
HOUSE 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
4

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
8

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;
14

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:
26

27 (1) Being a sovereign state within the United States of
28 America;
29

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 (3) Having a resident population with a strong historical
2 connection to many Asian countries and that is
3 familiar, comfortable, and compatible with Asian
4 ethnicities, customs, and traditions; and
5

6 (4) Being a world famous resort and travel destination and
7 a favorite place to raise a family or retire due to
8 many other "quality of life" attributes;
9

10 and
11

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

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

22 (1) Is not capital intensive and does not consume valuable
23 resources including land and raw materials;
24

25 (2) Does not produce any byproducts harmful to the
26 environment or conflict with any local cultural
27 practices;
28

29 (3) Does not require an initial investment of state
30 resources or development of special infrastructure;
31 and
32

33 (4) Will have little impact on Hawaii's traffic situation
34 due to the relatively low ratio of personnel to assets
35 under management and the hours of the Asian financial
36 markets;
37

38 and
39

40 WHEREAS, Hawaii's existing fund management industry is
41 small, and Hawaii residents, and native Hawaiians in particular,



1 are severely underrepresented in this very lucrative and high
2 paying industry; and

3
4 WHEREAS, the AKAMAI Foundation encourages partnering
5 industry, academia, and the public sector to enhance finance-
6 related economic and educational opportunities for Hawaii; and

7
8 WHEREAS, the AKAMAI Foundation supports the AKAMAI Finance
9 Academy, which is unique to the State of Hawaii and provides
10 high school and college students with the necessary skills to
11 compete for exclusive careers in the fund management industry;
12 and

13
14 WHEREAS, upon completion of the AKAMAI Finance Academy
15 program, graduates leave job-ready to compete in an Asia-focused
16 fund management market; and

17
18 WHEREAS, development of an Asia-focused fund management
19 industry in combination with specialized training and internship
20 programs at the high school and college level could have many
21 positive benefits for Hawaii, including:

- 22
23 (1) Providing the opportunity for Hawaii residents to
24 participate in the growth of the industry;
25
26 (2) Allowing many Hawaii-born persons who are working in
27 the fund management industry abroad to return home,
28 yet maintain their financial lifestyle, to help
29 develop the industry and be near family and friends;
30
31 (3) Providing Hawaii financial asset owners the
32 opportunity to select from a larger pool of locally-
33 based asset managers and, given comparable returns, to
34 invest a larger portion of their financial assets with
35 local managers, spurring organic growth in addition to
36 imported growth;
37
38 (4) Diversifying Hawaii's economy;
39
40 (5) Producing additional tax revenues for the State of
41 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, that this body supports the development of the Asia-
33 focused fund management industry in the State through the AKAMAI
34 Foundation and other incentives and acknowledges the benefits
35 that the development of the fund management industry would bring
36 to the State; and
37

38 BE IT FURTHER RESOLVED that this body respectfully requests
39 the Governor and executive department agencies and other
40 stakeholders to work together to develop a strategy for the



1 establishment, maintenance, and growth of the fund management
2 industry in Hawaii; and

3

4 BE IT FURTHER RESOLVED that this body respectfully requests
5 the Hawaii Strategic Development Corporation to:

6

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

10

11 (2) Report its findings and recommendations to the
12 Legislature no later than 30 days before the convening
13 of the 2012 Regular Session;

14

15 and

16

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

