

12th May 2002

Bills Committee
Legislative Council Secretariat
3rd Floor Citibank Tower
3 Garden Road
Central Hong Kong

Bills Committee Revenue Bill 2002

Thank you for this opportunity to present the views of over 70 businesses from Lan Kwai Fong.

The feedback that our office has received demonstrates that these businesses and the thousands of customers they serve, find that the Wine Tax does not serve Hong Kong well in terms of its image as an affordable tourist destination.

While some may argue that an increase of the tax on wine may have little impact on the ordinary tax payer in Hong Kong, as perhaps it is perceived that wine consumption in Hong Kong may have an elitist element, the fact remains that most overseas visitors to Hong Kong would feel the effect of this tax directly, as most of these visitors would welcome a glass or bottle of wine with their meal while visiting many of the wonderful local eateries in Hong Kong. Thus effectively making the increase tax on wine a tax on tourists or paid by tourists.

Regrettably, we often get negative feedback from visitors, that the cost of a glass of wine in Hong Kong is often more expensive than a bottle of wine in other counties.

From our members' point of view, the monies generated from this tax will not out balance the losses to Hong Kong's reputation as an affordable tourist destination and worthwhile experience, nor will it compensate for the loss of income we could generate from a more positive interface with our spending visitors.

Perhaps more importantly, visitors are sometimes thus left with the feeling of being ripped off. Hong Kong is an expensive city, as are most of the greatest cities around the world. Therefore to have a reputation, as we do, that the price of wine is excessive in Hong Kong, with respect to other visitor expenses, means that wines are disproportionately expensive here. This new tax increase exacerbates the situation.

Hong Kong is fortunate to have locally available, some of the greatest selection of wines found anywhere in the world. We should celebrate and promote this fact, and not tax it.

Respectfully submitted,

Richard Feldman
Chairman