

Speech-Hong Kong SAR on November 14, 2002 at the Salisbury YMCA to SOLD OUT Guests

Good evening, honor guests, ladies, gentlemen and friends of Hong Kong:

First of all, on behalf of the UH TIM School, TIM International Inc and the Hong Kong China Hawaii Chamber of Commerce, we want to thank Roberta and Aldrin for helping us to put this event together. It will not be possible without their help and daily exchange of email for the past 2 weeks. This sold out event is funded entirely by the private sector. NO HAWAII STATE GOVERNMENT MONEY IS INVOLVED.

I would also like to welcome some of the Hong Kong China Hawaii Chamber of Commerce advisory board members based in Hong Kong present here this evening.

Mr. Terkildsen, Managing Director, Royal Scandinavia HK Ltd.

Jenny Gian, Director, Chancy Company Ltd Hong Kong.

Our dear friend, Chuck Gee, Dean Emeritus of the TIM School as well as one of the distinguish founding members of the Hong Kong China Hawaii Chamber of Commerce would like to bring his greeting to all of you here. He has just returned from New York a couple of weeks ago.

I am so glad to see my old friend, retired principal of the Rosaryhill School, Father Xavier here this evening. I had spent 11 years there and well prepared me for University education when I left Hong Kong in 1973. We had our school reunion in Toronto a couple of months ago and great to see you again. You always look so young after all these years!

I was not sure how to write this speech 10 days ago. Should I talk about business as usual and everything is prospering in Hawaii or to share with you what is happening in the small business community. In Hong Kong, we are referring them as SME (Small & Medium Enterprise with less than 50 employees). 90% of the businesses in Hawaii are SME.

On Nov 5th, Hawaii has made history electing a new Republican governor; Linda Lingle is the 1st women governor in State history and 1st Republican governor for 40 years. According to NFIB, the National Federation of Independent Businesses, 93% of the SME and 85% of the CEOs of the largest corporations in Hawaii supports Ms Lingle accordingly to a separate survey done by a local newspaper.

I have spent a few days last week at the Hawaii Film Festival, met with movie industry veterans like Mabel Yuen Ting Cheung, Chris Lee, Richard Chew, Roger Eberts, Peter Pau and new comers like Eric Byler. A lot of discussions centered in bringing Asia movie productions to Hawaii using Act 221. The intent of the law is to encourage High-Tech including the movie industry to set up their operation & production in Hawaii and allowing Hawaii/investor tax payer to get their investment back 100% through Hawaii State Income Tax Credit. The newly established film school at the University of Hawaii is headed by Chris Lee, former President of Productions for Columbia-Tri-Star Studio and Dr. Glenn Cannon will be the perfect partner for the growth and development of Hawaii's film industry. It will help to create jobs and increase production revenue that will contribute to diversifying the Hawaii State's economy.

The School of Travel Industry Management at the University of Hawaii has many exciting things happening under the leadership of the Interim Dean, Dr. Pauline Sheldon. The Gee Technology Learning Center is ready for full operation before the end of the year. For those who are not familiar with the Gee Technology Learning Center. The TIM International Inc, the alumni association of the School of Travel Industry Management has raised more than \$500,000 since 1999 when more than \$350,000 was raised at the 1st

Legacy of Tourism honoring retiring Dean Chuck Gee in 1999. Our 4th legacy of tourism on Nov 12th honoring Governor George Ariyoshi, President of the Hawaii Prince Hotel was attended by over 300 guests, expecting to raise another \$100,000 for the school with the support of the TIM Alumni and Friends. Many of them are with us this evening. On behalf of the University of Hawaii, School of Travel Industry Management, we would like to say thank you.

The biggest challenge for the TIM School is hiring a permanent Dean. We have the opportunity to meet with the search committee and the executive search firm in Chicago to provide our input. We are trying to help them understanding that TIM School is well known and well established in the Asia Pacific Countries/Regions such as Hong Kong, China, Japan, Singapore and Taiwan. The new dean should have the knowledge and willing to carry on the fine tradition of the TIM School to promote and enhance our School reputation in the Pacific Asian Countries. As far as I know the position is still open. If you know of any person or persons that may be interested, please let me know.

Our new Governor is willing to focus on business. The new film school headed by Chris Lee and Glenn Cannon. The Act 221 tax credit program that is available to Hawaii and out-of-state investors. The International present of TIM School and its alumni, the “getting things done” attitude of the Hong Kong China Hawaii Chamber of Commerce and the emerging Pacific century with China expecting to catch up with USA within the next 20 years.

