

Is This The Real Reason Trump Hit Tech With \$100,000 H1B Fee?



BY TYLER DURDEN

MONDAY, SEP 22, 2025 - 07:25 PM

Silicon Valley executives [reeled last week](#) as Donald Trump unveiled a \$100,000 fee on new H-1B visa petitions, a measure that could effectively shut down the inflow of foreign tech workers. Companies rushed to advise employees against foreign travel while lawyers fielded urgent questions about renewals. **The White House clarified that the charge applies only to new visas, not existing holders - and that it would not be an annual fee - but the damage was done.**

The announcement was cast as a labor-market correction. A [fact sheet](#) from the White House cited the displacement of American workers, the abuse of the lottery system by outsourcers, and the need to restore incentives for U.S. students to enter science and engineering fields.

Heaviest Users of H-1B Visas

Tech companies rely on the program to bring skilled workers to the US

Employer (Petitioner) Name	Number of employees with H-1Bs
Amazon.com Services LLC	10,044
Tata Consultancy Services Limited	5,505
Microsoft Corp.	5,189
Meta Platforms Inc.	5,123
Apple Inc.	4,202
Google LLC	4,181
Cognizant Technology Solutions US Corp.	2,493
JPMorgan Chase and Co.	2,440
Walmart Associates Inc	2,390
Deloitte Consulting LLP	2,353

Source: US Citizenship and Immigration Services

Note: Data from fiscal year 2009 through June 30, 2025

Yet the policy design - targeting new visas while sparing renewals - suggests a different story: **Washington may be using the measure less to fix loopholes and more to pressure India**, the country most exposed to the program.

A Tariff on Indian IT

Indian nationals make up about 70% of all H-1B holders. Consulting giants like Tata Consultancy Services, Infosys, and Cognizant rely on the lottery to place thousands of engineers in the United States each year, generating both corporate revenue and family remittances. By imposing a six-figure fee, the administration is effectively levying a tariff on India's services exports—without calling it one.

India and China Receive the Most H-1B Visas

Top 5 approved H-1B beneficiaries, FY2024

Country of birth	Number	Percent
India	283,397	71%
China	46,680	12
Philippines	5,248	1
Canada	4,222	1
South Korea	3,983	1

Source: US Citizenship and Immigration Services

Bloomberg

For New Delhi, the stakes extend far beyond staffing models. India is the world's largest recipient of remittances, drawing more than \$140 billion annually, much of it from H-1B workers. Those inflows are a crucial source of hard currency as the rupee trades near record lows and as India leans heavily on dollar-priced energy imports.

From Embrace to Estrangement

Only months ago, Donald Trump welcomed Narendra Modi to the Oval Office, hailing the Indian prime minister as “a great friend.” That warmth has [since evaporated](#) - with a rift crystalizing over tariffs. **On July 30, Trump announced a 25% duty on Indian goods**, effective August 1, citing “strenuous and obnoxious” trade barriers. Just a week later, he went further, imposing **an additional 25% levy tied directly to India's purchases of Russian oil**. The combined measures pushed some duties to 50% and made explicit what had previously been only a threat - that Washington was prepared to use trade penalties to punish New Delhi for its energy ties with Moscow.

The move startled Indian officials and left analysts puzzling over the personal rupture between two leaders once seen as close. “Trump has obviously made it a very personal thing against Modi,” said Indrani Bagchi of the Ananta Centre early last month, adding that substance seemed secondary to style.



FT montage/Getty Images

The most recent flashpoint has been India's continued purchases of Russian oil, which Washington argues help fund the Kremlin's war effort. In late July, **U.S. Secretary of State Marco Rubio called the**

buying a "point of irritation," while Trump himself hinted at penalties for energy ties with Moscow. The timing has compounded friction from an unresolved trade negotiation: a draft agreement to cut tariffs and open markets had been left unsigned after relations soured, despite early progress in defense and technology cooperation.

Further inflaming New Delhi was Trump's public intervention in India's springtime clash with Pakistan over Kashmir. While Washington claimed credit for mediating a ceasefire, India issued a categorical denial. Pakistan, by contrast, nominated Trump for the Nobel Peace Prize, and weeks later its army chief was feted at the White House for talks on hydrocarbons, critical minerals, and counterterrorism.

