

# 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



STATE OF HAWAII • DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM  
Received at 06/06/2024 ADEPT Committee meeting from Dane Wicker, Deputy Director,  
State 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

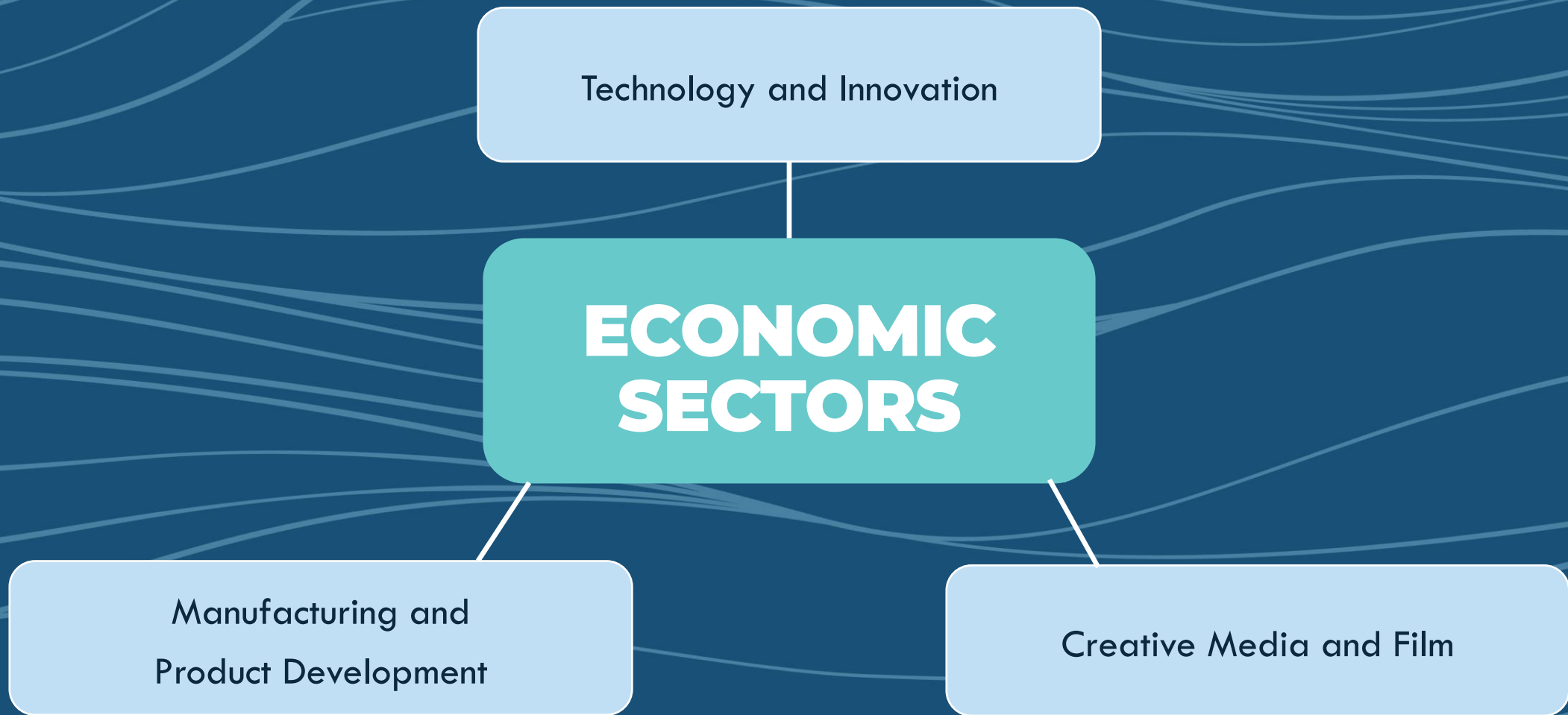


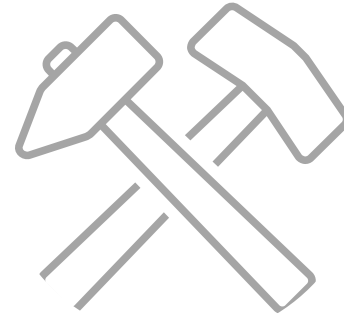
## **BUILD/UPDATE ECONOMIC FOUNDATIONS**

