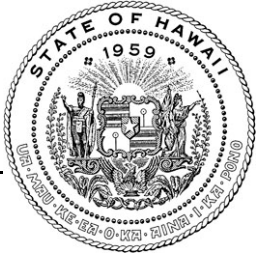


**SB 2400**

**EDT-TIA-TSM**



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

**NEIL ABERCROMBIE**  
GOVERNOR

**RICHARD C. LIM**  
DIRECTOR

**MARY ALICE EVANS**  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [www.hawaii.gov/dbedt](http://www.hawaii.gov/dbedt)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**RICHARD C. LIM**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY**  
and  
**SENATE COMMITTEE ON TRANSPORTATION AND INTERNATIONAL AFFAIRS**  
and  
**SENATE COMMITTEE ON TOURISM**

Wednesday, February 15, 2012  
1:15 p.m.  
State Capitol, Conference Room 016

in consideration of  
**SB 2400**  
**RELATING TO ECONOMIC DEVELOPMENT.**

Chairs Fukunaga, English and Kim, and Members of the Senate Committees.

The Department of Business, Economic Development, and Tourism (DBEDT) appreciates the overall concept of Senate Bill 2400, which establishes a China-Hawaii Economic Strategic Plan Working Group attached administratively to the Department of Business, Economic Development, and Tourism to develop a China-Hawaii economic plan to be implemented by 2020, but we are concerned about the cost implications generated by this proposal.

While DBEDT will recognize the positive impact China can have on key sectors of the State of Hawaii's economy, due to budget cuts and reductions-in-force, DBEDT does not have the resources to administer the China-Hawaii Economic Strategic Plan Working Group.

Thank you for the opportunity to offer these comments.

Roger H. Epstein  
1000 Bishop Street, Ste 1500  
Honolulu, HI 96813  
(808) 521-9222

COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY

Senator Carol Fukunaga, Chair

COMMITTEE ON TRANSPORTATION AND INTERNATIONAL AFFAIRS

Senator J. Kalani English, Chair

COMMITTEE ON TOURISM

Senator Donna Mercado Kim, Chair

HEARING

Wednesday, February 15, 2012

1:15 p.m.

Conference Room 016

Re: SB 2400 Relating to Economic Development  
SUPPORT

Chairs Fukunaga, English, and Kim, and Members of the Committees:

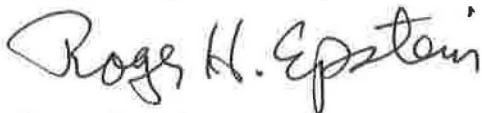
My name is Roger Epstein and I am chairman of the Tax Department at the Cades Schutte law firm in Honolulu. I strongly support passage of this legislation.

I have worked with clients in Hong Kong since 1974 and in China since 1982. Recently, I traveled to Shanghai and Beijing to discuss with PRC lawyers their using local counsel in Hawaii for their U.S. (not merely Hawaii) client investments and acquisitions. These discussions, the presentations we made, many other people we spoke with in China, as well as numerous writings, convinced us that there is an impending tidal wave of Chinese funds coming to the U.S. and that many Chinese are extremely interested in finding properties and investments in Hawaii. For a PRC law firm, it would be very simple and sensible to find co-counsel in Hawaii to make a long term relationship for all U.S. investments because of our location, our connection with China through our large Chinese population, and most significantly, because our legal fees are two-thirds of what big law firms charge in the large cities on the U.S. continent. In addition, there are many realistic opportunities for Hawaii businesses to benefit from Chinese investment. Hawaii is the U.S. Department of Energy demonstration site for alternative and renewable energy. There is a tremendous opportunity for the Chinese who are committed to spending \$350 billion on renewable energy to see the projects we are working on here over the next few years as these demonstration projects get farther and farther along. Moreover, as more Chinese tourists come to vacation in Hawaii, they will be interested in taking back some of the local businesses to expand to China as they experience them. As you know, the U.S. just doubled the number of consular officers in China in order to expedite U.S. visas.

With a strategic plan in place, Hawaii will be in a much better position to gain its meaningful share of the impending Chinese investments. You can be sure that other states will be creating their own strategic plan, despite the fact that Hawaii is better situated for the reasons stated above.

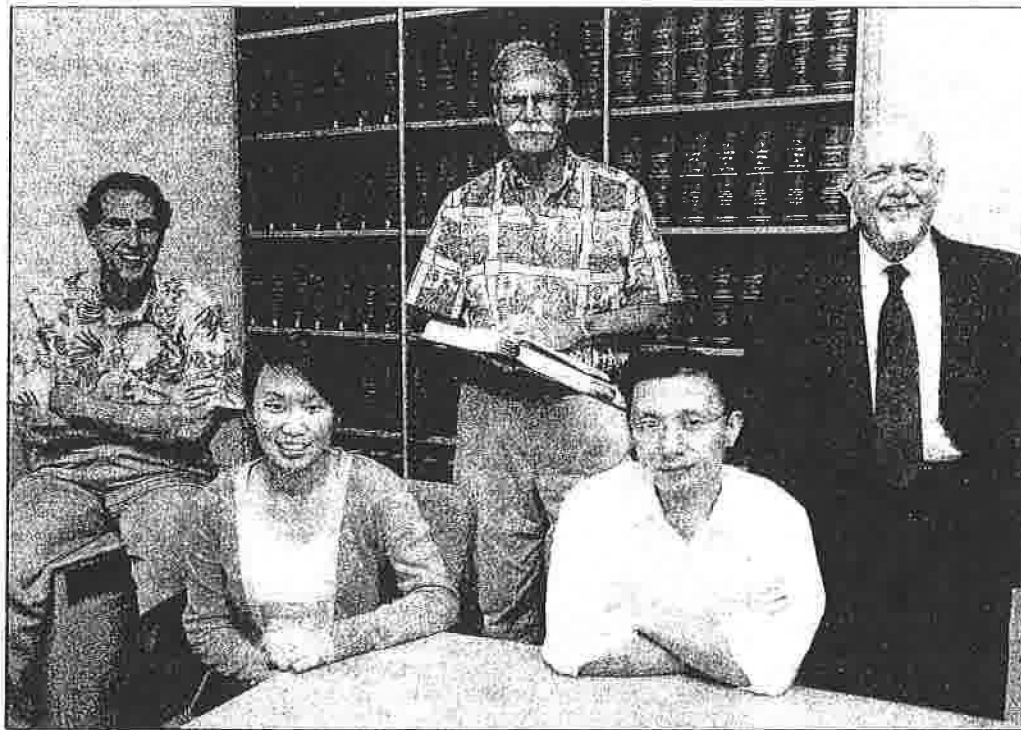
This legislation is important to both keep the ball rolling from the APEC conference and to make sure that we do not let this important opportunity escape Hawaii when we are at the forefront and ideally positioned to benefit from China's growth. Accordingly, I urge your passage of SB2400.

Respectfully submitted,

A handwritten signature in black ink that reads "Roger H. Epstein". The signature is written in a cursive, flowing style.

Roger Epstein

Attachment



TINA YUEN PH

From left, attorneys Roger Epstein, Constance Liu, Larry Foster, Andy Kuang and Mark Shklov are seeking to expand a legal exchange network between Hawaii and China.

## Lawyers position themselves for influx of Chinese trade

U.S.-China Legal Network designed to pave way for future business deals

BY LINDA CHIEM  
PACIFIC BUSINESS NEWS

Honolulu attorneys Roger Epstein, Larry Foster, Alan Ma and Mark Shklov are seeking to expand a legal exchange network they created four years ago to Shanghai, Beijing and Hong Kong.

