

The Economic Landscape of Hawai'i

Strengthening Anchors and Cultivating Innovation

Economic Diversification for Disaster Resilience
Agriculture, Diversification, Environment, and Public Transportation Committee
County of Maui
Thursday, June 6, 2024

DBEDT
STATE OF HAWAII • DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM

What is the
State of the
State?

Sectors that
Diversify
Hawai'i's
Economy and
Reverse Brain
Drain

DBEDT's
Framework –
Cradle to
Grave

Implementation

U.S. AND HAWAI'I INDUSTRY STRUCTURE % OF 2022 GDP BY INDUSTRY

Industry	U.S.	Hawaii	Concentration U.S. =100
Agriculture, forestry, fishing and hunting	1.1	0.5	48.6
Mining, quarrying, and oil and gas extraction	1.8	0.1	4.9
Utilities	1.7	2.5	146.4
Construction	4.2	5.7	133.5
Manufacturing	10.3	1.7	16.4
Trade	12.3	10.8	88.0
Transportation and warehousing	3.6	5.1	142.1
Information	5.4	2.4	44.4
Finance and insurance	7.5	4.0	53.7
Real estate and rental and leasing	13.2	17.2	130.6
Professional and business services	12.9	8.6	66.9
Educational services	1.1	1.1	96.9
Health care and social assistance	7.2	7.4	102.4
Hospitality	4.2	10.9	259.0
Other services	2.1	2.4	115.1
Government	11.4	19.6	171.5
Top 5 Industries	55.3	67.1	121.4

Source: U.S. Bureau of Economic Analysis

HAWAI'I INDUSTRY SHARE OF GDP: 2002 AND 2022 (%)

Industry (by NAICS code)	2002	2022	
Real estate and rental and leasing	15.4	17.2	↑
Health care and social assistance	6.3	7.4	
Mining and construction	5.2	5.8	
Transportation and warehousing	4.2	5.1	
Utilities	1.9	2.5	
Hospitality	10.9	10.9	← →
Professional, scientific, and technical services	4.5	4.5	
Educational services	1.1	1.1	
Federal government	12.0	11.1	↓
Trade	11.4	10.8	
State & local government	9.8	8.5	
Finance & insurance	4.1	4.0	
Administrative & support & waste management & remediation services	3.2	2.9	
Other services	3.0	2.4	
Information	2.8	2.4	
Manufacturing	2.2	1.7	
Management of companies and enterprises	1.3	1.2	
Agriculture, forestry, fishing and hunting	0.8	0.5	

Source: U.S. Bureau of Economic Analysis

EMERGING INDUSTRIES REPORT

Technology	Creative	Agribusiness	Health & Wellness	Education (Private)	Other Targeted Activities
Alternative Power Generation Engineering Technology Manufacturing	Cultural Film and Media Music	Packaging and Warehousing Processing Support Services Farm Production	Specialty Health Care Services		Apparel

Source: Hawai'i's Targeted & Emerging Industries, DBEDT 2023 Update Report

**Emerging
Activities**

**Base-
Growth
Activities**



ECONOMICALLY SUSTAINABLE HAWAI'I

Strengthen Hawai'i's essential lifelines through innovation in agriculture and food production, green energy, and water reuse and conservation.



CREATIVE & INNOVATION

Support high-tech, entrepreneurial capacity-building, financing, and spaces for production and export of Hawai'i's creative and intellectual property.



EDUCATION & WORKFORCE DEVELOPMENT

Provide residents with access to education and training opportunities in high-need and emerging sectors.



HOUSING

Advance strategic projects, policies, and infrastructure that help to increase supply and lower Hawai'i's housing costs for kama'āina.

Source: Hawai'i 2.0



STRENGTHEN CURRENT ECONOMIC ANCHORS

Hawai'i's major sectors
Serves as the anchors for
the state's economy



CULTIVATE AND GROW EMERGING SECTORS

Small sectors with high
growth potential
Leverage Hawai'i's
competitive advantages



DEVELOP WORKFORCE AND HUMAN CAPITAL

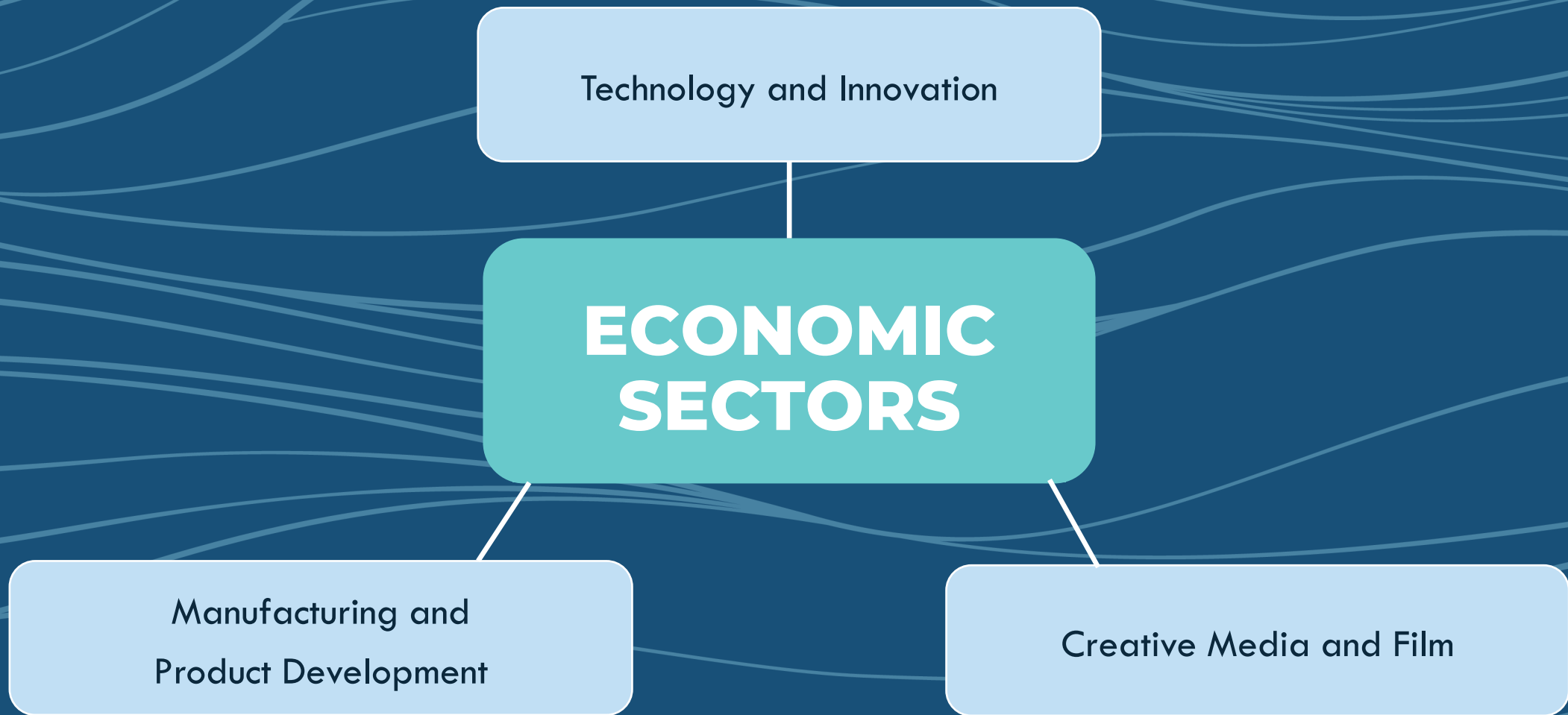
Workforce that is prepared
and well trained
Training for entrepreneurs
Access to capital

