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# HOUSE CONCURRENT RESOLUTION

PROMOTING AND SUPPORTING THE DEVELOPMENT OF THE FUND MANAGEMENT  
INDUSTRY IN HAWAII THROUGH THE AKAMAI FOUNDATION AND OTHER  
INCENTIVES.

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:  
12

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  
17

18           (3) A favorable time zone and climate;  
19

20 and  
21

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;



- 1 (2) Being in a time zone that allows managers to operate
- 2 within the normal business hours of both New York and
- 3 major Asian financial markets without undue hardship;
- 4
- 5 (3) Having a resident population with a strong historical
- 6 connection to many Asian countries and that is
- 7 familiar, comfortable, and compatible with Asian
- 8 ethnicities, customs, and traditions; and
- 9
- 10 (4) Being a world famous resort and travel destination and
- 11 a favorite place to raise a family or retire due to
- 12 many other "quality of life" attributes;
- 13

14 and

15

16 WHEREAS, the vast majority of Hawaii's financial assets are

17 currently managed by firms outside of Hawaii, thereby depriving

18 Hawaii of the benefits, including profits, jobs, and ancillary

19 support services, presently enjoyed by firms managing Hawaii's

20 financial assets outside of Hawaii; and

21

22 WHEREAS, there is virtually no downside to cultivating an

23 Asia-focused fund management industry in Hawaii because the

24 industry:

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

41 and

1 WHEREAS, Hawaii's existing fund management industry is  
2 small, and Hawaii residents, and native Hawaiians in particular,  
3 are severely underrepresented in this very lucrative and high  
4 paying industry; and

5  
6 WHEREAS, the AKAMAI Foundation encourages partnering  
7 industry, academia, and the public sector to enhance finance-  
8 related economic and educational opportunities for Hawaii; and

9  
10 WHEREAS, the AKAMAI Foundation supports the AKAMAI Finance  
11 Academy, which is unique to the State of Hawaii and provides  
12 high school and college students with the necessary skills to  
13 compete for exclusive careers in the fund management industry;  
14 and

15  
16 WHEREAS, upon completion of the AKAMAI Finance Academy  
17 program, graduates leave job-ready to compete in an Asia-focused  
18 fund management market; and

19  
20 WHEREAS, development of an Asia-focused fund management  
21 industry in combination with specialized training and internship  
22 programs at the high school and college level could have many  
23 positive benefits for Hawaii, including:

- 24  
25 (1) Providing the opportunity for Hawaii residents to  
26 participate in the growth of the industry;  
27  
28 (2) Allowing many Hawaii-born persons who are working in  
29 the fund management industry abroad to return home,  
30 yet maintain their financial lifestyle, to help  
31 develop the industry and be near family and friends;  
32  
33 (3) Providing Hawaii financial asset owners the  
34 opportunity to select from a larger pool of locally-  
35 based asset managers and, given comparable returns, to  
36 invest a larger portion of their financial assets with  
37 local managers, spurring organic growth in addition to  
38 imported growth;  
39  
40 (4) Diversifying Hawaii's economy;  
41  
42 (5) Producing additional tax revenues for the State of  
43 Hawaii;



- 1 (6) Increasing the median income level of Hawaii  
2 residents;  
3
- 4 (7) Providing the opportunity for more rich, robust,  
5 practical interaction between educational institutions  
6 teaching finance and the finance industry, via an  
7 increased number and variety of internship  
8 opportunities;  
9
- 10 (8) Providing the opportunity for Hawaii to boost and  
11 diversify tourism by becoming a major hosting  
12 participant in the multibillion dollar industry of  
13 Asia-focused financial conventions, forums, and  
14 special events;  
15
- 16 (9) Creating demand for new services necessary to support  
17 a burgeoning financial industry, such as securities  
18 related information technology specialists and  
19 programmers, securities attorneys, auditors,  
20 compliance officers, administrators, and prime  
21 brokers; and  
22
- 23 (10) Attracting the best and brightest financial educators  
24 with specific interest in the Asian financial markets  
25 to seek employment in Hawaii's educational  
26 institutions;  
27

28 now, therefore,  
29

30 BE IT RESOLVED by the House of Representatives of the  
31 Twenty-sixth Legislature of the State of Hawaii, Regular Session  
32 of 2011, the Senate concurring, that the Legislature supports  
33 the development of the Asia-focused fund management industry in  
34 the State through the AKAMAI Foundation and other incentives and  
35 acknowledges the benefits that the development of the fund  
36 management industry would bring to the State; and  
37

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



1 BE IT FURTHER RESOLVED that the Legislature respectfully  
2 requests the Hawaii Strategic Development Corporation to:

- 3  
4 (1) Establish a task force to formulate strategies for the  
5 development of an Asia-focused fund management  
6 industry in the State; and  
7  
8 (2) Report its findings and recommendations to the  
9 Legislature no later than 30 days before the convening  
10 of the 2012 Regular Session;

11  
12 and

13  
14 BE IT FURTHER RESOLVED that certified copies of this  
15 Concurrent Resolution be transmitted to the Governor; Director  
16 of Finance; Director of Taxation; Director of Business, Economic  
17 Development, and Tourism; Chairperson of the Board of the Hawaii  
18 Strategic Development Corporation; Hawaii Securities Industry  
19 Association; Director of Commerce and Consumer Affairs; and  
20 President of the AKAMAI Foundation.

