



To: <fso@fso.gov.hk>

cc:

Subject: How to Increase HK financial base

26.10.2006 06:56 PM

☐ Urgent

☐ Return Receipt

Dear financial secretary,

I think GST is not the way to go given the strong resistance to it. so, do not push it, you will not succeed. One main reason for the failure i can see is the fact that you are vague about where this money will be used and how it can benefit middle class and lower class and the needy. In most countries, who have GST people accept it because they have a good social welfare system, whereas HK does not have.

Currently, i think there is a lot of money being wasted or misused by mainland china citizens, such as deliberate birth of mainland citizen in hk to gain future benefits from HK ( this has been going on for too long). People with too many children who have no excuse not to work for there living and rely on the per head social welfare. Such as pakistanies, mainland china immigrants.

If, you define a legal minimum wage level, it will help people come out and work for a living rather than rely on social welfare. Businesses can not be allowed to take advantage of the un priviledged citizens of HK. The good thing for a legal minimum wage is that people will spend more, because of the safety minimum wage. this is positive to the consumer market.

To gain additional revenue channels, i think you should introduce the cross border tax once you have the minimum wage concluded. this way money will hopefully be kept with in hk and not go to china businesses.

Another, revenue stream is attracting more listings from other countries for the HKEX. Have a Technology board Exchange rather than GEM (a real failure!). This will mean more companies will have to set up office in HK and therefore profits to property developers, stimulating long term buying for commercial assets, more to the HK purse.

A more effective business incubation is needed in HK for local HK startup companies to creat new industries for HK, such as design centre for hi end products(major medical systems, automated inspection systems, security, automotive systems, enviromental friendly systems). that can be exported to asian developing countries.

Also, reduce personal tax, so the middle class can spend more.

Hope this is useful.

regards

(Name provided)

(Editor's note: Cannot ascertain whether the sender agrees to disclose his/her identity.)