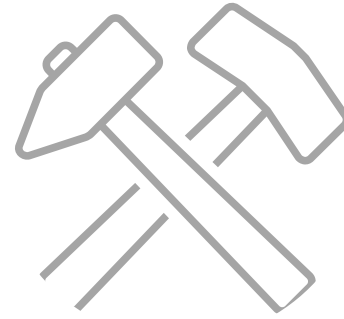


BUILD/UPDATE ECONOMIC FOUNDATIONS

Assets and elements such as
infrastructure and housing

Source: 2023 Hawai'i State CEDS





INDUSTRIES



Aerospace



Advanced
Manufacturing



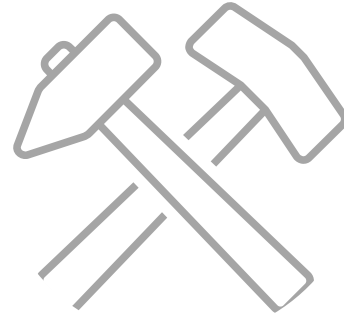
Artificial
Intelligence



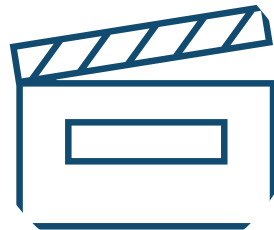
Healthcare



Energy



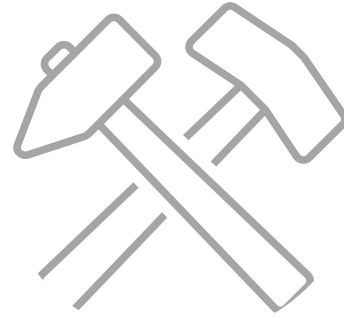
INDUSTRIES



Film and
Creative
Media



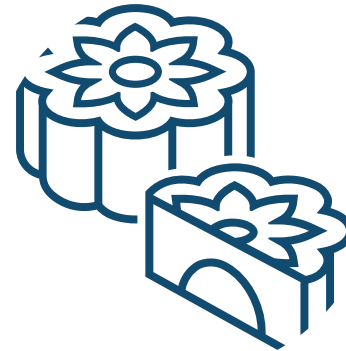
Music and
Culture



INDUSTRIES

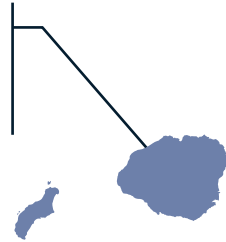


Fashion
Manufacturing

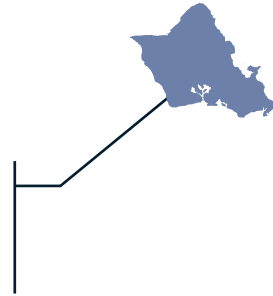


Value-Add Product
Manufacturing

Value-Add (ADC)
Aerospace (HTDC)



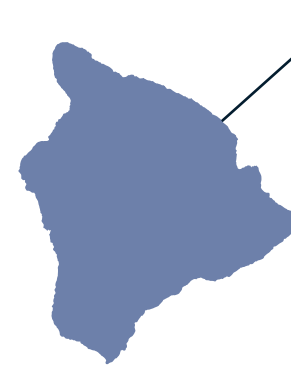
Value-Add (ADC)
Aerospace (HTDC)
Advanced Manufacturing (HTDC)
Fashion Manufacturing (CID)
Healthcare (HTDC)
Film & Media (CID)



Value-Add (ADC)
Aerospace (HTDC)
Advanced Manufacturing (HTDC)
Film & Media (CID)

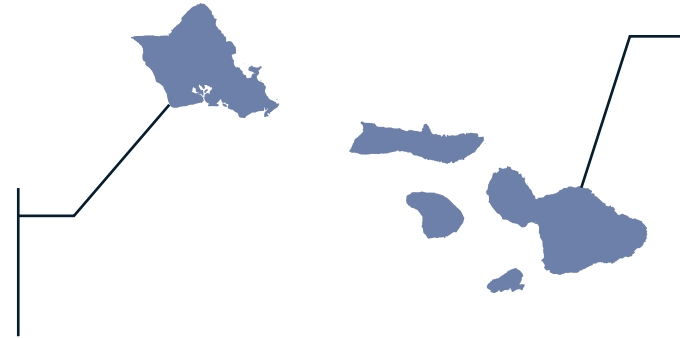


Value-Add (ADC)
Aquaculture (NELHA)
Energy (NELHA)
Aerospace (HTDC)
Film & Media (CID)



PMRF
Kapa'a-Kaua'i-Waimea
Complex Area
UH Kaua'i Community
College

Engineering and Manufacturing
Contractors
DOE Complex?
UH College of Engineering



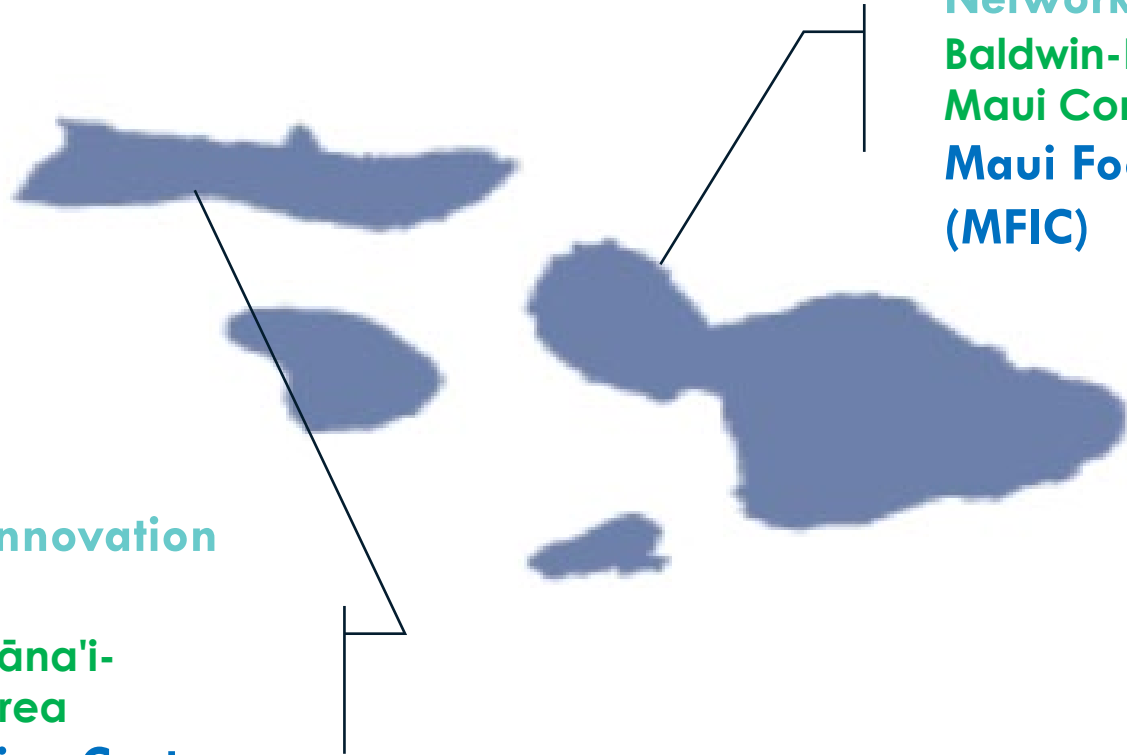
Engineering and Manufacturing
Contractors
Baldwin-Kekaulike-Kūlanihāko'i-Maui
Complex Area
UH Maui College

Astronomy
Ka'ū-Kea'au-Pāhoā
Complex Area
UH Institute for Astronomy

 Employer/Careers

 DOE Complex

 UH Campus



Food and Product Innovation Network
Baldwin-Kekaulike-Kūlanihākoʻi-Maui Complex Area
Maui Food Innovation Center (MFIC)

Food and Product Innovation Network
Hāna-Lahainaluna-Lānaʻi-Molokaʻi Complex Area
Maui Food Innovation Center (MFIC) Annex



Curriculum to Career



Infrastructure and Facilities



Policy Changes



Layering Incentives

CRADLE TO CAREER



Map it Out



Outline Workforce Development



Assessment of Assets



Identify Resources Needed



DBEDT eco-system



GOAL: DEVELOP AND INCREASE EXPORTS

- **Developing Value-Add Strategy for Maui County**
- **Developing Processing, Packaging, Transportation Strategy**
 - **Key ports (facilities, infrastructure capacity?)**

GOAL: INCREASE LOCAL FOOD PRODUCTION

- **Memorandums of Agreements**
- **Planning for Facilities**
 - **Product Development (incl. processing, packaging, etc.)**
 - **Cold Storage**
 - **Dry Storage**
- **Land Portfolio**
- **Infrastructure (irrigation)**
- **Stakeholder Engagement**

GOAL: CREATE AN EFFICIENT AGRIBUSINESS INDUSTRY

- **Waste Reduction**
- **Lowering energy costs via hydropower/microgrid**
- **Layering incentives**
- **Building capacity**