### U.S.-China Legal Network

**Co-founders:** Roger Epstein, Larry Foster, Alan W.C. Ma and Mark Shklov

**Website:**  
[www.uschinalegalnetwork.com](http://www.uschinalegalnetwork.com)

If successful, the program will set up select local law firms to be major players in the U.S.-China legal arena.

It also is an effort to prepare them for the expected influx in Chinese business

expansions and investments worth billions of dollars in the United States during the next several years.

Eager to ensure that Hawaii uses its geographic position and cultural connections to China to their fullest potential, this group of Hawaii attorneys has been steadily building what they describe as the foundation for capitalizing on China's

SEE NETWORK, PAGE 29

# NETWORK: Program finds ways to build Chinese connections

FROM PAGE ONE

new wealth and funneling Chinese investment into the Islands.

As such, they set up the U.S.-China Legal Network and last month went on a promotional tour in Shanghai, Beijing and Hong Kong to meet with more than a dozen potential partner law firms.

The network's multilayered goal is to cross train Hawaii and Chinese attorneys, develop overseas relationships that pave the way for future business deals and set up the Hawaii attorneys as a trusted legal referral network and liaison between Chinese and American clients, according to Epstein, Foster and Shklov.

Here's how the network works:

Cades Schutte, the Honolulu law firm where Epstein is a longtime partner and chairman of its tax department, has a lawyers exchange program in which it hosts senior attorneys from Chinese law firms for three-month stints by providing them with an office to work out of while exposing them to the practice of American law.

Most of the attorneys were referred to the network by the Luwan District Ministry of Justice Bureau, the government agency that licenses law firms in the central business district that is home to Shanghai's most prolific law firms. The attorneys then refer their Chinese clients to the Hawaii lawyers to handle legal matters on this side of the Pacific, such as immigration, civil litigation, commercial dispute resolution, general corporate, intellectual property, securities law, international finance, real estate and tax.

"I see this as a tremendous opportunity for us to redevelop the kind of acquisitions practice [with the Chinese] that we've already been doing for most of our Hawaii clients," Epstein said. "What we saw on this [recent trip], which we felt before, was there is a lot of money in China looking for a home — a home outside of China. I think we're particularly well-positioned and well-qualified to legally handle the business structure, the buying of properties, for the tremendous investment coming from China into the U.S."

Eventually, the Hawaii-based attorneys, notably Cades Schutte, will secure a bankable roster of Chinese clients by serving as partners, rather than competitors, to the Chinese law firms.

Andy Kuang, co-founder and senior partner of the Shanghai law firm Hansen & Partners, has been in Honolulu for the past six weeks participating in the exchange. He says it's a great opportunity for him to build Hawaii connections that he can take back to his Shanghai clients who are eager to invest overseas.

"[With] the cooperation between lawyers, you need trust and that is the base," he told PBN. "This opportunity is fantastic. It is not so I can learn American law, but so that I can observe how they're doing business [here]."

While they're not securing commitments in the form of binding agreements with these firms, they are signing what they describe as "friendship agree-

ments," which are designed to expand the professional relationship by promising further legal exchange and collaboration.

"These are very important because, at the risk of sounding too idealistic from the global perspective, once they get to know each other there's less room for misunderstanding or, rather, more room for communication," said Shklov, a partner at the Honolulu law firm of Shklov & Wong. "Hawaii is ideal for that personal and professional connection with lawyers in China. ... We think the stars are all lined up for this."

Individually, Epstein, Foster, Ma and Shklov have been cultivating their relationships in China and Hong Kong for decades.

As a group, under the flag U.S.-China Legal Network, the attorneys have found a marketing niche as seasoned attorneys, familiar in business transactional law, with the knowledge, connections and passion to do big business with the Chinese, they told PBN.

"In Hawaii, this is the only program of its kind, and the unique nature of the exchange is that the lawyers don't just sit here, we get them deeply involved in the U.S. legal culture," said Foster, former dean of the University of Hawaii William S. Richardson School of Law.

Both Epstein and Foster said the network also is about connecting the next generation of Hawaii lawyers with their counterparts in China, who are quickly shaping that country's legal landscape. Constance Liu, an associate with Cades Schutte, also accompanied Epstein, Foster and Shklov on their recent trip to China — an example of the resources that Cades Schutte is willing to pour into shoring up its international ties, Epstein said.

"We're just starting," Epstein said. "We've built this thing from scratch, and we just thought it was good to have the connection now. And there wasn't a single firm on this trip that wasn't enthusiastically interested in our concept and our network."

In a translated statement to PBN, officials with the Luwan District Ministry of Justice Bureau said there is growing demand in Shanghai for skilled lawyers who have both the international vision and ability to satisfy diversified legal service needs, especially in areas such as international finance and trade and maritime law.

"To get a competitive edge, domestic law firms need lawyers who can deal with cross-border legal issues and provide first-class service. ... Therefore, when we [learned about] the lawyer exchange program proposed by Mark, Roger and Larry, we thought it is a great idea," they said in the statement. "This is not only because we hope some good local lawyers could be trained in the U.S., but also because it provides opportunities for Chinese young lawyers to see the different legal culture and management ideas. At the same time, we are expecting some U.S. lawyers could come to China and further extend this kind of communication."

February 14, 2012

**Testimony in SUPPORT OF**  
**SB2400**

RELATING TO ECONOMIC DEVELOPMENT

Presented to the Senate Committee on Economic Development and Technology, the Senate Committee on Transportation and International Affairs, and the Senate Committee on Tourism

At the public hearing 1:15 p.m. Wednesday, February 15, 2012  
in Conference Room 016, Hawaii State Capitol  
Submitted by David H. Rolf, for the Hawaii Automobile Dealers Association  
Hawaii's Franchised New Car Dealers

Chairs Fukunaga, English, Kim, and members of the committees,

I'm David Rolf, representing Hawaii's franchised new car dealers.

**HADA is in strong support of developing a China-Hawaii economic strategic plan working group, as proposed in this bill.**

*Background:*

*This past year, HADA, at the request of the China's 7<sup>th</sup> International Energy Efficiency and New Energy Vehicles Innovation and Development Forum & Exhibition, held in Beijing September 6-10, 2011, provided opening remarks for the plenary session. The event has become known as the world's largest electric vehicle conference. The accompanying mayor's forum and electric vehicle exhibition involved HADA participation. Translators for the HADA speech were provided by China's Ministry of Science and Technology.*

*Mayor Peter B. Carlisle issued a proclamation declaring Sept. 6-10, 2011 CHINA-HAWAII NEW VEHICLE TECHNOLOGY COOPERATION DAYS.*

*HADA was able to share with Chinese officials the work Honolulu has done to transition to new vehicle technology so as to meet the goals of the Hawaii Clean Energy Initiative.*

