

Dear Mr. Tang,

I am a secondary student and would like to express my views towards GST. I think it is not suitable to introduce GST in Hong Kong right now.

Hong Kong's tax revenue is mainly from Salaries Tax and Profits Tax. It is not stable and is affected by the local economics. However, Salaries Tax and Profits Tax are fair and can narrow the wealth gap as they are progressive tax and proportional tax respectively.

GST is a regressive tax which is a really heavy tax to the grassroots citizens. The middle class may say that a 3 to 5% tax rate is affordable and is not really exhaustive. Moreover, every citizen, not only the middle class, should contribute to government expenses. It can help share their tax burden. It is reasonable, but do they know how important every single dollar is to a grassroots family?

The local economy had experienced a recession and now economics recovery starts. Nevertheless, the grassroots cannot enjoy the benefits from the recovery. Most of the grassroots workers's do not have an increase in their salaries. There is inflation in the recent years. As a result, the real income of them will be less and their living standard will be worsened. It is surely an unhealthy economic environment.

I agree that GST can provide a more stable revenue to the government. If the government insists that GST should be introduced, I am afraid it will deepen contradiction of the society, especially between the grassroots and the middle class. Thus, it will be better to have GST when the grassroots citizens can really enjoy the advantages brought from the economics recovery.

Yours truly,
Frances Tong