JUNE – AUGUST 2024: Information Gathering

- Understand vision, infrastructure, facilities, educational concepts
- Meet with farmers and value-add businesses to understand current challenges to scale-up local production and exports



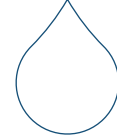
JANUARY – APRIL 2025: Research and Engagement

- Workforce Development Memorandum of Agreement (DBEDT/UH/DOE)
- WFD: Teacher-Learning Investment
- Industry engagement
- Inventory of assets



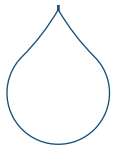
AUGUST 2025: Policy and Budget

- Final deliverables to support policy and/or budget request for agribusiness industry



SEPTEMBER 2025: Establish Structure

- Capacity needs
- Infrastructure/Facility needs
- Logistics (processing, packaging, transportation)
- Facilities (processing)

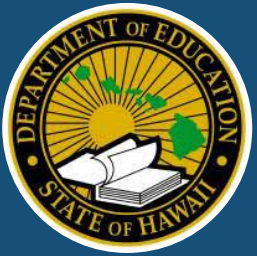


MAY – JULY 2025: Conceptual Planning Framework

- Asset Mapping
- Synthesize feedback towards regional economic clusters
- Preliminary resources needed and costs estimated



WORKFORCE DEVELOPMENT



DOE
Complex Area



UH
Maui College
CTAHR



Internships
Good Jobs Initiative



Employers





STARTUP



GROWTH



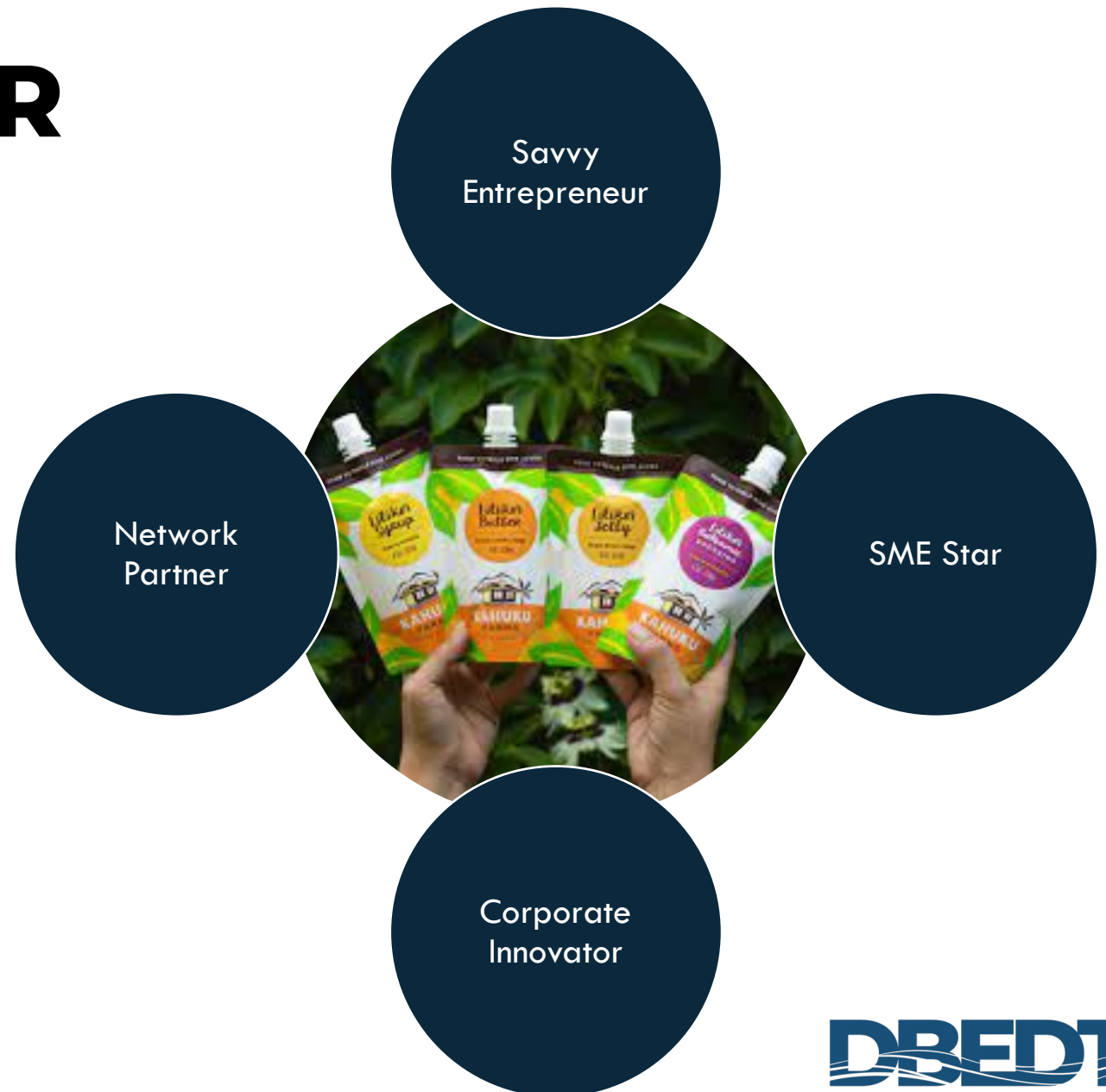
COMMERCIAL



EXPORT

CATALYST FOR GROWTH

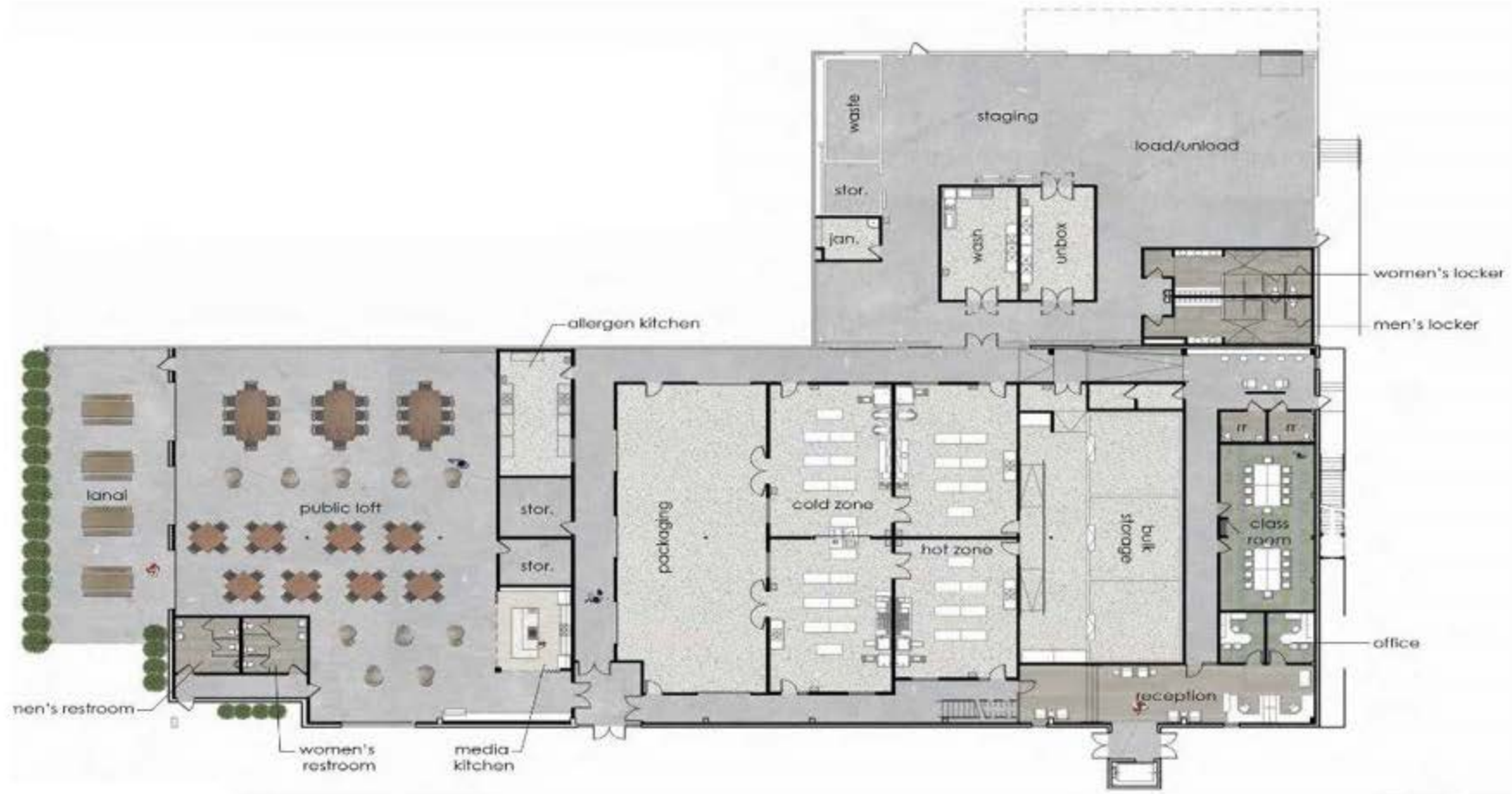
- Government supported network of innovation and production facilities
- From research and development to manufacturing
- Catalyst for small business and product growth
- Assist with innovation, scaling up and commercializing products