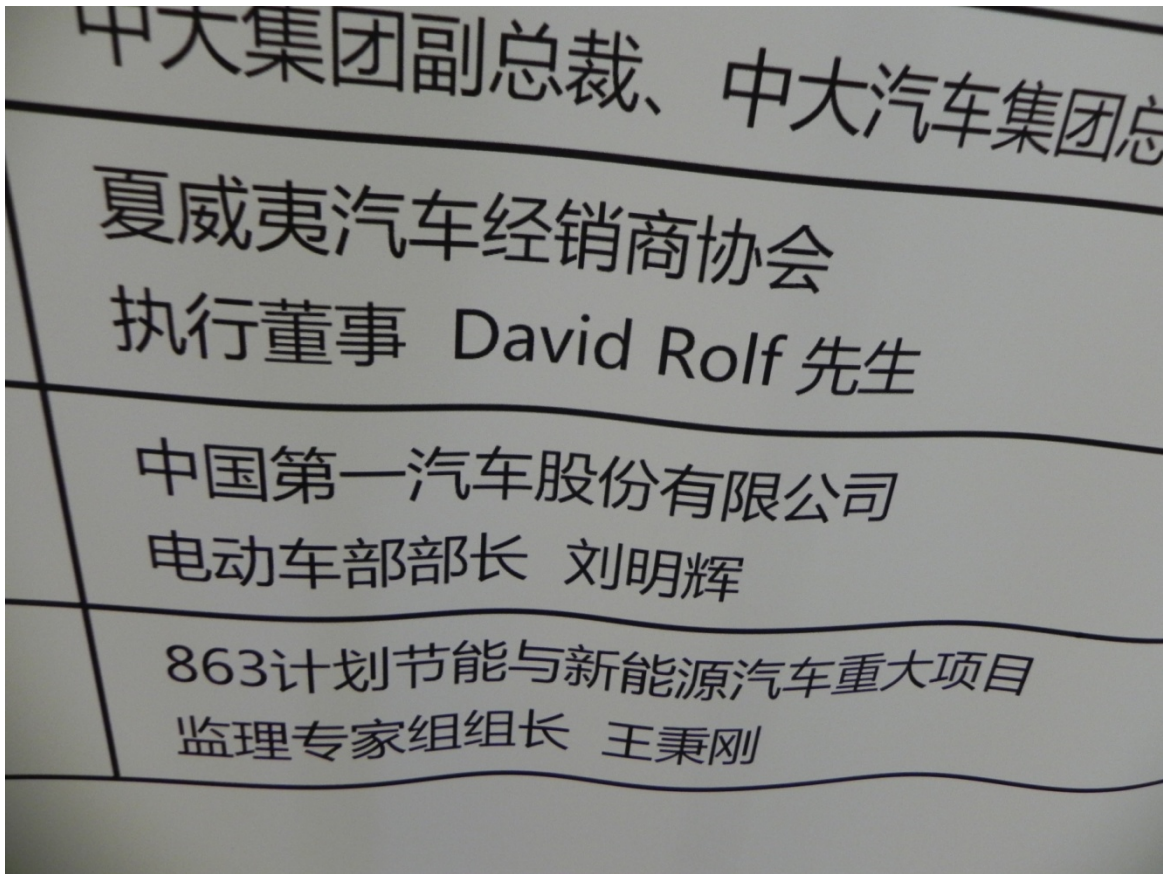
*Both China and Hawaii have focused on the transition to renewable fuels in the transportation sector. Both have a lot to share as the world seeks to transition from the use of fossil fuels.*

*It is hoped that the bill can be amended to include a strategic plan focus on the development of renewable energy. Hawaii is the perfect test bed for such research with regard to renewable fuels for transportation. Indeed it is said that "Hawaii is to the electric vehicle what Napa Valley is to the grape—that is, both provide perfect conditions." Short commutes, perfect temperatures for battery operation and public policy focused on change (the Hawaii Clean Energy Initiative) make Hawaii ideal for development of the electric vehicle and the hopefully soon-to-be-streamlined visa cooperation with China will allow for information sharing and cooperation in this key area.*



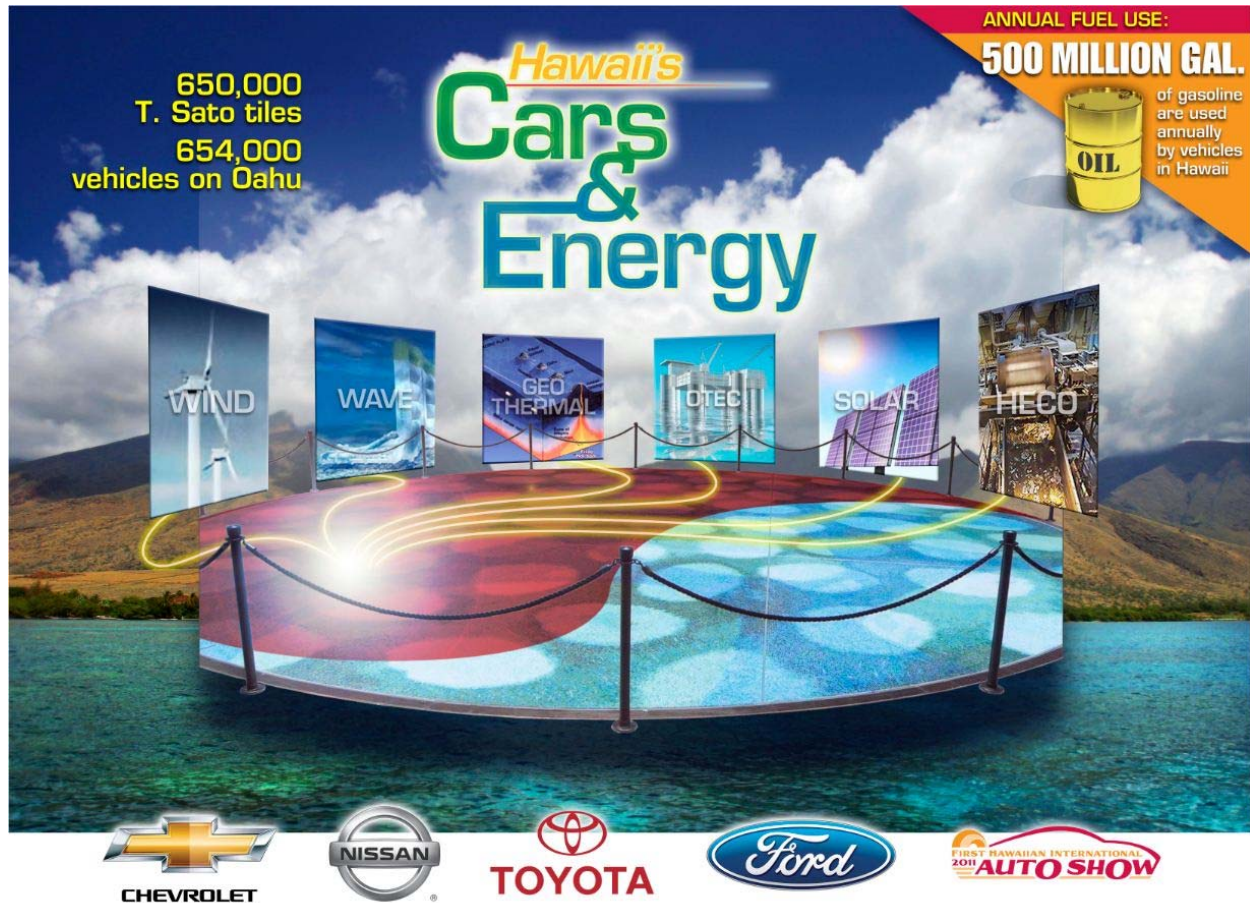


HADA representative speaking in Beijing at the world's largest electric vehicle conference, Sept. 7, 2012, explaining Hawaii's unique contribution to the study of electric fuel for vehicles.





Honolulu was the only U.S. city represented at the conference.



Hawaii's unique combination of renewable energy resources provide a perfect testing ground for the electric vehicle.

We understand that China has made transition to the electric vehicle one of the "seven pillars" of its 12<sup>th</sup> FIVE YEAR PLAN.

Cooperation in this key area can bring many visitors to Hawaii for meaningful exchanges of information and technology.

