were appropriately responded.

1	Jupiter Exim Trade, Mumbai	Spices, Dry Fruit, Food grains, Vegetables, Rice etc.
2	Fixin's Worldwide Trading	Coconuts products
3	Namasvi International	Rice, Wheat, Fruits, Vegies
4	Vistar Overseas	Wall tiles, floor tiles, Porcelain Tiles, Sanitary Ware
5	R.K. International	Appalam
6	Mr. John Samtoy, CA	PAN Number

## **7 Visas Issued**

During the month this Consulate issued **5439** Tourist visas and **941** Business visas.

Purshottam Bhatnagar  
Commercial Officer  
Consulate General of India  
San Francisco, CA