Infrastructure and Facilities to Support Economic Growth

Infrastructure and Facilities to Support Economic Growth



Value-Added Product Development Center

- UH Community Colleges (Hub & Spoke)
- Will contribute to the growth of Hawai'i's agricultural industry & entrepreneurial community through:
 - Educational programming
 - Opportunities for local farmers & growers to sell their products to value-added producers
 - Small business resources, production kitchens and in-house product & process development



**UH CDC and Research Team
Month: 1**

Create visuals flowcharts
Identify Maui leads and POCs

**Outreach and Site Visits
Month: 2**

Understand food and product
economy
Asset mapping
Community engagement

**Workshops
Month: 3 – 6**

Develop presentation materials
Host talk-story sessions
Develop Project Advisory/Working
Group
Site visits

**Research and Engagement
Month: 6 – 8**

Revise and update presentation
materials
Complete talk-story sessions

**Consultation
Month: 9**

Synthesize community feedback
towards site selection
Convene experts/consultants to
advise on site selection and
conceptual plans

**Conceptual Planning Framework
Month: 10**

Focus Group charrette

**Proof of Concept Plan and Design
Month: 11**

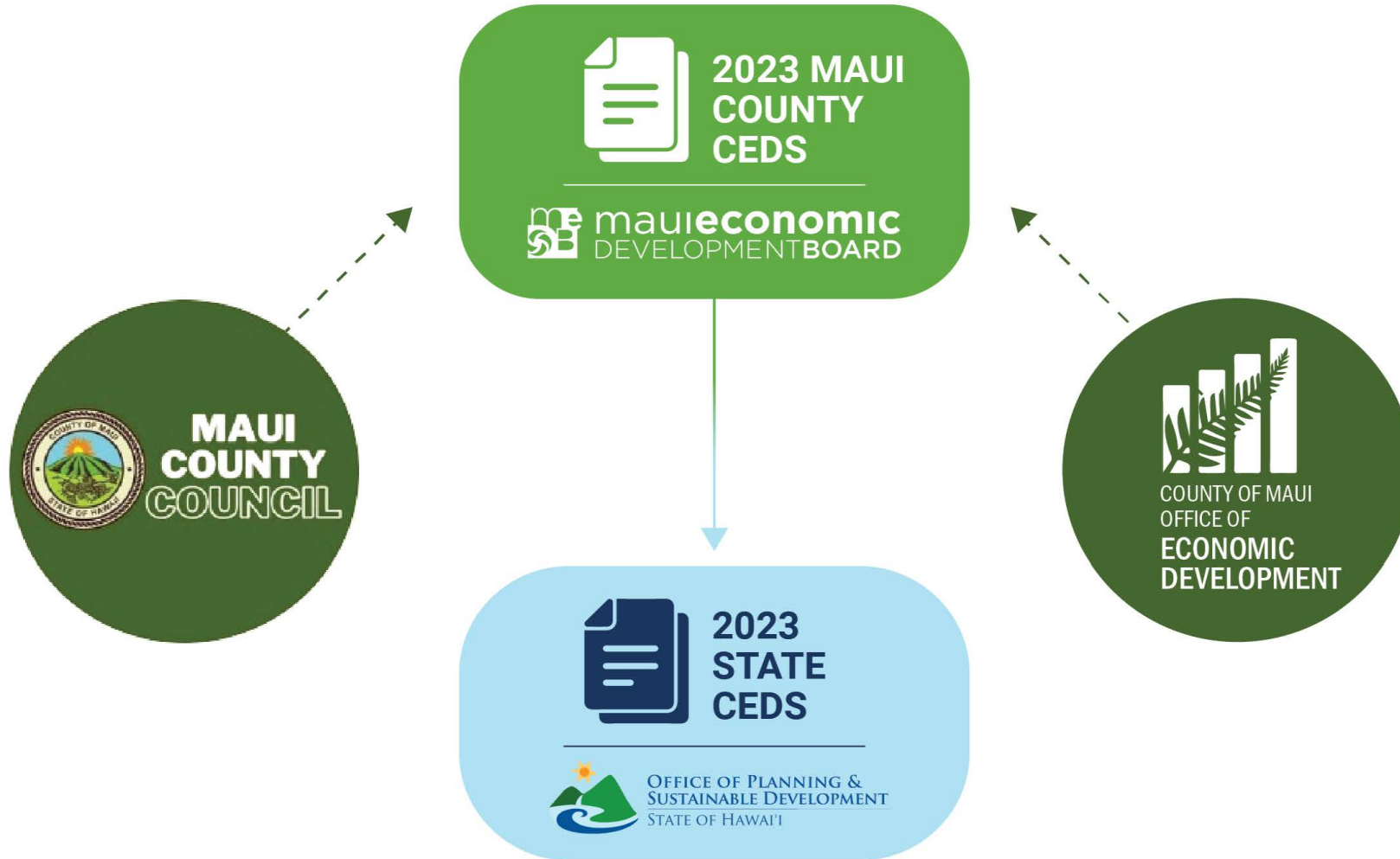
Preliminary POC and cost estimates
Public Share-Out Session

**Final Public Share-Out
Month: 12**

Presentation
Final deliverables to support CIP
request for construction

Comprehensive Economic Development Strategy

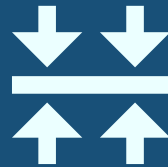
Comprehensive Economic Development Strategy (CEDS) Plan Required for Federal Funds