**HADA respectfully requests that the committees pass SB 2400 .**

Respectfully submitted,

David H. Rolf

For the members of the Hawaii Automobile Dealers Association

1100 Alakea St. Suite 2601

Honolulu, Hawaii 96813

Tel: 808 593-0031 Cell: 808 223-6015 Fax: 808 593-0569

Email: [drolf@hawaiiidealer.com](mailto:drolf@hawaiiidealer.com) website: [www.hawaiiautodealer.com](http://www.hawaiiautodealer.com)





# Hong Kong Business Association Of Hawaii

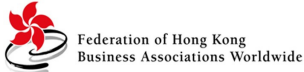
**Barinna Poon**  
Chairperson  
**Jimmie Bush**  
President  
**Bee Leng Chua**  
1<sup>st</sup> Vice President  
**Joan R. Davis**  
Secretary  
**Dennis Bunda**  
Treasurer

“To provide a bridge in facilitating trade, investment, and business opportunities between Hawaii, Hong Kong, China and its neighboring regions in order to enhance our separate commercial and investment environments for mutual benefits”

February 14, 2012

The Senate  
The Honorable Carol Fukunaga, Chair  
Committee on Economic Development and Technology  
The Honorable J. Kalani English, Chair  
Committee on Transportation and International Affairs  
The Honorable Donna Mercado Kim, Chair  
Committee on Tourism

Proud Member:



Re: Written Testimony of Barinna Poon, Chairperson of the Hong Kong Business Association of Hawaii regarding SB 2400 regarding the creation of a China-Hawaii economic strategic plan working group Hearing Date: Wednesday, February 15, 2012, 1:15pm, Rm. 016

Dear Chair Fukunaga, Chair English and Chair Mercado Kim:

**EX-OFFICIO DIRECTOR:**

**Jeff LEUNG**  
Director  
Hong Kong Economic and Trade Office, San Francisco

**2012 BOARD OF DIRECTORS:**

**Dennis P. BUNDA**  
Managing Director  
CMC Global Network-Asia Pacific

**Jimmie BUSH**  
Senior Real Estate Advisor  
NAI ChaneyBrooks

**Bee Leng CHUA, Ph. D.**  
Executive Director  
HIBEAM

**Joan R. DAVIS**  
Partner  
Lord & Trigg Environmental Technology, Ltd.

**Chee Ping LUM**  
Principal  
Sui Wah School

**Barinna POON**  
Director of Investment & Leasing  
International Client Services  
NAI ChaneyBrooks

My name is Barinna Poon; I am the Chairperson of the Hong Kong Business Association of Hawaii (HKBAH) and the Immediate Past Chairman of the National U. S. Hong Kong Business Associations (NUSHKA), a confederation of Hong Kong Business Associations in eleven U.S. cities. This testimony is submitted in SUPPORT of the legislation to create a China-Hawaii economic strategic plan working group with ONE important addition/suggestion: that Hong Kong be included in all respects as part of the strategic plan working group between China and Hawaii.

Hong Kong is a part of China as part of the “One Nation-Two Governments” policy. This means Hong Kong is allowed a great deal of its own autonomy in its local government. This creates a business and legal atmosphere in Hong Kong unique to China; the lawyers, accountants, courts, business brokers and others one does business with are steeped in the British and American common law. Anyone doing business in or with China is advised to deal with Hong Kong. This is especially true in enticing businesses from China and Hong Kong to do business in Hawaii. Chinese and Asian investors are much more comfortable in dealing with the western legal system, as used in Hong Kong and Hawaii than the pure Chinese system.

There is active and important relationship between Hong Kong and Hawaii already in existence:

1. Hong Kong has become the 9<sup>th</sup> largest export destination for Hawaii in 2011. Hong Kong imported from Hawaii US \$24.1 million worth of goods in 2011 from US \$17.3 million in 2010. (i.e. up nearly 24%)
2. Hong Kong is the 3<sup>rd</sup> biggest foreign investor in Hawaii real estate.
3. Hong Kong is an important gateway for Hawaii companies to enter the Mainland market. Hong Kong is one hour’s drive to the Pearl River Delta – the world’s largest manufacturing region and most economically dynamic region of Mainland China. Hawaii companies can take advantages of the Closer Economic Partnership

**DISTINGUISHED CORPORATE MEMBER:**

**Hong Kong Trade Development Council -**

**Dannie CHIU**  
Director, Los Angeles

**Julia SON**  
Marketing Manager,  
Los Angeles

**William HUNG**  
Business Matching Manager,  
Los Angeles

**Teresa HUNG**  
Business Development Officer,  
Los Angeles

Arrangement (CPEA), a free trade agreement between Central People's Government and Government of the Hong Kong special Administrative Region, allow any Hong Kong company, regardless of nationality, preferential access to the Mainland China Market.

4. China became the fourth largest export destination for Hawaii in 2011, increasing to US\$100M (from US\$63 million in 2010). Hawaii companies could use Hong Kong's position as an offshore Renminbi (RMB) centre and choose to settle trade transactions in future with their Chinese counterparts in RMB instead of US dollar so as to offset the risk of exchange rate fluctuations, particularly if RMB continues to appreciate against USD.
5. Many American companies now conduct initial public offerings (IPOs) in Hong Kong for capital formation and market development purpose. Some US companies also issue RMB bonds in Hong Kong so as to lower their cost of borrowing RMB to finance their projects/activities in Mainland China. This may be the opportunity for Hawaii entrepreneurs's to raise capital using Hong Kong stock market to access Chinese money.
6. Hong Kong visitors in 2011 reached a new record of 41.92 million; 16.4% more than in 2010. 28.1 million came from Mainland China. (23.9% over 2010)
7. Hong Kong unemployment rate remains 3.3%. Total employment 3,778,000; unemployment 116,100 in 2011.
8. Hong Kong Tax – 3<sup>rd</sup> lowest tax in the world. Hong Kong operates a low and simple tax system. Corporate tax is a maximum 16.5% Income tax is a maximum 15% No tax on Sales, Capital Gains or Dividends

The addition of Hong Kong to the matrix of the China-Hawaii strategic group does not lessen the group's importance, it enhances it. Hong Kong is an important and integral part of doing business in China. To attract Chinese investment capital to Hawaii will require involvement of professionals from Hong Kong who can facilitate any transaction.

I was born and raised in Hong Kong. I came to Hawaii in 1989 and have been a Hawaii resident for over 20 years. I hold a Hawaii real estate license, and am Director of Investment and Leasing, International Client Services, with emphasis on China and Hong Kong, for NAI Chaney Brooks. In that capacity I have met numerous substantial business people involved primarily in the hotel, and shopping center development and management. Almost all of these people, no matter where located, do business through agents and officials in Hong Kong. Many of these people have expressed an interest in investing in Hawaii; as more Chinese tourists and others come to Hawaii. It is only a matter of time before the Chinese economic involvement will equal and possibly surpass that of the Japanese investment in Hawaii. Chinese is already number three, behind Japanese and Canadian for foreign real estate investment. The stakes for Hawaii and its economic future are heavily involved with the potential for Chinese investment.

The China-Hawaii economic strategic plan working group should involve Hong Kong, and a representative from a Hong Kong group/organization should be actively involved.

Please feel free to contact me at 808 383-5008 or via email: [bpoon@hawaiiantel.net](mailto:bpoon@hawaiiantel.net) if you have any questions regarding my testimony.

Thank you for the opportunity to present my point of view. If you request me to come, to give this testimony in person, and to answer your questions, I will be more than happy to do so.

Mahalo and Aloha!

Sincerely,

A handwritten signature in black ink, appearing to read "Barinna Poon". The signature is fluid and cursive, with a large initial "B" and a long, sweeping underline.

