

FMCG Sector To Benefit From GST

If the initial problematic phase is kept aside, experts believe that the FMCG industry will benefit from GST in the long run. The rates for most of the fast moving consumer goods have been kept on expected lines, keeping in mind their mass consumption pattern. So while packaged liquid products will fall under the tax slab of 12%, products like pasta, noodles, mayonnaise, salad dressings, and mixed condiments will come under the 18% slab. Plus, the fact that the festive season arrives earlier this year is another assured boost to the sales of the industry.

At the back end, the proposed unified tax system will also reduce transportation cost, apart from enhancing supply chain decisions and consolidating warehouses. This factor coupled with categorization of several consumer products under the 18% tax bracket is expected to lead to cheaper consumer goods.