

GST council's deferment of proposed hike in tax for textiles is a gift for the industry, says Goyal

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Industry makes case for withdrawal of the proposed increase in rates from 5% to 12%

The GST council's decision to defer the proposed increase in

Commerce & Industry Minister Piyush Goyal has said in an interaction with the textile industry on Tuesday.

Industry representatives, who attended the video conference, pointed out that the increase had been postponed for the time being, but it was a sword still hanging over textile and many other related businesses, according to a statement issued by traders' body CAIT.

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"The trade leaders at the VC made out a case for withdrawal of GST hike," the statement said.

Responding to the demand for the withdrawal of the GST hike, Goyal directed officials from the Textiles Ministry to interact with CAIT and understand the point of view of the traders, per the release.

"He also said that the Ministry of Textiles will soon facilitate a meeting of CAIT with the GST Fitment Committee and Bommai Committee (looking into rate rationalisation)," the release added.

On December 31, the GST Council put on hold its decision to increase GST on garments from 5 per cent to 12 per cent following protests from the MSME sector and several States including Gujarat, West Bengal and Tamil Nadu against the proposed increase. The matter is being referred to the committee on rate rationalisation and its report is expected in February this year.

Special focus on concessional duties

Goyal said there was a special focus on getting concessional duties for textile products in all the ongoing free trade agreement (FTA) negotiations with major countries like the UK, the UAE, Canada, the EU and Australia. The textile industry should work towards an export target of \$100 billion, he said.

Referring to PLI Scheme for textiles, Goyal said that it will increase the global footprint of India in MMF and Technical Textiles segments and create 7.5 lakh direct jobs. The approval for the seven PM Mega Integrated Textile Region & Apparel (PM MITRA) Parks will attract cutting edge technology, investment and generate one lakh direct and indirect employment per park, he added.

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