Barinna Poon  
Chairperson  
Hong Kong Business Association of Hawaii  
Immediate Past Chairman  
National U.S. Hong Kong Business Association

C.C. Senator Will Espero, Vice Chair  
Committee on Transportation and International Affairs

## General Facts of Hong Kong

**Area:** Hawaii 10,981 sq miles; Hong Kong 426 sq miles. Hawaii is 26 times larger than Hong Kong.

**Population:** Hawaii 1,400,000; Hong Kong 7,100,000. Hong Kong's population is about 5 times larger than Hawaii's

**Economy:** Hawaii GDP US \$69 billion; Hong Kong GDP US \$205 billion in 2009; and \$226 billion in 2010 (i.e. up +6.5%) Hong Kong's economy is about 3 times larger than Hawaii's.

**Unemployment:** Hong Kong unemployment rate remains 3.3%.; Total employment 3,661,900; unemployment 116,100 in 2011.

**Tourism:** Hong Kong Visitors in 2011 reached a new record of 41.92 million; 16.4% more than in 2010. 28.1 million came from Mainland China. (23.9% over 2010)

**American Business in Hong Kong:** Many American companies set up offices in Hong Kong to serve as their Asia Pacific regional offices/headquarters.

**Hong Kong Tax** – 3<sup>rd</sup> lowest tax in the world  
Hong Kong operates a low and simple tax system.  
Corporate tax is a maximum 16.5%  
Income tax is a maximum 15%  
No tax on Sales, Capital Gains or Dividends

**Leading Universities in Asia:** Hong Kong's universities continue to rise up the world rankings to be among the best in the world. Hong Kong is one of the best performing regions in the world in terms of its improving performance. In the [Times Higher Education QS World University Rankings 2009](#), Hong Kong has three universities in the world's top 50 – more than any other country in Asia and five in the top 200. The University of Hong Kong was judged the 24th best in the world. Hong Kong's business schools are also world-renowned, The Hong Kong University of Science & Technology EMBA programme ranks second in the world.

### **Enhanced Connectivity with the Mainland**

The world's longest road bridge: Hong Kong-Zhuhai-Macau Bridge, spanning 29.6km will provide a land-link between Hong Kong and the western part of the Pearl River Delta (PRD). When it opens in around 2016 the 4 hour trip from Zhuhai to Hong Kong International Airport will be less than 30 minutes, making the whole of the western PRD region within a 3 hour commuting radius from Hong Kong.

**The Guangzhou-Shenzhen-Hong Kong Express Rail Link** will run from West Kowloon in Hong Kong to Guangzhou in less than 50 minutes, more than halving the current journey time. The Express Rail Link will provide the opportunity for major Mainland cities to run direct train services with Hong Kong. Provinces in Central and Southern China will be a few hours from Hong Kong, and Wuhan will be 5 hours and Shanghai about 8 hours, city-centre to city-centre.



## **World Class Infrastructure**

Hong Kong has world-class transportation, telecommunications, IT connectivity and utilities.

### **One of the world's top international airports**

Hong Kong International Airport is Asia Pacific's busiest international passenger airport and the world's third busiest – handling nearly 51 million passengers in 2010. Over 95 airlines operate out of Hong Kong International Airport, linking Hong Kong to about 160 worldwide locations, including around 45 destinations in Mainland China.

### **International hub for logistics & shipping**

World's busiest international cargo airport

In 2010, Hong Kong International Airport handled 4.1 million tonnes of freight which accounted for 35.8%, or HK\$2,293 billion, of the total value of Hong Kong's external trade.

### **One of the world's busiest container ports**

Hong Kong has 9 container terminals with 24 berths and 8,530 metres of frontage. Hong Kong's harbour can accommodate ships of up to 12,000 twenty-foot equivalent units (TEUs). It is the world's 3rd busiest container port with over 100 international shipping lines connecting with over 5,000 destinations worldwide and around 230,000 vessels carrying 24 million TEUs per annum docking at Hong Kong port each year. Hong Kong currently handles 30% of China's total trade cargo. According to the Study on Hong Kong Port – Master Plan 2020, Hong Kong's container throughput is projected to reach nearly 28 million TEUs in 2010 and over 40 million TEUs in 2020.

## **State-of-the-art communications network**

### **World-class telecommunications**

Hong Kong is a global communications hub and has an excellent communications infrastructure with a fully privatised telecommunications sector. Mobile phones work in tunnels and the underground railway network. In February 2011, The number of subscribers to mobile phones is 13.7 million, a penetration rate of about 193 percent – one of the highest in the world. Among them, 5.72 million are 3G/3.5G service customers. The Government maintains a pro-competition and pro-consumer regulatory framework for the telecommunications market. The Office of the Telecommunications Authority (OFTA) regulates and facilitates the development of the sector.

### **7th most e-ready economy in the world**

Hong Kong has been ranked 7th in the Economist Intelligence Unit e-readiness 2010 survey. E-readiness is a measure of the quality of a country's information and communications technology (ICT) infrastructure and the ability of its consumers, businesses and governments to use ICT to their benefit. Hong Kong was judged to have the world's most affordable Internet and mobile phone services, and broadband networks cover virtually all commercial buildings and households. Over HK\$2 billion has been earmarked under the Innovation & Technology Fund to set up five R&D centres to exploit ICT applications.

### **Reliable and affordable utilities**

The Hong Kong electricity grid is state-of-the-art and supply is more than adequate so blackouts do not occur. There are two electricity providers: China Light and Power that generates and distributes electricity to around 80 per cent of Hong Kong's households and Hong Kong Electric Company; and Town Gas that supplies gas to around 1.3 million households and businesses in Hong Kong. Drinking water is readily and reliably available

from the Water Supplies Department, and Watsons and Bonaqua can deliver dispensed bottled mineral water to homes and offices.

### **Foster Innovation and Technology Development**

With world-class research & development facilities, high-tech infrastructure, robust protection of intellectual property rights, and unrivalled access to Mainland China and Asia, Hong Kong offers an excellent base for companies to carry out research & development.

Total R&D expenditure in Hong Kong in 2009 was HK\$12.8 billion, representing an increase of 17.4% in comparison to 2005. Full-time personnel employed in R&D has increased from 11,000 in 2001 to 23,281 in 2009. Source: Hong Kong Census and Statistics Department

### **State-of-the-Art Research & Technology Infrastructure**

Hong Kong has setup world class technological infrastructure and facilities to help nurture the development of technology –intensive industry clusters.

#### [Hong Kong Science and Technology Parks \(HKSTP\)](#)

HKSTP plays a leading role in supporting Hong Kong to become a major international centre of innovation and technology development. HKSTP offers facilities and support services for businesses in the fields of electronics, biotechnology, information and communication technology and green technology.

#### [Hong Kong Cyberport](#)

A US\$2 billion landmark project focused on enterprise and professional development, Cyberport is Hong Kong's unique Creative Digital Community. Cyberport helps commercialise creative ideas and incubate start-ups and houses an energetic cluster of creative ICT and digital content tenants who enjoy synergies from co-locating with each other.

#### [Hong Kong Applied Science and Technology Research Institute Company Limited \(ASTRI\)](#)

ASTRI was founded in 2001 to capture the promises of technological advances for Hong Kong through applied research. Its missions are to perform high quality R&D for technology transfer to industry, develop needed technical human resources, and act as a focal point that brings together industry and university R&D assets. ASTRI's R&D activities focus on four closely interrelated technologies: IC Designs, Communications Technologies, Enterprise & Consumer Electronics and Material & Packaging Technologies.

#### [Hong Kong Research and Development Centres](#)

The Hong Kong Research & Development Centres were setup to strengthen collaborative applied research activities between industry and research organisations. The major research focus areas of the R&D Centres include [automotive parts and accessory systems](#); information and communications technologies; [logistics and supply-chain management enabling technologies](#); [nanotechnology and advanced materials](#); [textiles and clothing](#) and Chinese medicine.

#### [Hong Kong Jockey Club Institute of Chinese Medicine Limited](#)

Promotes and co-ordinates activities related to the development of Chinese medicine and provides strategic support to scientific and evidence-based development programmes.