Assets and elements such as  
infrastructure and housing

Source: 2023 Hawai'i State CEDS







# INDUSTRIES



Aerospace



Advanced  
Manufacturing



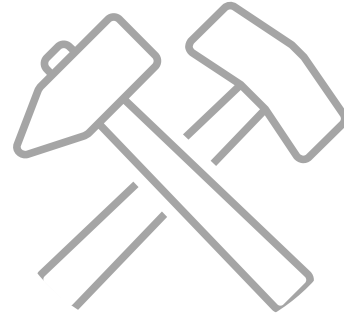
Artificial  
Intelligence



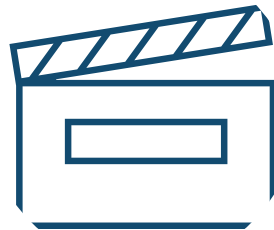
Healthcare



Energy



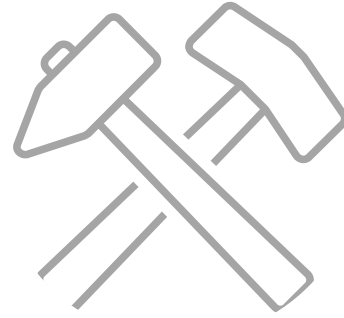
# INDUSTRIES



Film and  
Creative  
Media



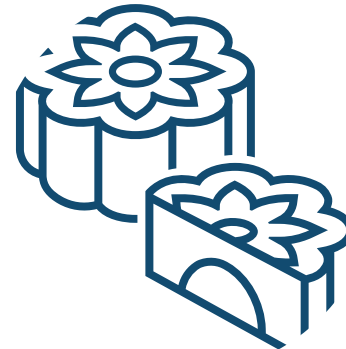
Music and  
Culture



# INDUSTRIES

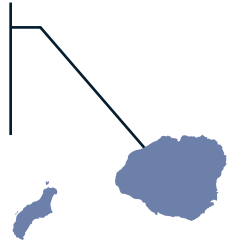


Fashion  
Manufacturing

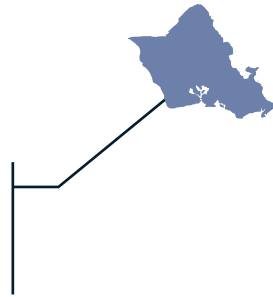


Value-Add Product  
Manufacturing

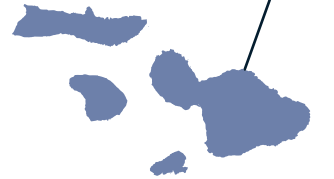
Value-Add (ADC)  
Aerospace (HTDC)



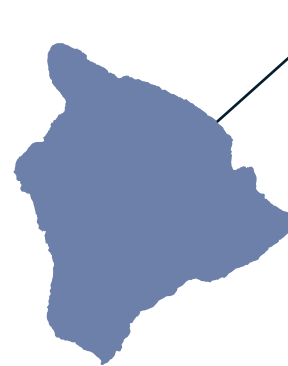
Value-Add (ADC)  
Aerospace (HTDC)  
Advanced Manufacturing (HTDC)  
Fashion Manufacturing (CID)  
Healthcare (HTDC)  
Film & Media (CID)



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

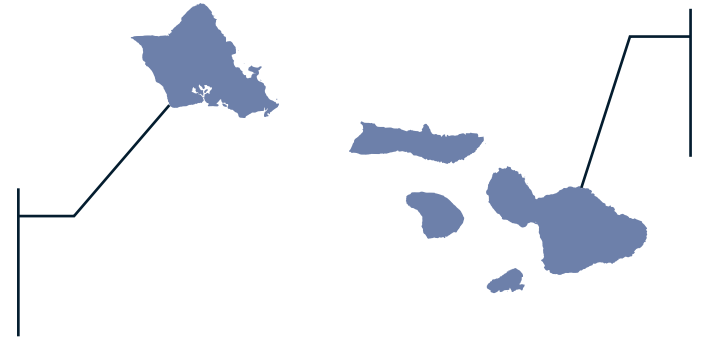


Value-Add (ADC)  
Aquaculture (NELHA)  
Energy (NELHA)  
Aerospace (HTDC)  
Film & Media (CID)





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

Engineering and Manufacturing  
Contractors  
DOE Complex?  
UH College of Engineering



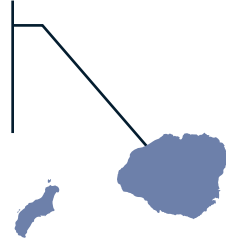
Engineering and Manufacturing  
Contractors  
Baldwin-Kekaulike-Kūlanihāko'i-Maui  
Complex Area  
UH Maui College