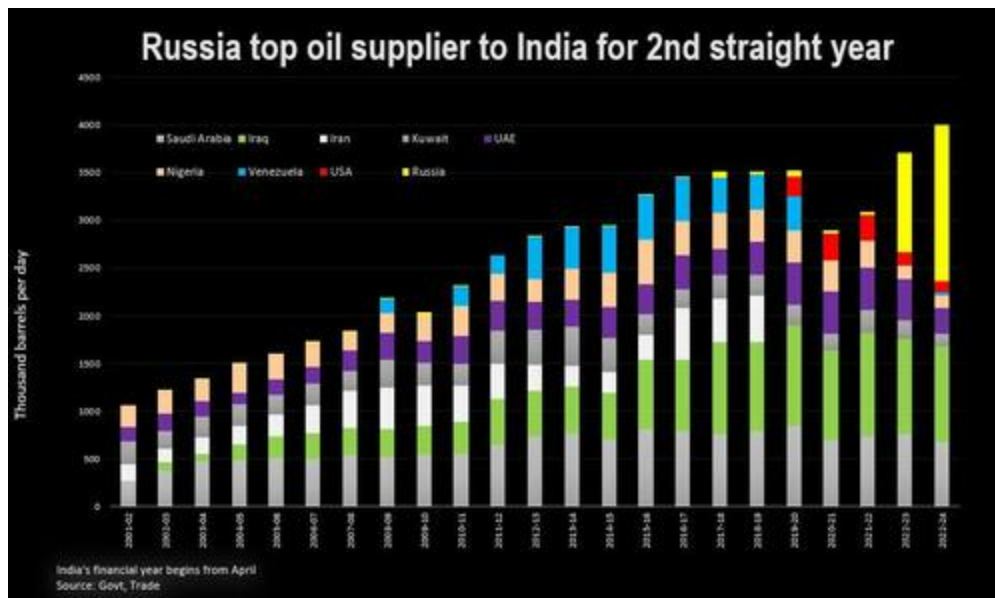
In the same week that India was hit with new tariffs, Pakistan secured lighter duties and an energy deal, prompting speculation in Delhi that Washington was tilting toward its rival. "The indignities go beyond any relationship, and the language, the style, the abruptness is not the way people deal with each other," said C. Raja Mohan of the Institute of South Asian Studies.

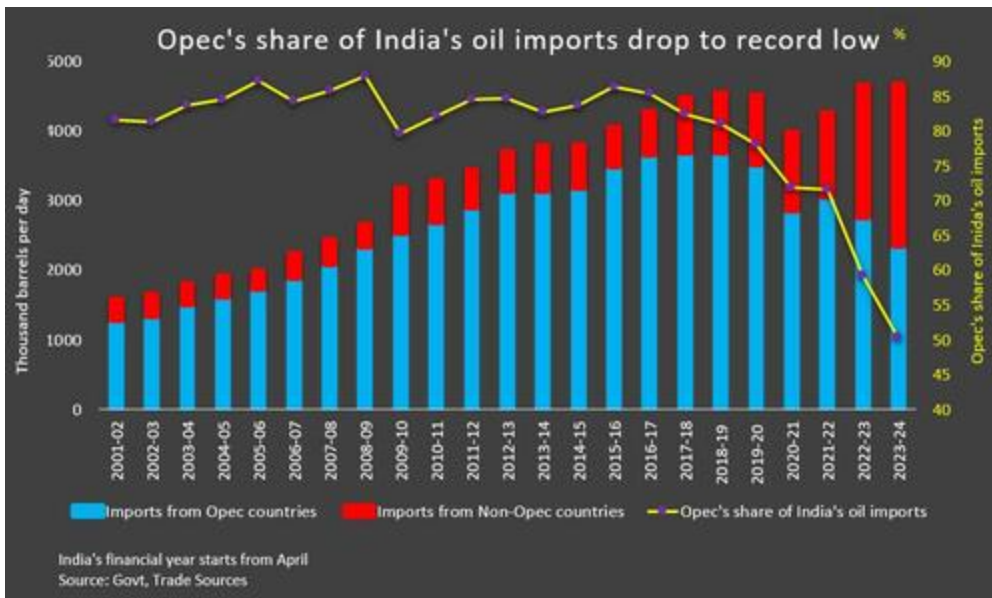
The episode underscores how quickly strategic convergence between Washington and New Delhi - touted as a democratic counterweight to China - can be knocked off course when transactional politics dominate.

India's Expanding Russia Trade

The timing of the visa move coincides with India's accelerating trade with Russia, a trend that has frustrated U.S. policy makers.

- **Bilateral goal:** New Delhi and Moscow have [set a target](#) of \$100 billion in annual trade by 2030, more than double current levels.
- **Oil flows:** Russian crude has vaulted into the [top tier](#) of India's imports, accounting for more than a third of its oil purchases after European buyers turned away.





- **Payments workarounds:** To skirt Western sanctions, Indian refiners [shifted](#) to paying for Russian oil in UAE dirhams and have explored linking Russia's domestic financial messaging system, SPFS, with Indian rails. Efforts at [rupee-ruble settlement](#) have stumbled, but the search for alternatives to dollar clearing continues.

This alignment has been resilient despite Western pressure. India argues its purchases are a matter of energy security and price advantage. But for Washington, the trend undermines sanctions, provides Moscow with revenue, and signals that one of America's closest Indo-Pacific partners is hedging its bets.

Immigration as Leverage?

In that context, the H-1B fee begins to look less like domestic wage policy and more like a bargaining chip. It strikes directly at India's competitive advantage in IT services while leaving U.S. big tech firms less immediately exposed, since existing foreign employees can remain in place. It is swift, unilateral, and difficult for New Delhi to ignore.

By tightening the spigot of visas, **the administration's focus may be to exert pressure on India to reconsider how far it wants to expand its economic partnership with Russia** - particularly in oil and payments systems that bypass the dollar.

For U.S. companies, the fee is a costly complication in an already tight labor market. **For India, it threatens to choke a critical channel of remittances and professional opportunity.** And for the White House, it may be one of the few levers available to signal displeasure with India's Russian tilt without resorting to secondary sanctions or direct trade confrontation.

Critics in the tech sector will see the H-1B overhaul as blunt protectionism. But its geopolitical logic may be sharper: a message to New Delhi that deepening ties with Moscow carry consequences far beyond oil tankers and payment rails.