#### [Hong Kong Design Centre](#)

Promotes design as a value-added activity, raises design standards and fosters design-related education to help establish Hong Kong as a centre of design excellence in Asia.

### **Government commitment**

The Hong Kong SAR Government attaches great importance to promoting and nurturing R&D and has setup a number of research and development grants.

#### [Innovation & Technology Fund](#)

A HK\$5 billion Innovation & Technology fund has been set up to encourage and assist

industries to undertake research and development activities for enhanced technology development and innovation performance.

[The Small Entrepreneur Research Assistance Programme \(SERAP\)](#)

This programme aims to help small, technology-based companies with fewer than 100 employees to carry out business-oriented research projects at the pre-venture capital stage within two years. For projects approved for funding, a non-interest carrying loan of up to HK\$4 million will be provided on a dollar-for-dollar matching basis. The applicant company will hold all intellectual property rights arising from the project.

[University-Industry Collaboration Programme \(UICP\)](#)

This programme aims to stimulate private sector interest in R&D through utilising the knowledge and resources of universities. There are three schemes under this programme: The Teaching Company Scheme, The Matching Grant for Joint Research and The Industrial Research Chair Scheme.

[DesignSmart Initiative](#)

Set up to strengthen support for the design and innovation industries and consists of four elements:

Design-business collaboration scheme – aims to promote collaboration between design and SMEs  
Design-research scheme – aims to support worthwhile research in design or branding-related areas.

General Support Scheme – promotes and honours design excellence in Hong Kong

Professional Continuing Education Scheme – aims to develop professional continuing education courses in design and its application

## Hong Kong Scores in World Business Rankings:

### Foreign Direct Investment (FDI)

**Hong Kong continues to be Asia's 2nd largest and the world's 3rd largest FDI recipient.**

Hong Kong attracted US\$68.9 billion inward investment in 2010. Hong Kong also continues to have the highest FDI stock in the region, enjoying a majority share of 30 percent, or US\$1 trillion in 2010.

### Competitiveness

**Hong Kong ranked 1st in World Competitiveness Yearbook 2011.**

Hong Kong ranked 1st in the world this year. The survey benchmarked the 59 most important economies in the world according to 331 different competitiveness criteria including economic performance, government efficiency, business efficiency and infrastructure.

**Hong Kong has world's 2nd lowest costs of doing business and business risk.**

Hong Kong continues to have the best opacity in Asia Pacific and 2nd in the world behind Finland. Opacity measures high-frequency, low-impact risks which indicate poorly functioning governments and increased cost of doing business and business risk: corruption, legal system, efficiency, economic and enforcement policies, accounting standards and regulatory effectiveness.

**Hong Kong was ranked 14th in the "Connectivity Scorecard 2010"**

The Scorecard is a global ICT index to measure the 50 countries on their deployment of ICT Infrastructure and the extent to which governments, businesses and consumers make use of connectivity technologies to enhance social and economic prosperity. In 2010, Sweden took the top spot.

### **Hong Kong again the most competitive city in China.**

The report ranked a city's overall competitiveness on the basis of its advantages in human resources, capital, science and technology, infrastructure, environment and governance.

### **Tax & Finance**

#### **Hong Kong has lowest tax misery in Asia Pacific and 3rd lowest in the world.**

Hong Kong has a low and simple tax regime, with a maximum 16.5% corporate income tax and maximum 15% salaries tax.

#### **Hong Kong is 2nd in the world in terms of ease of access to capital.**

122 countries were ranked in terms of financial infrastructures that support entrepreneurial activity by providing access to capital.

#### **Hong Kong is Asia's top financial city and ranked 3rd in the world**

Hong Kong's leading position in Asia is confirmed by the Global Financial Centres Index – which examines 5 underlying competitiveness areas, namely, people, business environment, infrastructure, market access, and general competitiveness. Hong Kong is rapidly catching up London and New York.)

#### **Hong Kong 5th in Financial Development Report 2009**

Hong Kong moved up three places to claim the 5th position out of 55 of the world's leading economies. Hong Kong was judged as the best place in the world for “banking financial services”, and scored top marks in three other areas, namely “taxes”, “equity market development” and “commercial access”.

### **Business-Environment**

#### **Hong Kong judged the world's freest economy for 13 consecutive years.**

The annual peer review report uses 42 different criteria to measure a country's degree of economic freedom in 5 broad areas: size of government, legal structure and security of property rights, access to sound money, freedom to trade internationally and regulation of credit, labour and business.

#### **Hong Kong ranked top in Index of Economic Freedom.**

10 benchmarks gauge economic success of 183 countries around the world measuring economic freedoms – from property rights to entrepreneurship.

#### **Hong Kong continues to be rated 2nd in the world for its openness to international trade.**

Hong Kong's successful economic development strategy was reflected by the Enabling Trade Index, which measures market access, border administration, transport and communications infrastructure, and business environment. The report covered 125 economies worldwide.

#### **Hong Kong, World's Second Best Country for Business**

Hong Kong ranks #2 in the 'Best Countries for Business' ranking, reaffirming its regional dominance as a business friendly destination. The fifth annual ranking of the 'Best Countries for Business' by Forbes financial magazine has placed Hong Kong in the second spot after Denmark and ahead of developed economies such as US, UK, Australia, New Zealand, Canada, and Singapore.

## **Rule of Law**

### **Hong Kong has best judicial system in Asia.**

1,537 corporate executives working in Asia were asked to rate the judicial systems in the countries where they reside on a range of variables. Hong Kong topped the vote with a score of 1.45 (0 = best system and 10 = worst system).

### **Hong Kong has best corporate governance in Asia.**

The survey ranked 11 Asian markets according to their corporate governance standards defined in terms of rules and practices, enforcement, political and regulatory environment, accounting and auditing standards and overall culture.

## **Business-Friendliness**

### **Hong Kong ranked 3rd in Ease of Doing Business 2010**

Hong Kong commended for creating a one-stop shop to expedite the process for obtaining construction permits and easing business start-up and property transfer procedures further improving the ease of doing business for companies in the city.

## **Lifestyle**

### **Hong Kong best in Asia Pacific for shopping, nightlife and vibrant city life.**

The survey was conducted across CNN English websites with more than 5,000 travellers globally responding to the survey.

### **Hong Kong ranked 5th in Global Cities Index ahead of Singapore.**

To measure globalisation around the world and rank the ways in which cities are integrating with the rest of the world, cities were scored according to 25 metrics across five dimensions: business activity, human capital, information exchange, cultural experience and political engagement.



