

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

WIHTOUT PREJUDICE

13 September, 2006

Dear Sirs,

RE : Reply to Mr Tsangs' Comments about GST in SCMP (13 Sept, 2006)

I wrote to you on 24 July, 2006 and have expressed that I am vehemently opposed to the setup of GST and would like to reply to the comments made by Mr Tsang on the topic.

Before proceeding, I wish to re-inforce that I am a Hong Kong citizen, I run my own business, am proud of being Chinese and wish Hong Kong to flourish and blossom.

Aging Population

I fully appreciate that the population is aging and in the foreseeable future the ratio of workers to retirees will decrease significantly. The whole point of setting up MPF was to tackle this potential problem so this is clearly not a valid argument for the levying of GST unless the government is tacitly admitting that MPF is a failure.

To many fellow Hong Kongers and myself included, we see the Government as incompetent and always in cahoots with corporations, millions have been squandered on completely useless projects, such as HarbourFest, the LinkReit debacle, etc. and quite frankly if the Government was better managed and more prudent with money, there would be no need to levy a GST and yet still be able to offer the same quality of healthcare and education to the people. Hence, it is seen by many that the levying of GST is a means to compensate for the Government's incompetence in managing money, rather than from any intrinsic needs arising from the population ageing or burgeoning healthcare costs.

I have questioned many Hong Kongers about their views of levying GST and many intimidated that they do not expect to see any improvements to Hong Kong or even any discernible benefits from GST, many just see that the Government will have more money to squander. The healthcare will not improve and nor will the education, so why should the people pay for a new tax?

Personally, I regret to admit that if the Government wishes to levy a GST they must first instill confidence in us that they are competent and that their true intentions are to benefit the people of Hong Kong rather than corporations. There are far more pressing issues for the Government to deal with such as setting up anti-competition laws that deserve greater attention.

Yours sincerely,

(Signed)

Jason Cheng.
Oxon.