How the interested could parties work together to take advantage of the opportunity? Let us take away our association, organization and chamber of commerce affiliation for a minute. For many of us, it is a way to network and may be at the same time, give something back to our Community. The independent business affiliation should not promote any rivalry, but the opportunity by working together to collaborate to promote trade and business.

Today, I am wearing a few hats. I am the Director, Treasurer and Past President of the TIM International Inc (the alumni association of the TIM School), President and Executive Director (without pay, I shall say) of the Hong Kong China Hawaii Chamber of Commerce, Executive VP and COO of the ProjectonNet.com – a construction software company already qualify under Act 221, and currently working on a new project with my partners on three movie deals. At the same I am running my tax and business consultant service working with clients from both sides of the Pacific Ocean. I can see the challenges facing our collaboration partners and chamber members.

In the past, many Hawaii companies encouraged by our State government went directly into China, including Companies doing business with China for the first time. For many people visiting China for the 1st time will find China fascinating. Their second visit to discuss business, many are lost and find it difficult to negotiate with their potential Chinese partners. Rather than going into China directly, many could seek advice from many of you here for a reasonable fee before spending tens and thousands of dollars to learn the lesson.

Hawaii’s image of Sun, Sea & Surf still play prominently as a premier tourist destination, but when you shift gear to talk about business, you can see the international business executive look at you with serious doubt in their eyes. The SME firms in Hawaii lack the resources to set up a permanent office in places like Hong Kong and China. Many of the SME firms in Hawaii are anxious to come to Hong Kong and China. Since they are small, an experience partner in the China trade will be a logical choice. With the new administration, we are hoping the old way of taking a trade mission visiting one of the 3,500 mayors in China as the yardstick of success will be changed. Business executives in Hawaii and the Far East asked me from time to time regarding to the 10s of business deals between Hawaii and the Pacific Rim Countries published in the Newspaper (i.e. Direct flight from China) monthly. If those deals are real, why is Hawaii not prospering? Unfortunately, most the so call “deals” are nothing more than MOU (Memorandum of Understanding).

Majority of the MOU will not come through. But it will serve as good publicity for the department putting out the news release. Those are indeed good bed time story for the general public.

While Hawaii is attempting to reposition itself, business cannot wait. Where can they turn to?

- 1) They can turn to many of you in this room, successful in doing business in Hong Kong and China
- 2) For Americans, they can also seek help from the Commercial Section of the U. S. Consulate in Hong Kong, Shanghai and Beijing. Through their gold key program, they will do the business match making, setting up appointments and a bilingual commercial officer from the United States consulate will accompany you to the meetings. Cities like Hong Kong, you can have 5 meetings in 1 single day for a small fee starting at \$500.
- 3) Americans can also seek help from the American Chamber of Commerce, like the one in Hong Kong, Shanghai, Beijing and Taiwan.
- 4) Work with the host country Chamber of Commerce, like the Hong Kong General Chamber of Commerce
- 5) Considering partnering with firms in California by working with Janie Fong's Office in Hong Kong
- 6) In Hong Kong, seek help from the Hong Kong Trade Development Council and for Hong King registered companies, take advantage of a network of the HKTDC offices throughout China.
- 7) In Hawaii, work with the Hong Kong China Hawaii Chamber of Commerce with most of the entities listed above are our collaboration partners

This evening, we have the opportunity to catch up with old friends and get acquaintance with new ones. I like to call this networking without boundaries. Both Hawaii and Hong Kong are facing challenging time. At least Hong Kong has 120 billion of reserve and Hawaii has none. Hong Kong China Hawaii Chamber of Commerce is working very closely with the Chamber of Commerce Hawaii and the other 22 affiliate chamber of commerce there. We are hoping through the collective efforts and through possible partnering with many of you here. The partnership will help launch new ventures and opportunities to China, especially the Pearl River Delta (PRD) regions through Hong Kong. This informal partnership will include all interested parties and exclude no one.

Thank you for coming this evening, we are looking forward working with all of you very soon in the near future.

I am open for questions, if you have any.

References:

http://www.hkchcc.org/speakers's_notes.htm

<http://www.hkchcc.org/photo-album1.htm>

<http://www.hkchcc.org/Event.htm>