2008 U. S. Small Business Administration  
(SBA) Minority Small Business Champion –  
National Winner

**Founding Members (\*Directors)**

**\*Johnson W. K. Choi,**

President & Managing Director/EVP & COO  
Global Estate & Tax Consultant/CMC Consulting  
Group Inc/Makai Motion Pictures LLC

**\*Melvyn Choy,** Chairman  
Durrant Media Five

**\*Yen Chun,** Director

China Soong Ching Ling Foundation  
Beijing/Shanghai / Dr. Sun Yat Sin Foundation HI

**\*Brenda Lei Foster,** President & CEO  
American Chamber of Commerce in Shanghai

**\*Chuck Y Gee,** Dean Emeritus  
University of Hawaii  
School of Travel Industry Management

**\*Ken Hayashida,** President  
Kai Hawaii, Inc.

**Kathy Hsiung,** President  
Cathay Kai Jewelry

**\*Manuel Menendez III,** Manager  
8M8 LLC / MCM Group Holdings Ltd

**Kenji Mita,** President  
TEAVA momi, Inc.

**Puonepun Sananikone,** President & CEO  
PacMar, Inc.

**\*Inparn "Laura" Smith,**  
Former Sr. Financial Service Rep  
Principal Financial Group

**\*Paul Tang,** General Manager  
Hyatt Regency Grand Cypress Resort

**Ming Tong,** Operation Manager  
Pacific Height Partners

**Thomas Tong,** Former Director of Rooms  
Kahala Mandarin Oriental Hawaii

**Carol Tsai,** President  
Carol Tsai Investment, Inc.

**\*Natalie Tse,** Esq  
Attorney at Law

**\*Charlotte Vick,** Former Sr. VP of Marketing  
Starr Seigle Communication

**\*Gerhart Walch,** Chairman and CEO  
WSF Corporation

**Sandra Yang,** President  
S & L International Inc

**\*Janice Zheng,** Former Business Banker  
First Hawaiian Bank

**Honorary Ex-Officio Director**

**John Holman,** Director  
United States Dept of Commerce - Honolulu

**Honorary Advisor**

**Janie M Fong,** Director  
California Office of Trade & Investment,  
Office of the Governor

**Jenny Gian,** Director  
Chancy Company Ltd – Hong Kong & China

**Michael Y S Lee,** Former Director  
Hong Kong Economic & Trade Office in SF  
Roberta Wong Leung, Dean  
Shunde Polytechnic School of Hotel Management

**Thomas M Masterson,** Member/Owner  
Vision 2047/Sr. Asian Regional Mgmt Executive  
Hong Kong

**Nola N Miyasaki,** Managing Director  
Falcone Center for Entrepreneurship

**Terild J Terkildsen,** Founding & Board Member  
Vision 2047/ID Furniture Franchising A/S HK

中國夏威夷商會

China-Hawaii Chamber of Commerce  
Hong Kong-Hawaii Chamber of Commerce  
Hong Kong China Hawaii Chamber of Commerce  
"Hawaii-China Guan Xi, We Get Things Done"

**Johnson Choi**  
President & Executive Director  
**Brenda Foster**  
Vice President  
**Gerhart Walch**  
Vice President  
**David Mao**  
Vice President  
**Natalie Tse**  
Treasurer / Secretary

February 11 2012

Hearing Date: Wednesday, Feb. 15, 2012, 1:15pm, Rm. 016

SUPPORT Senate Bill 2400 creates a China-Hawaii economic strategic plan working group to prepare an economic strategic plan for Hawaii to benefit economically from the emergence of China as an economic and global leader

Hawaii needs to decrease its vulnerability as an insular state and to diversify its economy with innovative, high-technology, and green industries while preserving and protecting the unique environment of the islands. Some of the best practices to engage China used by economies in Asia successfully for the past 3 decades such as Hong Kong and Singapore recognised by the US Heritage Foundation, CEO of Hawaii Airlines Mark Dunkerley and more than 100,000 American including 10,000+ former Hawaii residents currently working there continued to be ignored by both public and private sectors leaders in Hawaii.

Hawaii's unique geographic location alone (still promoted by people foreign to the Asian economy and life style) does NOT ensure the bridge we once had in the 70s and 80s with various countries of Asia as long-haul planes and modern communication just by-pass us completely. Hawaii could but has NOT taken advantage of the explosive economic development in the Asia-Pacific countries, especially China. The State has not developed a rational, unified, comprehensive, strategic plan to engage and take advantage of the economic development of China by knowledgeable people who actually know China putting Hawaii interest above and beyond their own financial interest. The current hospitality industry and others controlled by a handful of political insiders not equally shared by others could be a good example to discourage competition and restraining trade. As a result, Asian businesses tend to select California, New York, Chicago and Boston as their top business destination to set up offices including their North American headquarters.

While 70% of Hawaii population carry a last name with Asian connection, less than 5% of those Asian American has ever set foot in the country where their grandfather and great grandfather came from, nor do they know or stay connected with their relatives there. It has therefore make promoting Asia so much more difficult in Hawaii than in California when two way trades and 100s of weekly direct flights to the Asian economies especially during the past decades from California allow serious engagement by the private sectors businesses.

**The success of this legislative measure will depends on the people ultimately in charge of this task force who are uncorrupted, know the subject matter well and putting Hawaii interest above and beyond their own financial interests.**

Johnson W. K. Choi  
President – HKCHcc

JWKC/cc





Honolulu Royals



Irie Pacific Sports, LLC -Honolulu Royals, LLC

2627 Laau Street suite 3

Honolulu, Hawaii 96826

Business: (808) 489-1139

Email: [iriepacificsports@gmail.com](mailto:iriepacificsports@gmail.com)

[www.iriepacificsports.com](http://www.iriepacificsports.com)

February 12, 2012

Hearing Date: Wednesday, Feb. 15, 2012, 1:15pm Rm016

*SUPPORT Senate Bill 2400 creates a China-Hawaii economic strategic plan working group to prepare an economic strategic plan for Hawaii to benefit economically from the emergence of China as an economic and global leader.*

Irie Pacific Sports, and Honolulu Royals, LLC support Senate Bill 2400. We understand the importance of this bill, as this will help create a solid foundation for the International Basketball League, future pro team called the Honolulu Royals. (Hawaii's first successful pro sports franchise). Our strategy is capitalizing the emergence of China's economic growth from an athletics perspective. In 2008, 89 percent of Chinese people aged 15 to 54 are aware of the NBA, according to findings in a 2008 survey conducted by leading global market researcher TNS.

China is the NBA's largest international market and has grown at an annual pace of 30 to 40 percent in recent years. "The NBA is definitely making progress in building its brand and increasing the popularity of the sport," said Paul Pederson, director of the sport management doctoral program at Indiana University. He believes the league has not only tapped into the growing popularity of the sport, but has also helped facilitate it for more than 20 years through strategic relationships, partnerships and marketing endeavors.

The Honolulu Royals main objective is to become an exclusive hub for the diverse growing Asian talent in the entire Pacific Rim, and be the near future franchise in the NBA. Hawaii is about Ohana! The Royals want to honor that on a mainstream level and help strengthen our communities to strive better. Create jobs for locals and foreigners, create an aggressive agenda to decrease obesity-diabetes other illnesses, Keep harmful drugs from our youth through strategic academic - athletic fitness programmes, Boost Hawaii Tourism worldwide through celebrity athletes, creative special events, influential nonprofit awareness and much more.

In order for that to happen, the SENATE BILL 2400 must be honored.

We hope that all of these support documents are read fully, understood and acted upon with elevated cognition for the future of Hawaii!

Respectfully,

CEO of

Irie Pacific Sports, LLC

Honolulu Royals, LLC

Jaiegh Li Parkins (Li Jie)



君泰律师事务所上海分所  
Juntai Law Firm Shanghai Office

COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY

Senator Carol Fukunaga, Chair

COMMITTEE ON TRANSPORTATION AND INTERNATIONAL AFFAIRS

Senator J. Kalani English, Chair

COMMITTEE ON TOURISM

Senator Donna Mercado Kim, Chair

HEARING

Wednesday, February 15, 2012

1:15 p.m.

Conference Room 016

Re: SB 2400 Relating to Economic Development  
SUPPORT

Chairs Fukunaga, English, and Kim, and Members of the Committees:

My name is Jiong You. I am an attorney from Shanghai, China and am now staying at an office in the Cades Schutte law firm in Honolulu for three months in connection with a business development program sponsored by China's judicial administration.

I strongly support passage of the legislation, which from the view point of a Chinese business attorney, seems to improve the possibilities for enhanced economic cooperation between China and Hawaii.

