



PRESS RELEASE

“Disastrous Impact On The Indian Hosiery Industry Owing To The Revised GST Rates”

Kolkata, 25th November, 2021: The Federation of Hosiery Manufacturers Association of India (FOHMA) is extremely dissatisfied and dismayed with the recent Notification - amending the GST Rates on Apparels from the 1st of January, 2022.

We from FOHMA had made innumerable representations to the Government of India and GST Council – requesting to defer this rate increase for the cause / sake of the Indian Hosiery & Apparel industry. Unfortunately, our fervent requests have not been considered at all and that is extremely saddening.

The proposed change in rate (5% to 12%) is going to increase the prices of all Fabrics and Garments priced below Rs. 1,000 significantly. Additionally, the proposed merger of 12% and 18% slabs to a single 15% or 16% rate will result in a staggering increase of 300% in the GST rate for Garments. This in turn will impact the weaker sections of Society, who buy clothes costing less than Rs.1,000. What is more important is the fact that more than 85% of India's total Garment market is below the Rs. 1,000 price level. Most of these are being produced by MSME players, who are already stretched for resources and more so “financial capital”. Any further pressure on them, would be totally uncalled for at this juncture.

We at FOHMA feel that the impact of this cost increase would be even more drastic, given that the hosiery / apparel is already reeling under unprecedented price increase of its “raw materials” - especially Yarn, Packing Materials and Freight. The market is likely to see a price increase of 15% to 20% in Hosiery items / Apparels in the coming months - even without the GST Rate increase.

It may further be noted that this increase does not help the entire industry, but just acts as a small measure to address the “Inverted Duty Structure” currently in place for only 15% of the entire textile chain. What the Government & GST Council has done is resolve a problem which exists only in 15% of the industry, while neglecting the balance 85% industry and placing them under great difficulty.

Our efforts will continue unabated - for persuading the Indian Government and the GST Council to refrain from implementing this change of rate from 1st January, 2022 – so that the disastrous impact on our industry, market and employment can be avoided at all costs.

For further information please contact:



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