Maui County CEDS Findings to Build Economic Resilience



**Economic
Diversification**
*Growing other
sources of revenue*

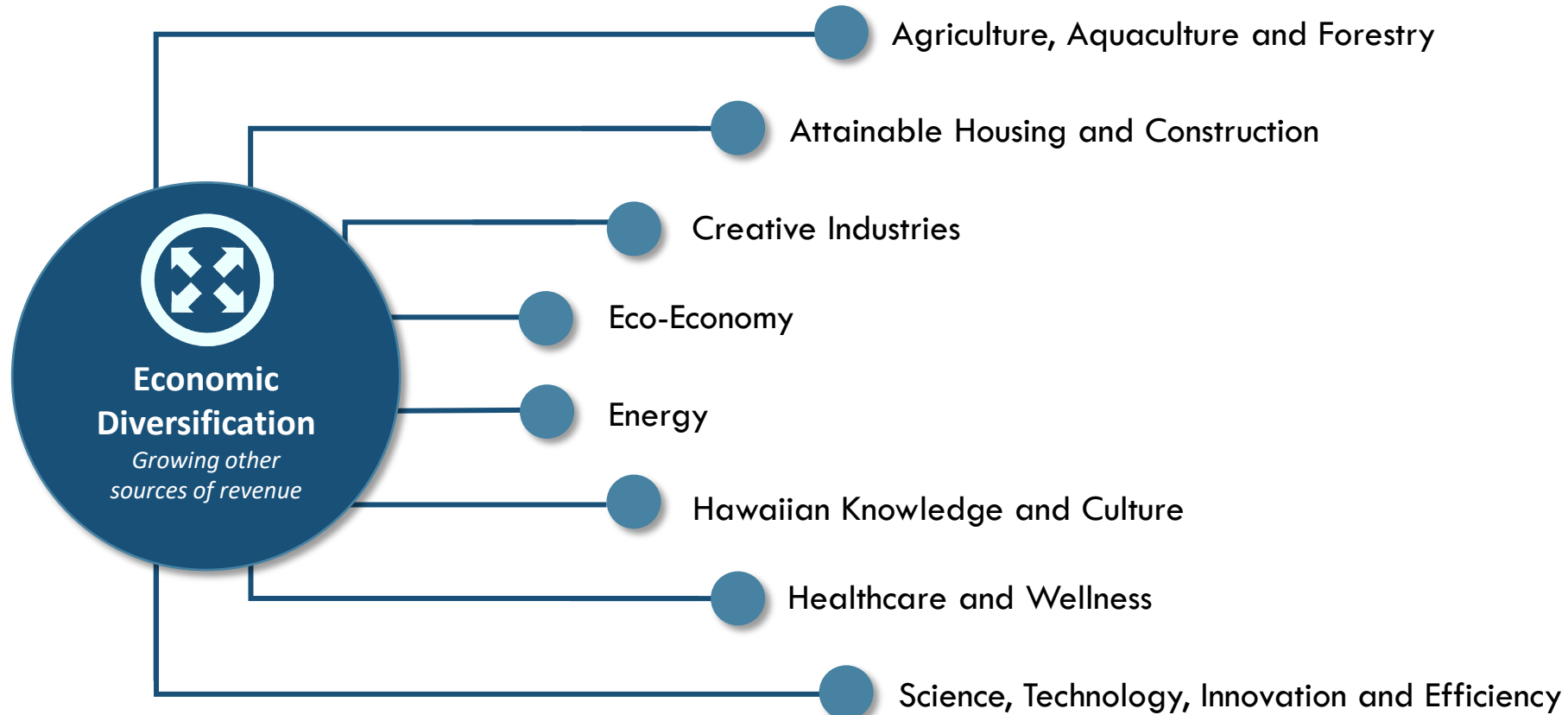


Throughlines
*Addressing
systemic economic
needs*



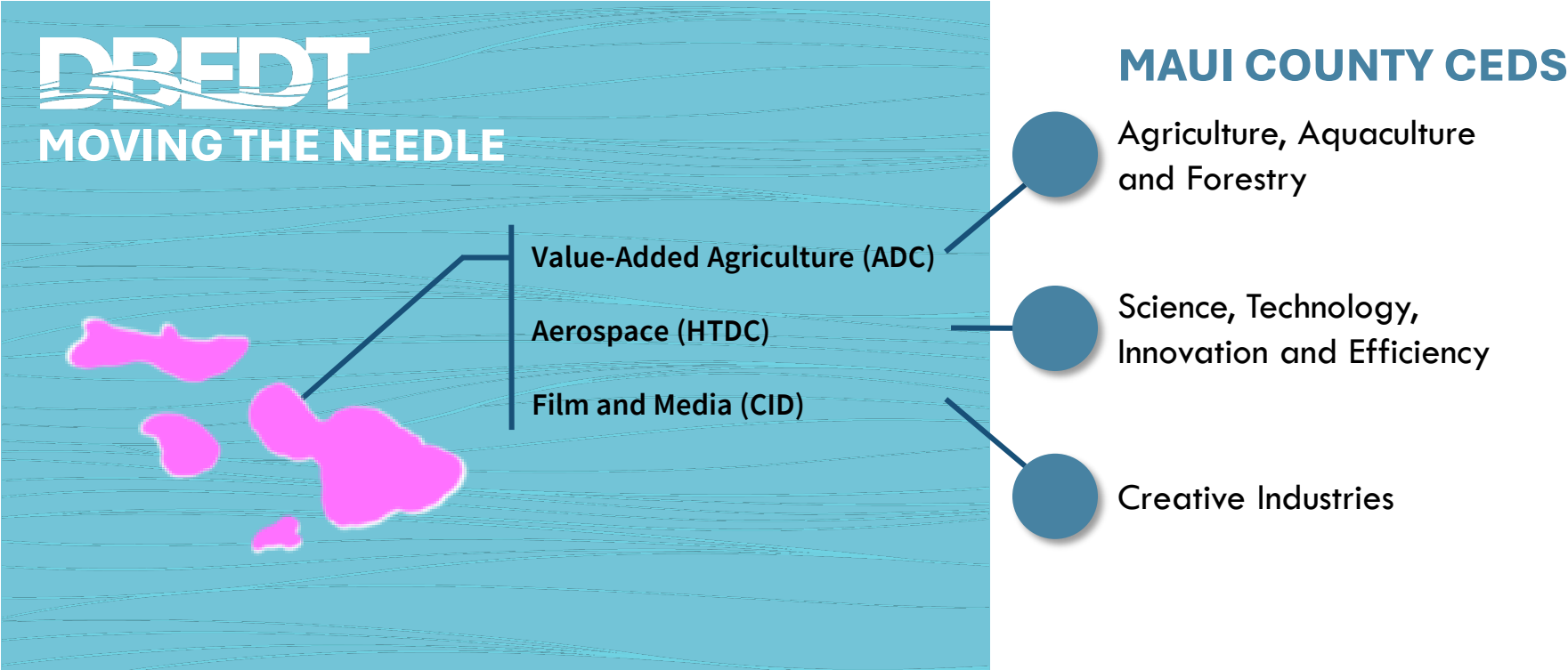
**Preparing for
Economic Shocks**
*Addressing economic
vulnerabilities*

Maui County CEDS Findings to Build Economic Resilience Through Economic Growth



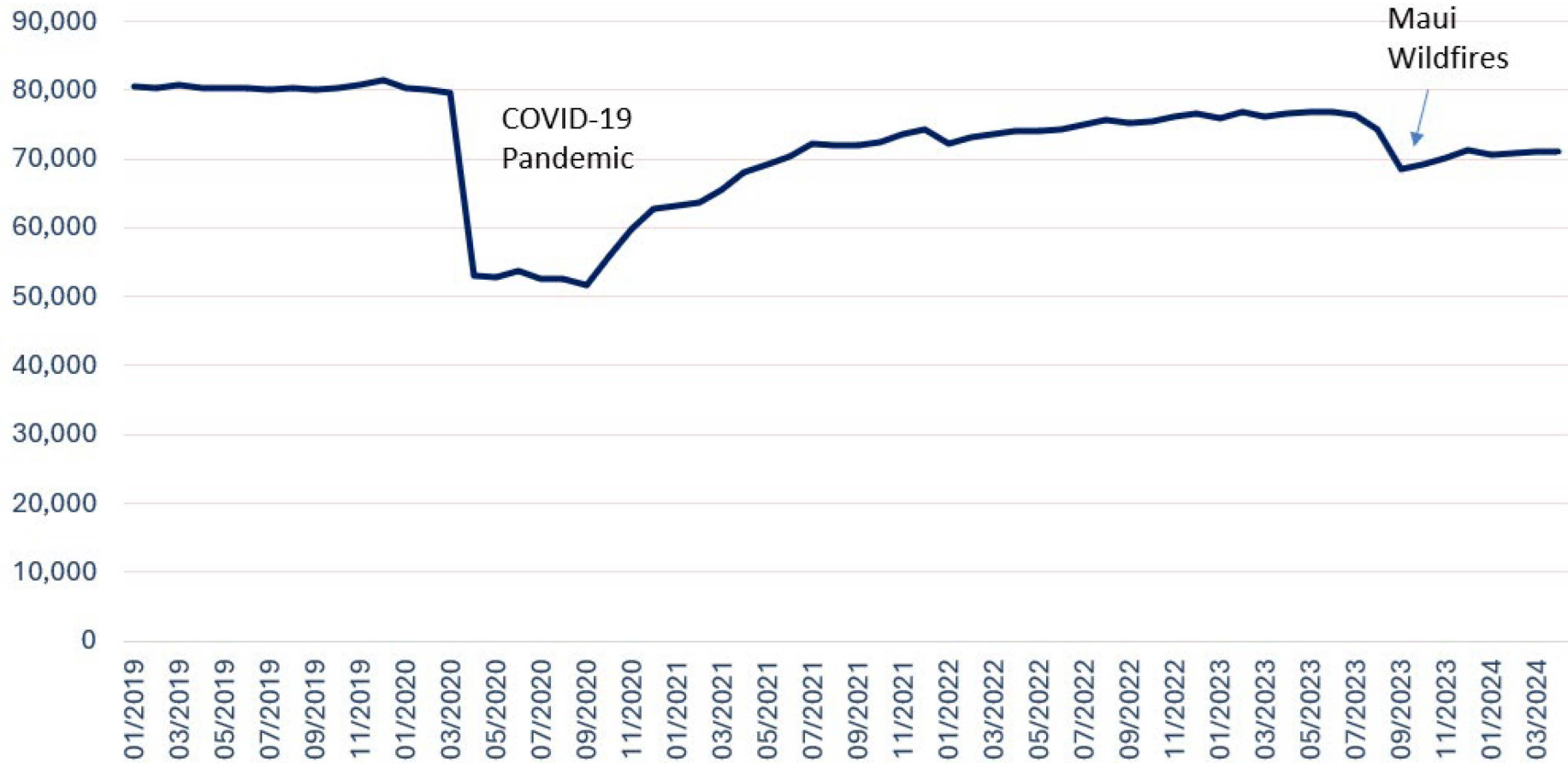
** Does not include geographic-based clusters (Hāna, Lāna'i, Molokai) identified in the Maui County CEDS*