We just had the APEC meeting here in Hawaii last November, which apparently indicated a strong cooperative intention between China and Hawaii. Both sides signed a letter of intent following an energy summit where more than 200 executives from local and Chinese energy companies convened at the Hawaii State Capitol. Meanwhile Honolulu-based solar energy company Sopogy, which is one of the world's leading

中国上海市浦东南路 256 号华夏银行大厦 602 室 邮政编码: 200120

电话: (8621) 63518888 传真: (8621) 63503008

<http://www.juntailaw.com>

Suite 602, Huaxia Bank Tower, No. 256 Pudong Road (South), Shanghai 200120, P. R. China

TEL: (8621) 63518888 FAX: (8621) 63503008



君泰律师事务所上海分所  
Juntai Law Firm Shanghai Office

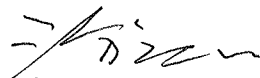
developers of micro concentrated power technologies, also reached an MOU with Sichuan Dongjia Investment Company, which is a Chinese contracting and investment firm. So the mutual cooperation seems an inevitable trend and the timing has never been better. I feel strongly that we have to grasp such a good opportunity to enhance and expedite the economic development on both sides.

However, an intention is still an intention, and ineffective without a detailed action plan or persons in charge. That's why I support the bill, the purpose of which is to ensure that Hawaii will actively participate in and benefit from the economic cooperation with China.

Just as mentioned in the Bill, Hawaii needs to diversify its economy with innovative, high-technology, and green industries while preserving and protecting the unique environment of the islands. In addition to the aforesaid, from my perspective, the strength of Hawaii is far more than that. Its tourism industry, opportunities for education, the attachment of Chinese Americans to China, and Hawaii's diversified culture will also stimulate economic cooperation between both sides.

The legislation represents a desire for economic cooperation between China and Hawaii and, I believe, will be supported by businesses and the community. The time has come for this type of legislation in Hawaii, and I accordingly urge your support for S. B. No. 2400.

Mahalo,



Jiong You

中国上海市浦东南路 256 号华夏银行大厦 602 室 邮政编码: 200120  
电话: (8621) 63518888 传真: (8621) 63503008  
<http://www.juntailaw.com>  
Suite 602, Huaxia Bank Tower, No. 256 Pudong Road (South), Shanghai 200120, P. R. China  
TEL: (8621) 63518888 FAX: (8621) 63503008



Kekepana International

February 11, 2012

SB 2400 is not ready for prime time and should not be passed in its present form.

Why China? Sure, there is a media frenzy about China, but China is not the only source of money and markets out there. It is easier for Hawaii's small companies to do business almost anywhere else in the world. Does the state have a strategy for doing business with, say, Canada, Australia, Chile, Singapore, Germany or any place else? All of these markets have plenty of willing buyers and potential investors - and all rank higher than China for ease of doing business. The World Bank ranks China as 91<sup>st</sup> in the world for overall ease of doing business, and 60<sup>th</sup> for doing business across borders. That means there are at least 59 markets out there that Hawaii's companies should look to before they even think about China. Does the state have a strategy for helping our companies find and pick the low-hanging fruit? I don't think so.

7365 Makaa Street  
Honolulu, Hawaii 96825  
**T** 808-395-0870  
**F** 888-696-0413  
steve@kekepana.com  
[www.kekepana.com](http://www.kekepana.com)

The bill's focus on film and digital media; culture and the arts; education; health and medical services and research; and tourism is old-style thinking. We tried pushing those industries for eight years and have little to show for it except some increase in tourist traffic. Any strategy needs to look at what the market wants, not what we think we want to sell. We can succeed in China, but not by ignoring what China wants from us.

Hawaii needs to look at the profound difficulties that confront any small company attempting to do business in China. Can we responsibly encourage local companies to go to China when there are so many easier markets to enter in which we have a chance of competing successfully. Yes, China has a lot of money, but the same can be said of Hong Kong, Taiwan, Mexico, Brazil, Malaysia and many, many more. You don't want to be responsible for sending neophytes into one of the toughest markets in the world.

The bill also makes no mention of a strategy for attracting investment. Trade and investment go hand-in-hand, so any economic strategy needs to examine what investment we seek. Do we know what industries we want investors for? That would be worth looking at, but it need not be restricted to investment from China. Our state needs investment from diverse sources. It doesn't much matter if it comes from China, Canada, India, the United States or Saudi Arabia as long as it comes.

The intent of SB 2400 is laudable, but the bill lacks vision. Hawaii needs a global strategy - not just a China strategy.

Mahalo,

Stephen K. Craven

## Doris Lam

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 05, 2012 10:14 PM  
**To:** EDTTestimony  
**Cc:** Brenda.Kosky@gmail.com  
**Subject:** Testimony for SB2400 on 2/15/2012 1:15:00 PM

Testimony for EDT/TIA/TSM 2/15/2012 1:15:00 PM SB2400

Conference room: 016  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Brenda Kosky  
Organization: Individual  
E-mail: [Brenda.Kosky@gmail.com](mailto:Brenda.Kosky@gmail.com)  
Submitted on: 2/5/2012

**Comments:**

Let us not give so many breaks that we do not create economic growth.

## Doris Lam

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, February 11, 2012 12:24 AM  
**To:** EDTTestimony  
**Cc:** anthuriumz@hotmail.com  
**Subject:** Testimony for SB2400 on 2/15/2012 1:15:00 PM  
**Attachments:** SB2400 China-econ.docx

Testimony for EDT/TIA/TSM 2/15/2012 1:15:00 PM SB2400

Conference room: 016  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Wynnie Hee  
Organization: Individual  
E-mail: [anthuriumz@hotmail.com](mailto:anthuriumz@hotmail.com)  
Submitted on: 2/11/2012

Comments:



## SB 2400 China-Hawaii Economic Strategic Plan Working Group

I oppose this bill. We don't need it. China has already eased the visa process to let its people travel to spend money in Hawaii. Furthermore, I'm not sure what this bill is getting at. I want to know what kinds of business deals the working group would be planning.

The bill notes that China is the world's biggest producer of many agricultural products, and here we are in Hawaii today, trying to boost our local agriculture for self-reliance. Isn't it bad enough that bananas from South America are cheaper than our own Hawaii-grown? And next will our farmers have to compete with agricultural products from China?

Would real estate be part of the economic-strategic plan? I just watched a news segment on NHK World about rich Chinese eagerly buying up overseas real estate. I've heard they're already quietly buying here. I remember what happened to home prices in Hawaii after 1987, after Japanese started buying up our seemingly cheap houses. That benefitted local home sellers and real estate companies – but for thousands of us little people wanting to buy our first home, that pushed the dream further out of sight.

Everything is already made in China. All of our personal electronics, I recently learned, are made in China under horrific working conditions. Just google “Foxconn” and “apple ipad” if you want to know more. What else could Hawaii businesses want to have made in China?

Most surprising to me, this bill proposes to complete the China-Hawaii economic strategy in less than 6 months! Members of the planning group are unpaid. How many volunteer hours would they put in to come up with the plan? This makes me wonder if the plan is already made, just waiting for token buy-in of a broad and tentative list of stakeholders, whoever the governor appoints. I am concerned that the appointed stakeholders will not represent the best interests of the people of Hawaii with no stakes.

I remember our recent APEC summit. A few big hotels made a lot of money, but many small businesses had no business all week and are suing. Some profited while others paid the price.

I understand the harm government and business alliances like APEC and NAFTA have done to American factory workers in less than 20 years. One by one, from auto makers to sock makers, factories in the U.S. have closed down and moved across borders or overseas.

I understand now that whenever business leaders get together with government officials, they are not planning the best interests of the little people. Businesses only need lawmakers to open the gates, take down the barriers, and make it legal for them to make big profits.

This bill is worrisome. We don't need it. Please don't pass it.