

Work visa fee imperils Indians' American dream

New \$100,000 cost stirs fears
over possible closure of
route towards US residency

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Since US President Donald Trump slapped a \$100,000 application fee on H-1B work visas last week, Dinesh, an Indian MBA student in New York, has been consumed by stress.

The fee, which could deter most corporate sponsors of the visa, threw into question his path to permanent US residency and attainment of the American dream, said Dinesh, who asked to be identified by a nickname for fear of offending the Trump administration.

"I'm currently in a difficult situation," he said. "I need to gather my thoughts."

US authorities say just over 70 per cent of H-1B skilled worker visas are held by Indians, and many holders and would-be applicants are panicking over what they see as the possible closure of a well-trodden aspirational route taken by thousands each year.

The H-1B visa, which is allocated through a lottery, has long been one of the most coveted avenues for Indian graduates and professionals seeking to build careers in America. Fwd.us, an immigration reform lobby group, estimates there are about 730,000 H-1B visa holders in the US along with 550,000 dependants.

The visa has offered a chance to secure high-paying jobs to justify the sky-high tuition fees of US universities, while also promising a better quality of life away from India's polluted, congested cities and its punishing corporate culture of long hours and derisory pay.

The US currently charges \$215 to register for the H-1B visa lottery and an additional \$780 for employers that sponsor a visa applicant. The sudden cost escalation in Trump's announcement on Friday came as a shock to companies and workers.

"This is going to crash the number of foreign students applying to the US," said a recruiter at a west coast technology company. "They're going to be saddled with astronomical student loans and no way to work in the US."

The White House clarified over the weekend that the new charges would only apply to applications entering the lottery in February, and not to existing visa holders. Even so, some Indian



Beneficiaries:
Google's Sundar Pichai, centre left, and Tesla chief Elon Musk have both gained from the H-1B visa programme

Chip Somodevilla/AFP/Getty

workers overseas rushed to return to the US, while others cancelled travel plans, worried about being caught out.

Atul Gupta, a Bengaluru-based partner at Indian law firm Trilegal, said that while students could still remain in the US for a couple of years after graduation under post-study visas, the higher H-1B costs would damage career prospects.

"The overall political environment in the US is already resulting in other countries like the UK becoming more attractive — and more importantly welcoming — destinations for higher studies," he said.

Namita Mehta, president of global education consulting company The Red Pen, said Indian families were looking to Europe and Asia for higher education, citing concerns over US gun violence and hostility towards immigrants.

"It is a charged-up situation that we're seeing in the US," she said. "We had a couple of students who were admitted to really good colleges in the US, in the

top 10, and [they] opted to go to Singapore instead."

The H-1B programme has produced some of America's most prominent corporate leaders, including Sundar Pichai at Google owner Alphabet and Satya Nadella at Microsoft. Elon Musk, Tesla's chief executive and a former H-1B holder, has argued that US tech dominance rests on the ability to attract global talent through such schemes.

But Trump and his supporters have attacked the visa programme, accusing Indian and US tech companies of abusing it to import cheaper labour.

The president's order comes against the backdrop of broader trade tensions with New Delhi. Trump has imposed tariffs totalling 50 per cent on most imports from India.

A person close to Indian policymakers said the visa move would complicate companies' ability to operate in the US, a "big part" of their business models, while deterring students and straining

the "people-to-people relationship" between the countries.

Piyush Goyal, India's commerce minister and top trade negotiator, who is visiting the US after face-to-face talks resumed between New Delhi and Washington, accused Trump's government of being "afraid of our talent".

"The timing of Trump's H1-B visa proclamation is extremely poor as both nations try to reset ties following several tension-filled months," said Derek Grossman, a professor of international relations at the University of Southern California.

Economists have warned of effects on India's economy. Michael Wan, senior currency analyst at MUFG Bank, estimated remittances could fall \$8bn, or about 0.2 per cent of GDP, "over time".

"In combination with sustained higher tariff rates of 50 per cent currently, this could imply India's current account deficit rises above 1.5 per cent of GDP later in 2026, adding some pressure to the Indian rupee," Wan added.

The H-1B clampdown has unsettled India's IT outsourcing sector, one of the country's few global success stories. Still, analysts emphasised the industry was less dependent on the visa than before, saying 3 to 5 per cent of employees of Indian IT companies were typically working in the US on H-1B permits.

Nasscom, the national IT trade body, said H-1B visa issuance to companies with large Indian workforces had already fallen 31 per cent since 2015 to just over 10,000 in 2024, with many investing in local hiring and training in the US. "We anticipate only a marginal impact for the sector," it said.

Some prominent Indians have framed Trump's move as a benefit that would help reverse the country's "brain drain". Amitabh Kant, who helped organise India's G20 presidency in 2023, argued it would "choke US innovation and turbocharge India's".

Adani Group, one of India's largest conglomerates, welcomed H-1B holders to apply for roles, touting the growing entrepreneurial environment in India.

"This is a tremendous opportunity for us over the next two decades as there is an underlying change going on in the country," Adani's chief financial officer, Jugeshinder "Robbie" Singh, said.

"The key for India now is to encourage the talent to come back home," said Manjeet Kripalani, at the Gateway House Indian Council on Global Relations in Mumbai, a former H-1B holder.

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