DBEDT's Moving the Needle Framework Supports Maui County CEDS Clusters for Economic Diversification

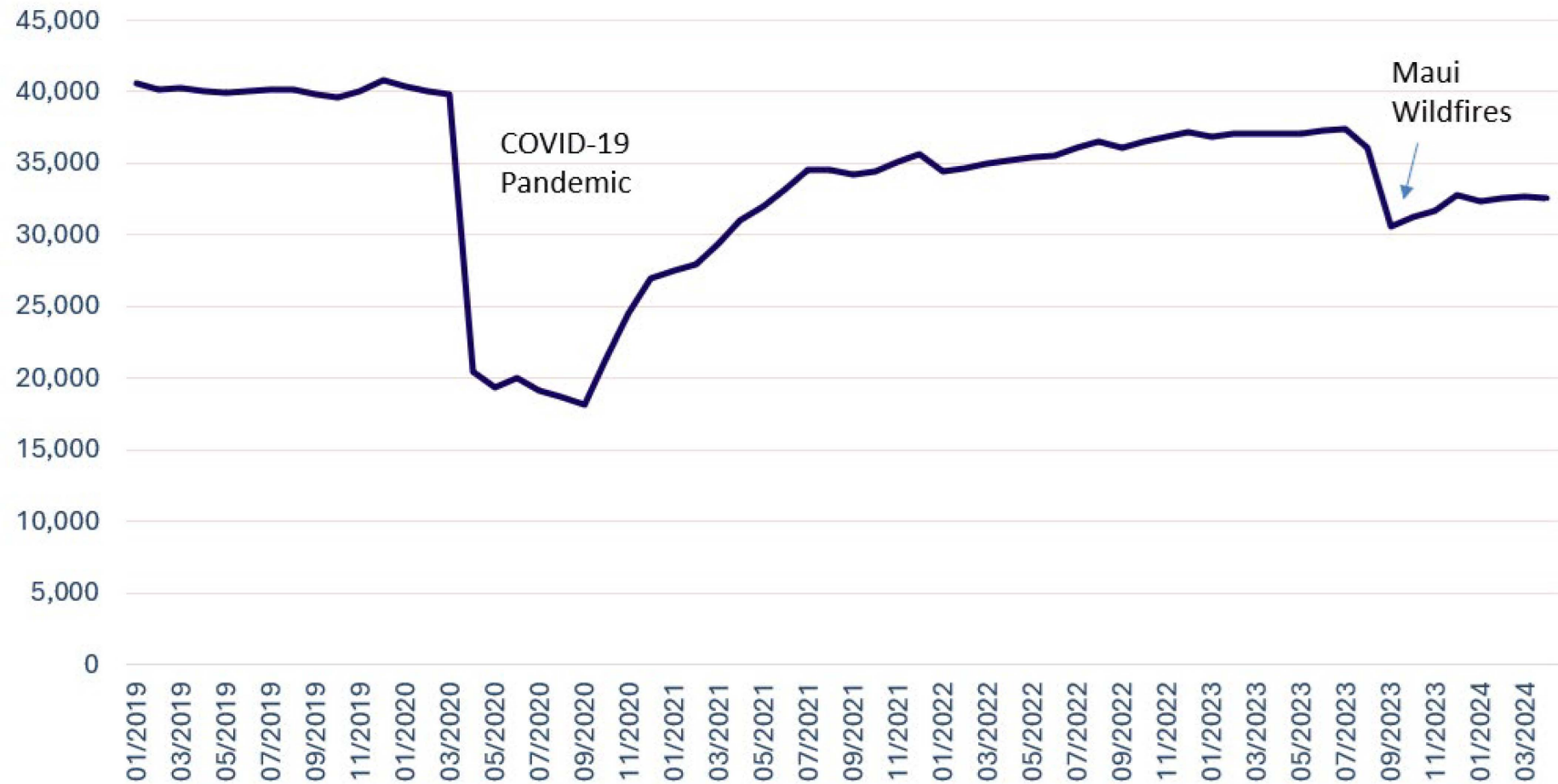


Job & Unemployment Data

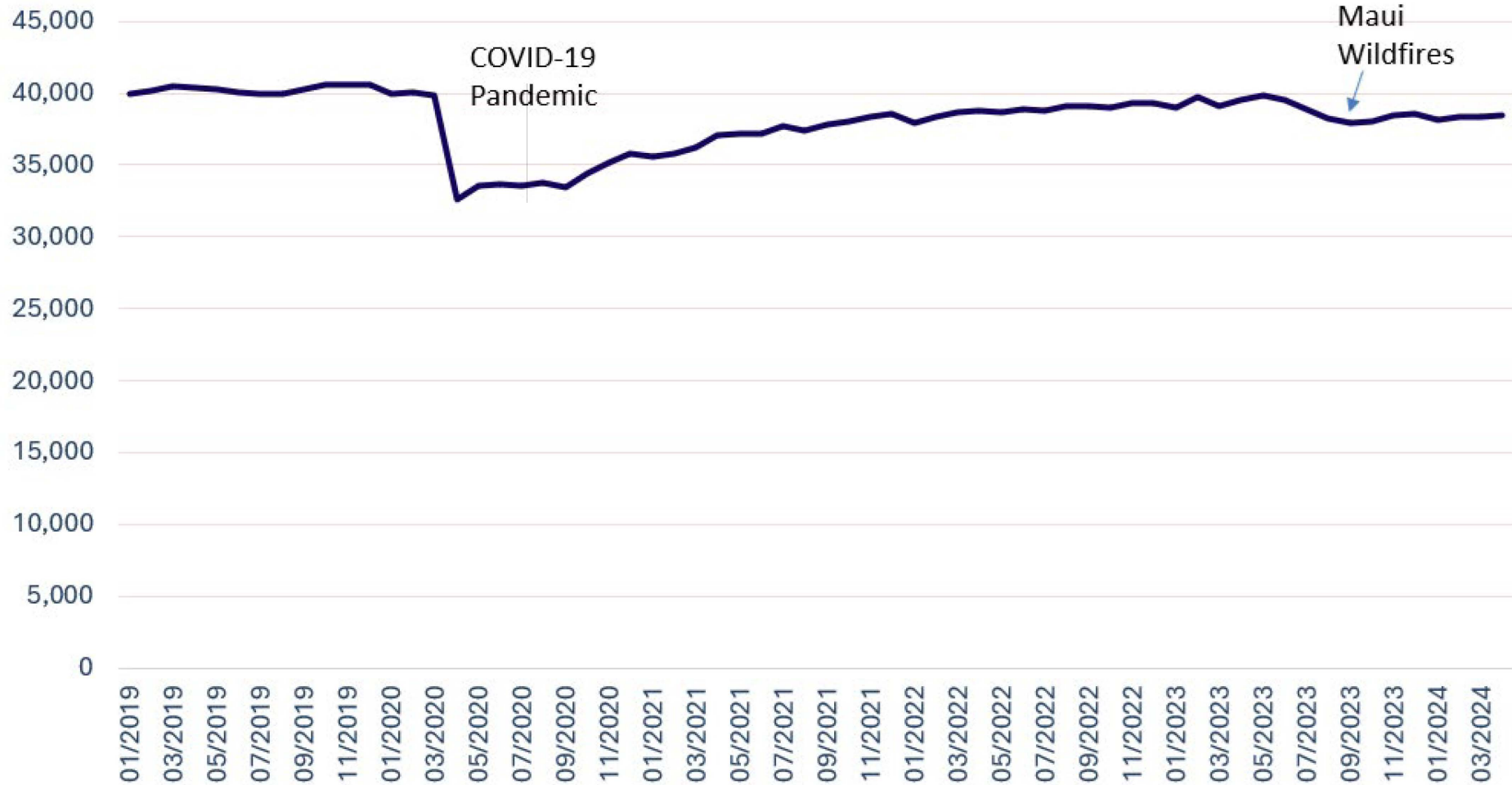
Total non-agriculture payroll jobs in Maui County



