

Stamp Duty (Amendment) Bill 2012

To: bc_01_12@legco.gov.hk

5 February 2013

Submission on Behalf of the French Chamber of Commerce and Industry in Hong Kong

Dear Sir/Madam

We wish to express our thanks to the Honourable Starry LEE Wai-King, Chairman of the Bills Committee for the invitation received on 23 January 2013 to comment and give our views on the Stamp Duty (Amendment) Bill 2012.

The French Chamber welcomes the Government's initiatives and measures taken to date in its attempt to cool down runaway property prices and prevent a bubble in the overheating property market. Property remains one of the pillars of the Hong Kong economy. Yet, the measures introduced so far by the Government, which are now about to receive the statutory seal, appear to have had little impact on the property market, as the latest figures on the number and price of property transactions have revealed. Although the number of sales and mortgage applications fell in the wake of the introduction of the new Buyer's Stamp Duty, property prices have since recovered and reached new heights. It is perceived that what drives the prices up are (i) the chronic lack of supply and (ii) investment purchases by non-Hong Kong residents.

The French Chamber endorses the provisions of the Stamp Duty (Amendment) Bill 2012 and supports any further initiative from the Government that will have the object or effect of cooling the Hong Kong property market and making it more affordable for Hong Kong residents.

Best regards,

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executive director

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