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# HOUSE CONCURRENT RESOLUTION

SUPPORTING THE DEVELOPMENT OF THE FUND MANAGEMENT INDUSTRY IN  
HAWAII.

1           WHEREAS, cities that are home to major financial markets  
2 enjoy higher tax revenues and higher median income per capita;  
3 and  
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5           WHEREAS, on a global scale, Asian economies and their  
6 related capital markets represent the largest opportunity for  
7 economic growth over the next ten to twenty years; and  
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9           WHEREAS, Australia has recently surpassed Hong Kong and  
10 Singapore as the growth market for Asia-focused fund managers  
11 due to certain attributes, such as:  
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13           (1) A western legal and regulatory system;

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15           (2) A relatively low cost of operations including office  
16 space and labor; and  
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18           (3) A favorable time zone and climate; and  
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20           WHEREAS, Hawaii shares many of the same attributes with  
21 Australia and has certain attributes that make it even more  
22 attractive as an Asia-focused capital market and fund manager  
23 base of operations, including:  
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25           (1) Being a sovereign state within the United States of  
26 America;

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28           (2) A time zone that allows managers to operate within the  
29 normal business hours of both New York and major Asian  
30 financial markets without undue hardship;  
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32           (3) A resident population that has a long and strong  
33 historical connection to many Asian countries and is



1 readily familiar, comfortable, and compatible with  
2 Asian ethnicities, customs, and traditions; and  
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- 4 (4) Being a world famous resort and travel destination and  
5 a favorite place to raise a family or retire due to  
6 many other "quality of life" attributes; and  
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8 WHEREAS, the vast majority of Hawaii's financial assets are  
9 currently managed by firms outside of Hawaii; and  
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11 WHEREAS, Hawaii does not enjoy the benefits of the profits,  
12 jobs, and ancillary support services related to the management  
13 of Hawaii's financial assets currently managed by firms outside  
14 of Hawaii; and  
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16 WHEREAS, there is virtually no downside to cultivating an  
17 Asia-focused fund management industry in Hawaii because the  
18 industry:  
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- 20 (1) Is not capital intensive and does not consume valuable  
21 resources including land and raw materials;  
22  
23 (2) Does not produce any byproducts harmful to the  
24 environment or conflict with any local cultural  
25 practices;  
26  
27 (3) Does not require an initial investment of state  
28 resources or development of special infrastructure;  
29 and  
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31 (4) Will have little impact on Hawaii's traffic situation  
32 due to the relatively low ratio of personnel to assets  
33 under management and the hours of the Asian financial  
34 markets; and  
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36 WHEREAS, Hawaii's existing fund management industry is  
37 small but growing; and  
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39 WHEREAS, Hawaii residents, and native Hawaiians in  
40 particular, are severely underrepresented in this very lucrative  
41 and high paying industry; and  
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43 WHEREAS, development of an Asia-focused fund management  
44 industry in combination with specialized training and internship



1 programs at the high school and college level could have many  
2 positive benefits for Hawaii, including:

- 3
- 4 (1) Providing the opportunity for Hawaii residents to  
5 participate in the growth of the industry;  
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- 7 (2) Allowing many Hawaii-born persons who are working in  
8 the fund management industry abroad to return home,  
9 yet maintain their financial lifestyle, to help  
10 develop the industry and be near family and friends;  
11
- 12 (3) Providing Hawaii financial asset owners the  
13 opportunity to select from a larger pool of locally  
14 based asset managers and, given comparable returns, to  
15 invest a larger portion of their financial assets with  
16 local managers, spurring organic growth in addition to  
17 imported growth;  
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- 19 (4) Diversifying Hawaii's economy;  
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- 21 (5) Producing additional tax revenues for the State of  
22 Hawaii;  
23
- 24 (6) Increasing the median income level of Hawaii  
25 residents;  
26
- 27 (7) Providing the opportunity for more rich, robust,  
28 practical interaction between educational institutions  
29 teaching finance and the finance industry, via an  
30 increased number and variety of internship  
31 opportunities;  
32
- 33 (8) Providing the opportunity for Hawaii to boost and  
34 diversify tourism by becoming a major hosting  
35 participant in the multibillion dollar industry of  
36 Asia-focused financial conventions, forums, and  
37 special events;  
38
- 39 (9) Creating demand for new services necessary to support  
40 a burgeoning financial industry, such as securities  
41 related information technology specialists and  
42 programmers, securities attorneys, auditors,  
43 compliance officers, administrators, and prime  
44 brokers; and



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(10) Attracting the best and brightest financial educators with specific interest in the Asian financial markets to seek employment in Hawaii's educational institutions; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006, the Senate concurring, that the Legislature supports the development of the Asia-focused fund management industry in the State of Hawaii and acknowledges the benefits that the development of the fund management industry would bring to the State; and

BE IT FURTHER RESOLVED that the Legislature respectfully requests the Governor and executive department agencies and other stakeholders to work together to develop a strategy for the establishment, maintenance, and growth of the fund management industry in Hawaii; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor, the Speaker of the House of Representatives, the President of the Senate, the Director of Finance, the Director of Taxation, the Director of Business, Economic Development, and Tourism, the Hawaii Securities Industry Association, and the Director of Commerce and Consumer Affairs.

OFFERED BY:

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