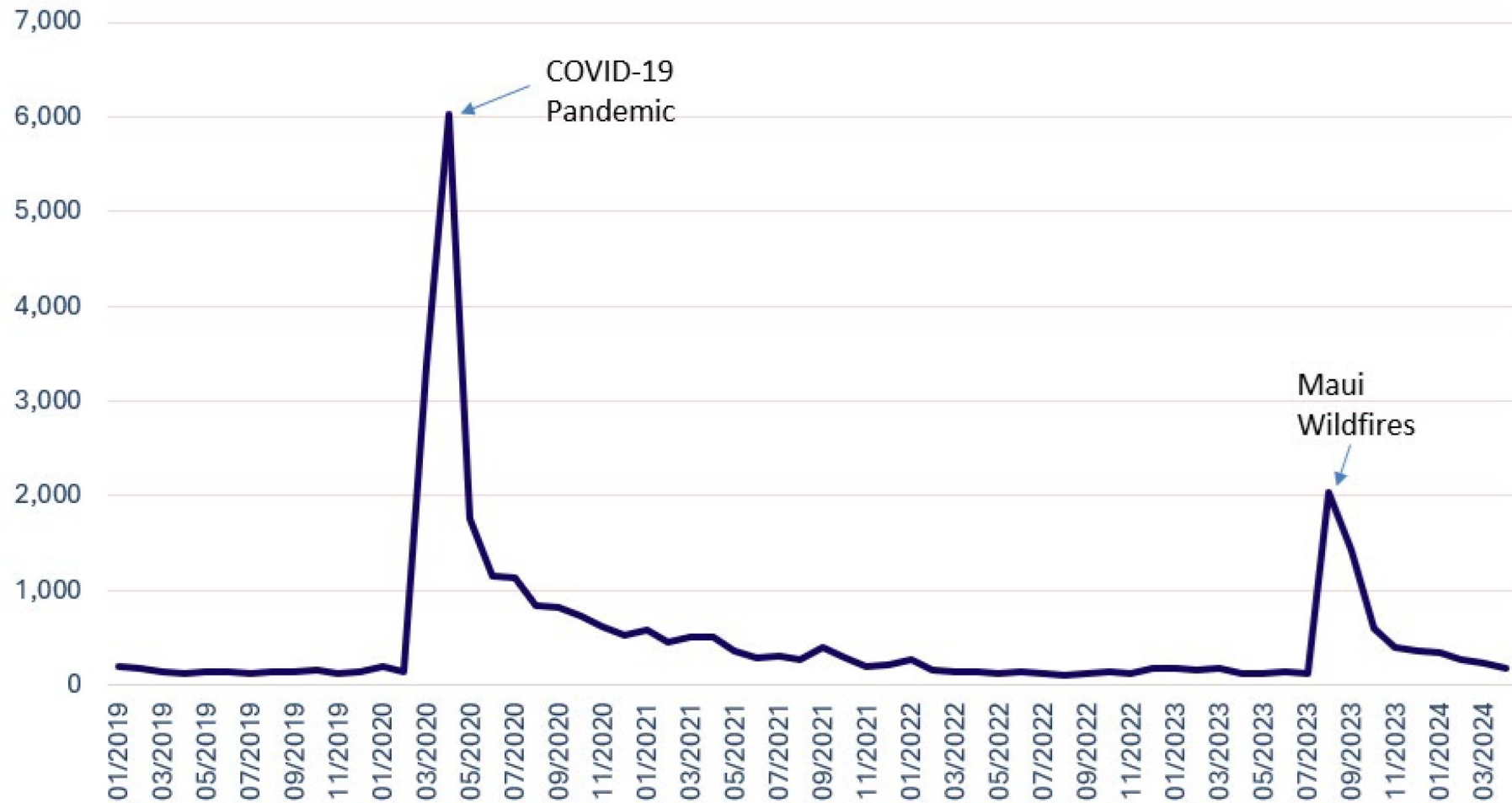
Tourism sector payroll jobs in Maui County



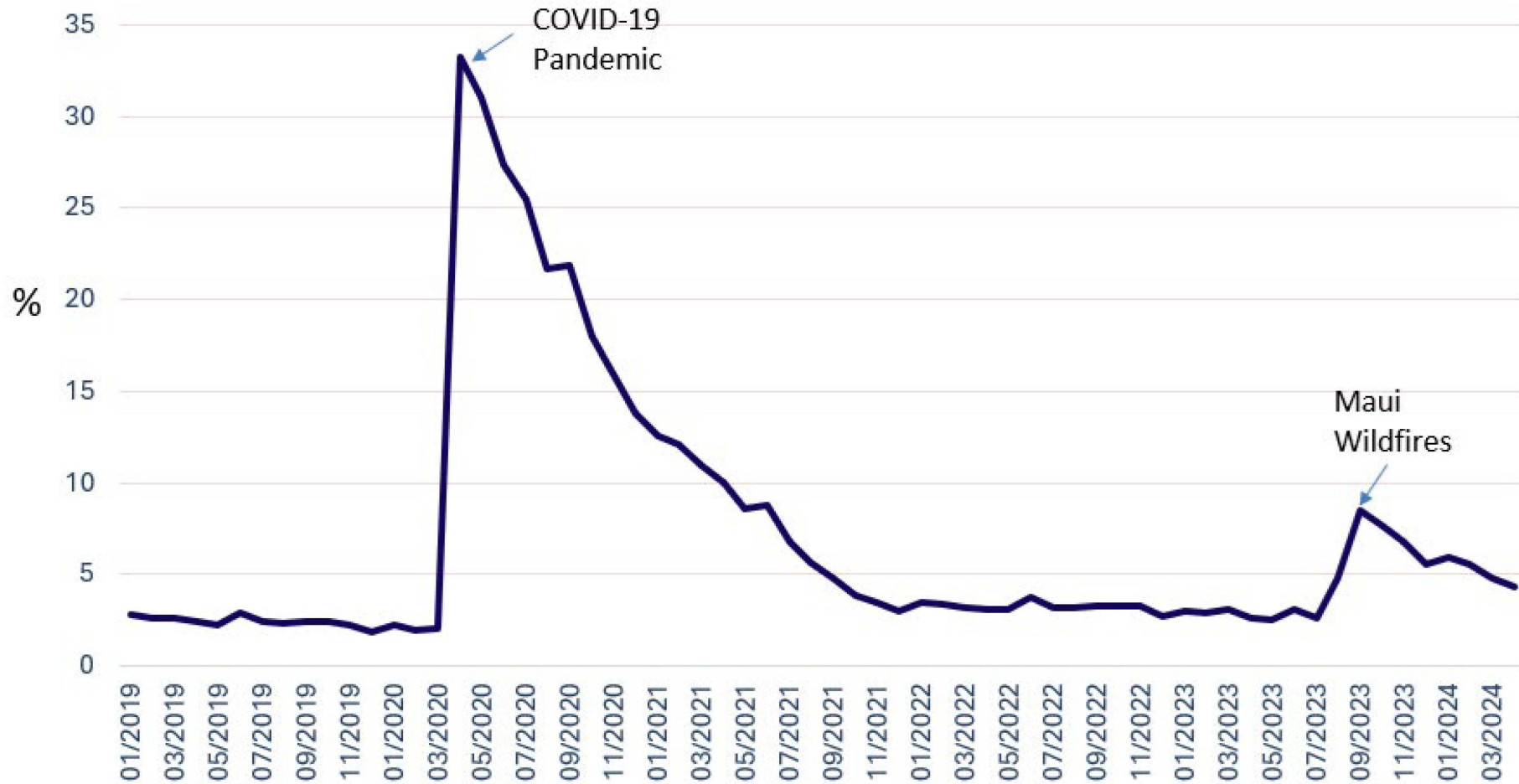
Non-tourism sector payroll jobs in Maui County



