

Dear Mr. Tang,

I am a student from a secondary school in Kwai Chung. I would like to share some of my opinions towards the general sales tax system to you. I hope you will spend a few minutes and have a look of it.

General Sales tax rate has been raised in the US, France, Thailand etc. Surely there are some advantages, it widens the tax base, and the government can therefore earn much revenue in this case. Also this kind of tax is easy to collect. However, we should also consider some of the negative impacts brought by this tax system.

As we all know, general sales tax is a regressive tax. There is an extreme disparity between the rich and the poor in Hong Kong, if this tax system is established, I am afraid that it would further widen the gap between these two parties. You may not know how poor can the residents be! They have a flat but live so crowdly, they have food but not eaten fully and balanced. For the elderly, they even do not have money to go to see a doctor. For the children, they can't participate in any activities that require payment. We all know that healthy and all round development is important to the elderly and the children respectively. The elderly has contributed to our society so much in their early years. We should try our best to provide them a better living. For the children, they are our future pillars; we should also focus on their developments.

Besides, Hong Kong is well known as a shopping paradise in many parts of the world. It's because the price is relatively cheap and the quality is good. If the tax system is raised, the shopping paradise may no longer exist, as it does not fit the real situation. Since the purchasing power of the tourists fall, I think that the revenue from tourism will also decreases; it must not good our economic development.

Furthermore, Hong Kong has a simple tax rate system, so it attracts lots of businessmen to invest in Hong Kong. Even some head offices of some famous and large-scale corporation also do so. I believe that the simple tax rate system is their main concerning. If the general sales tax is implemented, it will lower the attractiveness of Hong Kong's investing environment.

I, as a student, a citizen, disagree with this new tax system. I hope the government can collect more ideas before implementing it. Thank You.

Best wishes,
Wong Hung Ha