



To: taxreform@fstb.gov.hk  
cc:  
Subject: On Supporting GST

15/10/2006 16:58

☐ Urgent

☐ Return Receipt

Dear the correspondence,

Personally, I support GST, as long as the rate is not too high (5%, say). GST does benefit on the quality of spending and thus increases the sense of customers so that they will buy on what they need. This can reduce the amount of waste and thus benefits the "Green policy": reduce, reuse and recycle.

On customers side, customers need to consider before buying. This also reduces the unwisely usage of credit which includes the following situations:

- \* To purchase consumables
  - \* Impulse buying
  - \* Spending for status
  - \* Retaliatory spending (in the case of couples)
  - \* Spending to feel good or stress reduction
  - \* Ridiculous living expenses
- Then, every customer will have a better financial condition by reducing the waste.

Since customers need to care about their spending, they will learn how to manage their scarce resource and living with the scarce resource. This will improve the quality of human resource in Hong Kong, especially most people are much rich and enjoying much higher living standard than the period of 60's.

Of course, the sales seems to be affected. However, GST allows Custom Department to have better monitoring on products selling in Hong Kong. Then, HK sales is guaranteed to be the real products. Non-fake products are the major attraction on customers, especially from overseas and free-walkers.

Recently, the objection on the discussion on GST in Legco is totally against human right and Basic Law, especially on the section on the freedom of opinion and expression, even though more than 50% of Hong Kong residents may be rejecting the idea of GST at this moment.

For tax reform, beside GST, there may be other ways. For example, the HK government can be considered as a Non-profit Organization (NPO) and use fund raising of NPO as examples. Vatican is a good example. Every Hong Kong Residents must pay certain amount in order to be a resident, e.g. 10% of income; and then, they are freely contribute further amount. This can ensure that all Hong Kong residents including working overseas and mainland will pay their tax and contribution. Of course, government need to contribute more on social responsibility and mindful on ICAC issues.

Tax Reform may not be necessary. If Government privatize all government sections, the core of HK government will only be remaining four staffs: CE and three secretaries. They can receive salary from Central government. Taking Legco as an example.

A business research company may buy them and use those Legco members as consultants to interpret their data of survey and present their opinion to the government. This can still fulfilling the direct election and duties of council members according to the Basic Law.

Such as Link, it can even go to stock market.

Those privatized sectors will still be under monitoring by the government.

Regards,  
Horace