Initial unemployment claims in Maui County

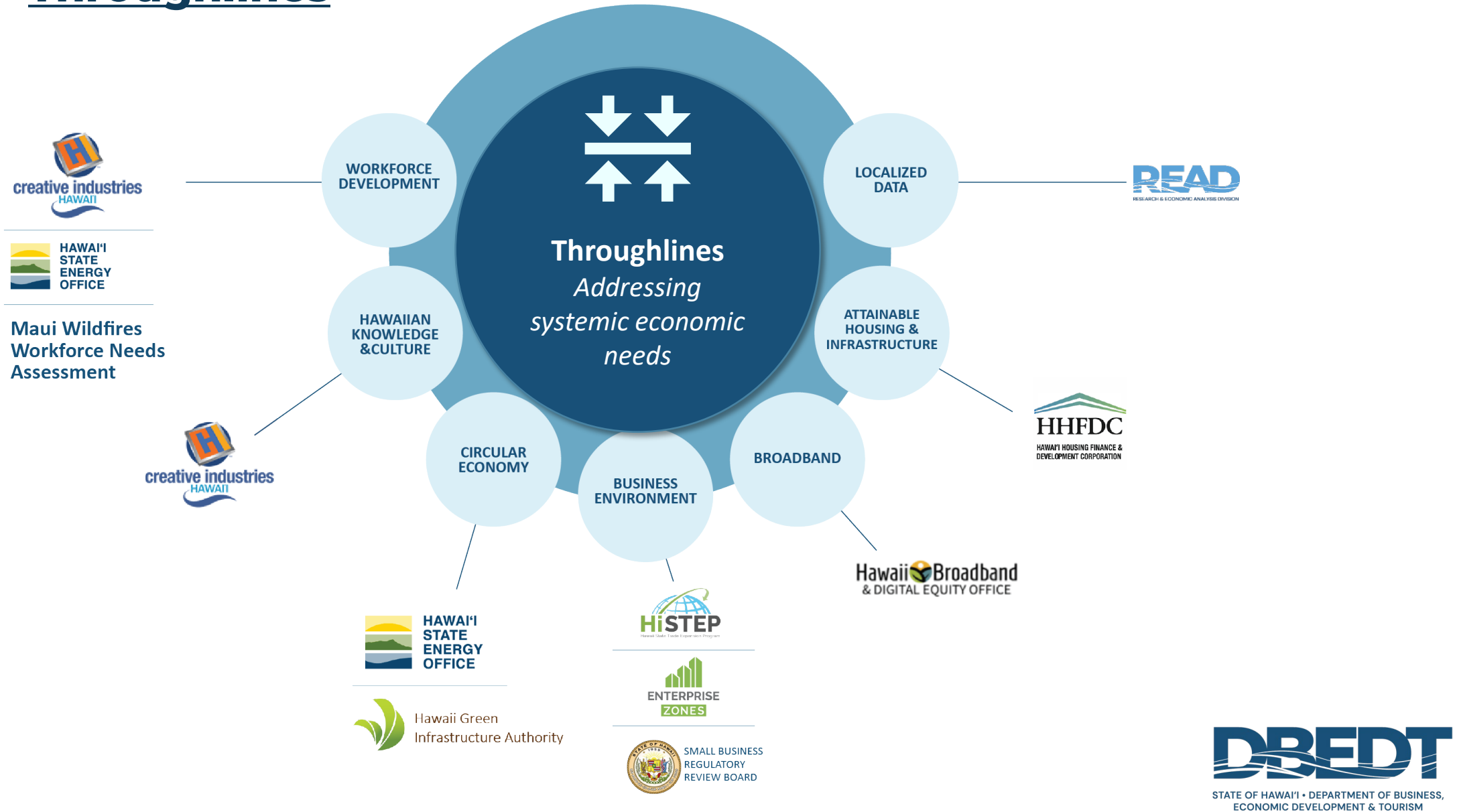


Maui County unemployment rate



MAHALO

Maui County CEDS Findings to Build Economic Resilience: Throughlines



Maui County CEDS Findings to Build Economic Resilience: Preparing for Economic Shocks



Maui Economic Recovery Priority Areas

- Housing
- Workforce Development
- Community Interests
- Healing
- Lele Ahupua'a (modern day ahupua'a approach)
- Wai

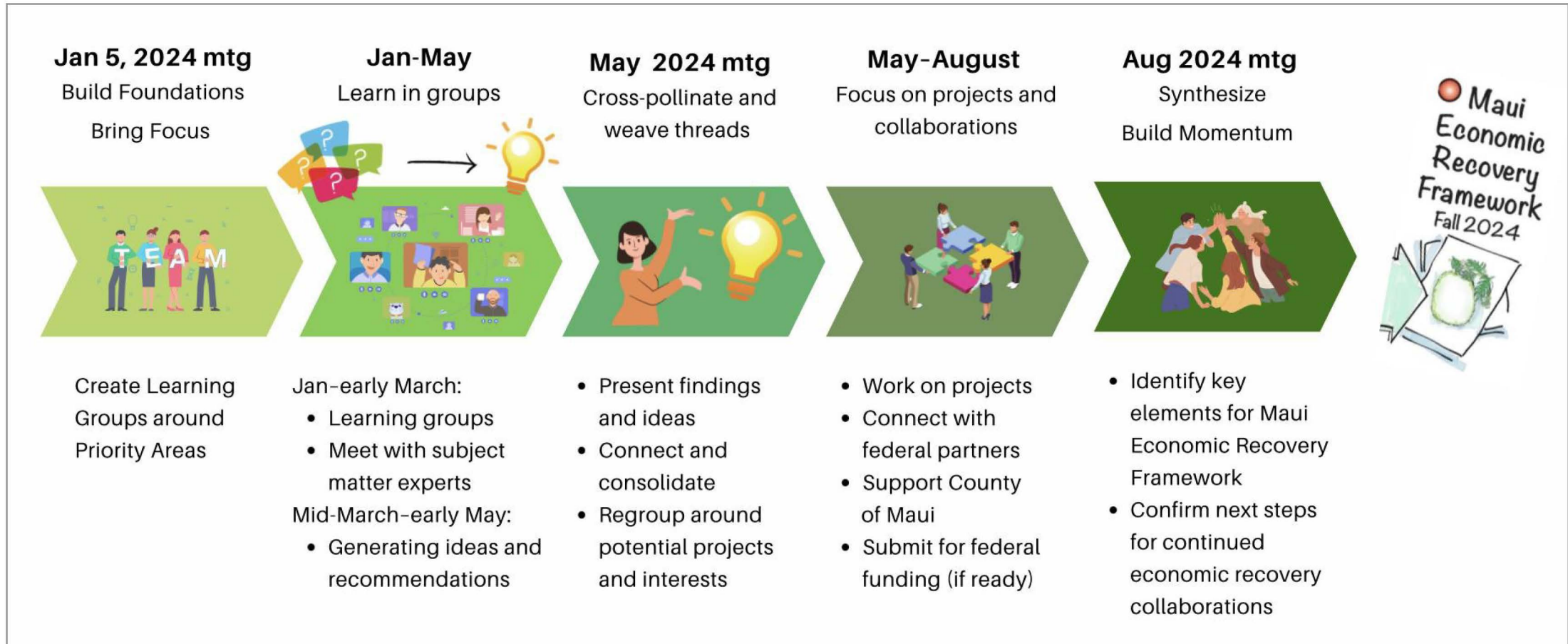


Desired Outcomes

- *Provide a framework, with the County of Maui as the lead with the state, to forge a path of economic recovery for Lahaina and Kula*
- *Collectively identify deserved outcomes (e.g., policy, legislation, rules, regulations)*
- *Bring community together*



Maui ERC Timeline



ADEPT Committee

From: Yamamoto, Keliann Y <keliann.y.yamamoto@hawaii.gov>
Sent: Tuesday, June 4, 2024 4:21 PM
To: ADEPT Committee
Subject: DBEDT Presentation - ADEPT Committee Meeting
Attachments: County of Maui ADEPT Committee 2024.pdf

You don't often get email from keliann.y.yamamoto@hawaii.gov. [Learn why this is important](#)

Aloha,

Please see attached presentation for the June 6th ADEPT Committee meeting.

Mahalo,

Keliann Y. Yamamoto

Department of Business, Economic Development and Tourism