



15 August, 2006

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

Re: GST Consultation

On behalf of our company, I write to register our **opposition** to the introduction of GST in Hong Kong.

We strongly believe that GST will have a great negative impact to our economy in short and long term.

It will depress both domestic and tourists consumption, increase inflation, tarnish Hong Kong's 'shopping paradise' image, destroy Hong Kong's low and simple tax system which in turn deters foreign investments. Furthermore, the complex administrative work required will incur huge capital costs and operating costs to Government and commercial sectors alike.

To protect Hong Kong's competitive advantage, we strongly suggest the Government should maintain the present simple and low tax system.

Yours sincerely.

(Signed)

Pieter Schats
Chief Executive Officer
Toys "R" Us Asia Limited

Toys "R" Us Asia Limited

13/F., LiFung Centre, 2 On Ping Street, Siu Lek Yuen, Shatin, Hong Kong. Tel : (852) 2991 6199 Fax : (852) 2991 6120
www.toysrus.com.hk

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