

July 24, 2006

Our Honorable Government Officials of  
HKSAR Government

Re: GST

I respect your courage in "selling" the controversial GST (which is an unenviable task), but would like to express my opinion as follows:

Your argument for broadening the tax base is "of strategic implications". However, our existing tax base is not too narrow to warrant the GST.

Your argument for preparing for the worse time in good times is "good-hearted". However, this does not justify a type of tax, which is so painful in the short-term and bears economic disturbances in the long run. Japan is a very good example.

Your argument for promoting Hong Kong's economic competitiveness through the GST is "far-sighted". However, other countries, especially Singapore, will laugh at us of introducing a "complicated" tax system and tarnish our image of a "tax haven".

In fact, through the GST, you will:

- destroy Hong Kong's competitiveness with its simple tax system;
- create an unfair system of tax as taxing daily commodities hurts the poor, instead of the rich;
- make yourself very unpopular in the eyes of the public with long-range negative implications

I hope you will re-consider the position and abolish GST altogether, as no matter how you "sweeten" it, it is still a "poison" in the eyes of the beholders.

Yours truly,

Joe Chan

A common citizen of HK