
HOUSE CONCURRENT RESOLUTION

PROMOTING AND 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 20 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 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;
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20 and
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22 WHEREAS, while sharing these attributes with Australia,
23 Hawaii has additional attractive attributes to be an Asia-
24 focused capital market and fund manager base of operations,
25 including:
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27 (1) Being a sovereign state within the United States of
28 America;
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30 (2) Being in a time zone that allows managers to operate
31 within the normal business hours of both New York and
32 major Asian financial markets without undue hardship;



- 1
- 2 (3) Having a resident population with a strong historical
- 3 connection to many Asian countries and that is
- 4 familiar, comfortable, and compatible with Asian
- 5 ethnicities, customs, and traditions; and
- 6
- 7 (4) Being a world famous resort and travel destination and
- 8 a favorite place to raise a family or retire due to
- 9 many other "quality of life" attributes;

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11 and

12
13 WHEREAS, the vast majority of Hawaii's financial assets are
14 currently managed by firms outside of Hawaii, thereby depriving
15 Hawaii of the benefits, including profits, jobs, and ancillary
16 support services, presently enjoyed by firms managing Hawaii's
17 financial assets outside of Hawaii; and

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19 WHEREAS, there is virtually no downside to cultivating an
20 Asia-focused fund management industry in Hawaii because the
21 industry:

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- 23 (1) Is not capital intensive and does not consume valuable
- 24 resources including land and raw materials;
- 25
- 26 (2) Does not produce any byproducts harmful to the
- 27 environment or conflict with any local cultural
- 28 practices;
- 29
- 30 (3) Does not require an initial investment of state
- 31 resources or development of special infrastructure;
- 32 and
- 33
- 34 (4) Will have little impact on Hawaii's traffic situation
- 35 due to the relatively low ratio of personnel to assets
- 36 under management and the hours of the Asian financial
- 37 markets;

38
39 and

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41 WHEREAS, Hawaii's existing fund management industry is
42 small, and Hawaii residents, and native Hawaiians in particular,
43 are severely underrepresented in this very lucrative and high
44 paying industry; and



1 WHEREAS, development of an Asia-focused fund management
2 industry in combination with specialized training and internship
3 programs at the high school and college level could have many
4 positive benefits for Hawaii, including:

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



1 compliance officers, administrators, and prime
2 brokers; and

3
4 (10) Attracting the best and brightest financial educators
5 with specific interest in the Asian financial markets
6 to seek employment in Hawaii's educational
7 institutions;

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9 now, therefore,

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11 BE IT RESOLVED by the House of Representatives of the
12 Twenty-sixth Legislature of the State of Hawaii, Regular Session
13 of 2011, the Senate concurring, that this body supports the
14 development of the Asia-focused fund management industry in the
15 State and acknowledges the benefits that the development of the
16 fund management industry would bring to the State; and

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

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24 BE IT FURTHER RESOLVED that this body respectfully requests
25 the Department of Business, Economic Development, and Tourism
26 to:

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28 (1) Establish a task force to formulate strategies for the
29 development of an Asia-focused fund management
30 industry in the State; and

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32 (2) Report its findings and recommendations to the
33 Legislature no later than 30 days before the convening
34 of the 2012 Regular Session;

35 and

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37 BE IT FURTHER RESOLVED that certified copies of this
38 Concurrent Resolution be transmitted to the Governor, the
39 Speaker of the House of Representatives, the President of the



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1 Senate, the Director of Finance, the Director of Taxation, the
2 Director of Business, Economic Development, and Tourism, the
3 Hawaii Securities Industry Association, and the Director of
4 Commerce and Consumer Affairs.

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OFFERED BY:

Karen Awana
Hal Abush
John M. ...
[Signature]
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MAR 15 2011

