

25 August 2006

Tax Reform

Financial Services and the Treasury Bureau

4/F, Main Wing, Central Government Offices

Lower Albert Road, Central, Hong Kong

Dear Sir:

Opposition to the proposal of Goods and Services Tax

I am writing to oppose the Goods and Services Tax (GST). It is not a matter of irrational to be against any policy imposed by the Hong Kong government. It is not about there is no free lunch in this world, and then people should have to pay tax; or not because of only a small group of people has to pay taxation, then a government should impose GST. So far, I cannot see the HK government has thought of any just-right or good policy to counteract the weaknesses of imposing GST.

The Hong Kong government's main concern is to maintain economic prosperity, so it declares that GST is necessary. From my point of view, the Hong Kong government should think that whether its policy can bring better off or harmony to society as a whole and should regard society prosperity as first consideration rather than economic prosperity. In reality, economic prosperity is not equal to social prosperity. GST imposed in Hong Kong is a matter of social inequality.

Indeed, there is no strong evidence shows that the GST can increase Hong Kong's competitiveness impressively. Rather, the opposite can happen and it will hurt the grassroots and the middle class. According to the Democratic Alliance for Betterment and Progress of Hong Kong's survey, 80 percent of the 1,000 respondents opposed the GST.

If the Hong Kong government is not going to change its mind to adopt GST, another moss demonstration to force the government to withdraw the proposal may happen, likes the case with the Article 23 anti-subversion bill. I sincerely hope that the government would listen to the general public opinion's to withdraw the GST proposal.

Yours faithfully,

Chang Tot Lung

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