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To: taxreform@fstb.gov.hk

cc:

Subject: Opinion on the taxation of the reform in GST (Goods Service Tax)

3 August 2006

Opinion on the taxation of the reform in GST (Goods Service Tax)

Dear Sirs

This is Ms Manley Tai, an unemployment university graduate for 3 years. Although I have no right for giving further opinions on taxation systems. Since I have never been a tax payer in the pass of my life. Anyway, have something likely to suggest in the reform of the taxation in HKSAR.

Boarding the taxation is in needed for the changes in later on "Population Growth". With idea in Goods Service Tax(GST), required people at all level to pay tax is good for reducing the efforts for the middle to high level class in the growth of HK.

However, to consider this GST , there are many things must be concerned before you carried this new system.

1) Goods& service selection for GST application consideration

For the GST new system, If you **applied** for **any goods**.

a) **FMCG** (Fast Moving Consumer Goods) such as shampoo, drinks....

This will add more difficulties to the lower class with only enough monthly income

b) **Longevous Goods** like Electronic goods. eg. computer, camera

In HK there is lot of Chain store in selling electronics products also alot of individual store in selling this products

my case

In 2001, a digital sony camera at chain store estimate cost\$5800, but if I go to Mongkok store, give me \$3980 for that.

Why there is difference, may be we call this" Mouse goods"

The qaulity is also the same.... with cheaper price

Looking at the goods at mongkok and chain store,

Its really give people many choices to select which product they likely to buy

Good with same functions but import from different country may cost different.

Hence, If you applied the GST on longevous goods, this may activate the " Mouse goods" in the Market. Since buying from there is cheaper.

So how to apply the rates on Goods and service, is ought to define in deep

2) Good & Service Quality observation on apply the GST

if you applied the GST, sometime Government must have responsibility on constantly checking the goods or service are always in good condition.

I leave HK in 2001 for study, returned back in 2003. After SARS, many people are provided good service and goods to consumers. However, the quality of service is not unified.

In UK, the goods you bought if its not okay, you could have right to refund in it. In HK, could we do that, probably not...since enironment and culture are different. Thus, tax is adding to Goods & Service, Government take tax must have an idea to consolidate the quality the Goods and Service in HKSAR. While, tax is added and give certain right to consumers in having good service and products may further enhance the growth of the city.

Thank you very much for your kind attention to my opinion.

Yours Faithfully
Manley Tai