

August 14, 2006

Tax Reform  
Financial Services and the Treasury Bureau  
4/F, Main Wing, Central Government Offices  
Lower Albert Road  
Central, Hong Kong

RE: GST Consultation

With regard to the consultation on Goods and Services Tax (GST), we write to express our strong **opposition** to the proposal.

We believe that GST will bring a great negative impact to our economy, especially on retail and tourist industry.

Imposition of GST will discourage domestic and tourists' consumption and tarnish Hong Kong's reputation as 'Shopping Paradise'. It involves substantial increase on operating cost such as extra human resources for handling tourist refund, accounting and all costs involved in administration. Retail industry will definitely face hardship in operation and the whole tourism in Hong Kong will also be affected.

Low and simple tax system is our competitive edge. We are not willing to see Hong Kong will lose our advantage due to imposition of GST.

**WE STRONGLY OPPOSE TO GST.**

Yours faithfully,

Guy Laroche (China) Limited



**GUY LAROCHE (CHINA) LIMITED**

A SUBSIDIARY OF YGM TRADING LIMITED