



To: <taxreform@fstb.gov.hk>
cc:
Subject: My views

26/10/2006 16:42

☐ Urgent

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Sir / Madam,

I am writing to share my views in regarding the topic of reforming of our tax system, focusing on the introduction of GST. I am totally against the idea of introducing government sales tax in Hong Kong, and there are several reasons that I have that points out why I am so against the thought.

Firstly, the public image of Hong Kong. In the last recent year, the Hong Kong people have been striving to developing/ transform ourselves into a tourism city, promoting to the mainland China and the rest of the world how Hong Kong is a great place to visit, and one of factor that we had been proudly promoting to the public; is our tax-free shopping in Hong Kong. If we were to announce the introduction of GST, we are deliberately breaking our own objectives and ruining all the good results gained from putting our effort in selling Hong Kong's tourism. This will lead us to a contradictive scenario, spoiling the public image of Hong Kong as we are now demonstrating a Chinese saying "slapping our own mouth".

Another scenario that can appear if the GST is commenced is the fleeing of local consumers. One great problem we have had in the past that still weighing our minds freshly is the lost of local consumers and a huge money flow towards "North" into the Mainland China had appeared. The Hong Kong people still remembers clearly how difficult it was, when the local servicing businesses could not survive under the pressure of Hong Kong people traveled to neighboring Chinese city to spend. At that time, our government had to appeal the public to "stay and spend in Hong Kong".

If the GST is introduced, we will go back to the same situation, only this time, the people's understand would be – it's the Hong Kong government that's making them choose to spend else where. And geographically, it is too quick and easy, and there are too many choices of places for our people to take such an option. Not only because service and goods are already more economical, it's also because those places are GST-free. People do not want to shoulder extra expense when living is already so difficult.

The GST will bring too much negative the society, without mentioning the import tax that will accompany the GST when it commences.

Regards,

Damian Lam