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Subject: Objection for the current DSD & BSD proposed by current Administration

To: Legco members and relevant government officials who set up the current DSD and BSD measures

Dear Sirs/Madam,

I object to the current HK government proposed double stamp duty (DSD) and buyer's stamp duty (BSD). The draconian nature of these measures and the paternalistic bureaucracy have created several negative and grave implications, that are detrimental to Hong Kong's economic future:

1. To genuine users / creators of property, be it residential and commercial, the number one uncertainty right now is further government draconian property measures, a risk and uncertainty that no one can understand / price fully, thus this administration has been successful in freezing of the market which delay the productive use / development of the properties and land.
2. BSD has disproportionately prejudiced non-HK residents in purchase residential properties. HK is reportedly aspired to become an Asia's World City, similar to leading global city of talents such as London or New York, yet none of the latter cities has such draconian measures towards non-residents / nationals to purchase property
3. DSD, in its current form suggested by this administration, has no distinguishing between the real need for owner-occupier in commercial property, and fail to justify why investment demand into commercial property is unwelcomed and to be tampered with.
4. The spreading of current administration hands into non-residential sector is dangerous and come with grave uninspected consequences. Not only an un-encumbered and liquid primary and secondary commercial property market is vital to Hong Kong, but also it stops the market-driven price-seeking mechanism to find the right supply-demand equilibrium, depressing the incentive to find economic use of commercial properties.
5. The government should and must be capable to prioritize better land usage, yet it has not discussed and dealt with this issue and engaged society in any fuller / deeper attempt, and instead sought to use heavy-handed measures such as the current form of DSD / BSD to mess with an efficient and effective market. History has shown government measures are usually no better than the underlying market forces and approving these measures would only add to the current administration self-proclaimed victory at the expense of the need to fully consult its constituency into more sustainable and fair mechanism to deal with the under-supply property situation in HK. Just a few example

that the government has failed to implement, work out the plan for the last 10 years: 1) Kai Tak master plan, 2) west Kowloon cultural district, 3) numerous GIC-used land and old government quarters now idling, 4) old governor resort in fanling and last but not least, 3) the water-front glassy new government and legco's headquarter in the central and wanchai reclamation area (it succeeded in using up otherwise available area for development of much needed CBD office / commercial for private uses and could have saved taxpayers trillions should government consider using any less prime location or existing buildings for its offices and put this expensive new land to more comprehensive commercial uses)

6. To many fellow HK citizen, whose family own usually one residential property, the current freezing up of the market could be fatal for their life-saving and depressed old people the means of their pots of money, yet this government tried to tweak it to say this is an inevitable pain / collateral damage to bring down the price, I find this is nothing further from fact / logic, that it promotes

7. HK supposedly- political neutral economic organ, namely the HKMA and SFC have recently taken a rather active / outside of their scope and mission action to side with politicians to talk down property market / discourage investment. This action negatively impart their political impartiality as well as doesn't serve the public any better (why is providing mortgage by banks if they've complied to the capital buffer requirement be discouraged and censored, nor the selling of strata-title hotel units projected to be so grave and illegal-like).

8. Thus far, these measures by the government has been only successful in freezing up the whole property market liquidity by imposing heavier and heavier transaction costs, thus lowering development and investment incentives, that precisely exacerbate the shortage in both commercial and residential supply that the government is trying to increase / cure.

9. This administration has been so far behind in addressing the more fundamental shortcomings and pressing issues of the HK society (and scapegoat HK property to be the placebo, yet it's not true) - the current lack of cohesion of political-capitalist-public has greatly diminished HK economic vitality and ability to new challenges, the aging society, the failure to leverage HK business system / first-mover advantages, the failure to foster more mutually beneficial and normal China-HK nationals relationships, etc..

10. Every policy should has its own best-use-by term, this is especially important for draconian administrative and market-distorting measures such as the current BSD and DSD, yet the government downplays the need of such. I believe there is absolutely no excuse that the pre-condition for lifting / tapering these measures to be not subject for public examination and discussion.

To give an example of my two years observation while living in Taiwan between 2009-2011, the last and current Taiwan administration both failed to tackle the lack of new business engine of Taiwan and felt too good about themselves, resulting in Taiwan being marginalized economically and failing to provide enough jobs for its nationals nor reasons for investments into Taiwan by attracting businessmen / capitalists. Nowadays it's estimated 10% of Taiwan nationals live offshore in either China / US and a clear brain-drain. The best and brightest usually vote with their feet, and I am afraid the current

administration is following the footstep of its Taiwan counterparts in driving away HK residents and non-HK residents who're both working and contributing to HK tax and economy.

best

Peter Li

HK citizen