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

-  Employer/Careers
-  DOE Complex
-  UH Campus

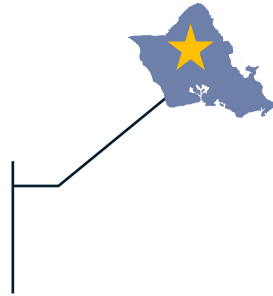
Value-Add Product  
Development Center  
(UH-KCC)

Food & Product  
Innovation Facility  
(ADC)



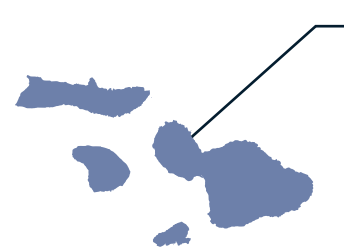
Value-Add Product Development  
Center (UH-LCC)

Food & Product Innovation Facility  
(ADC)



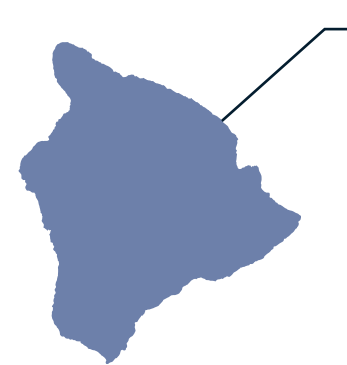
Maui Food Innovation  
Center (UH-Maui College)

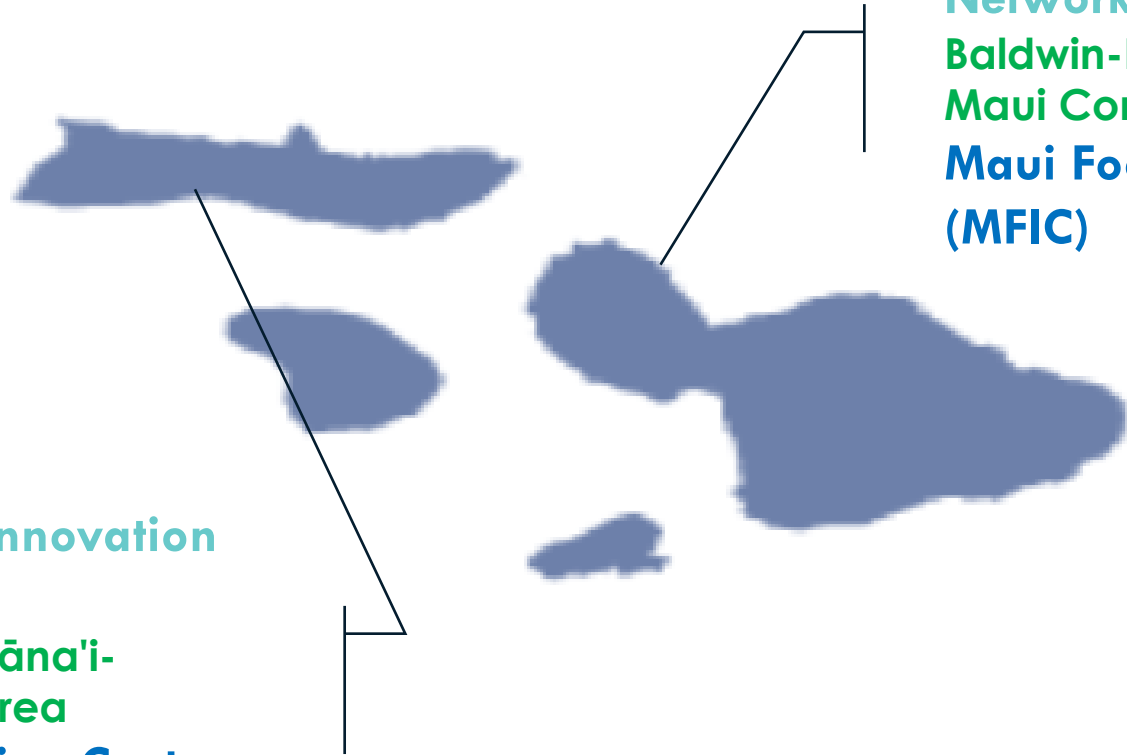
Food & Product Innovation  
Facility (ADC)



Value-Add Product  
Development Center (UH-  
HCC - Palamanui)

Food & Product Innovation  
Facility (ADC)





**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**





Research  
& Develop



Market &  
Scale-Up

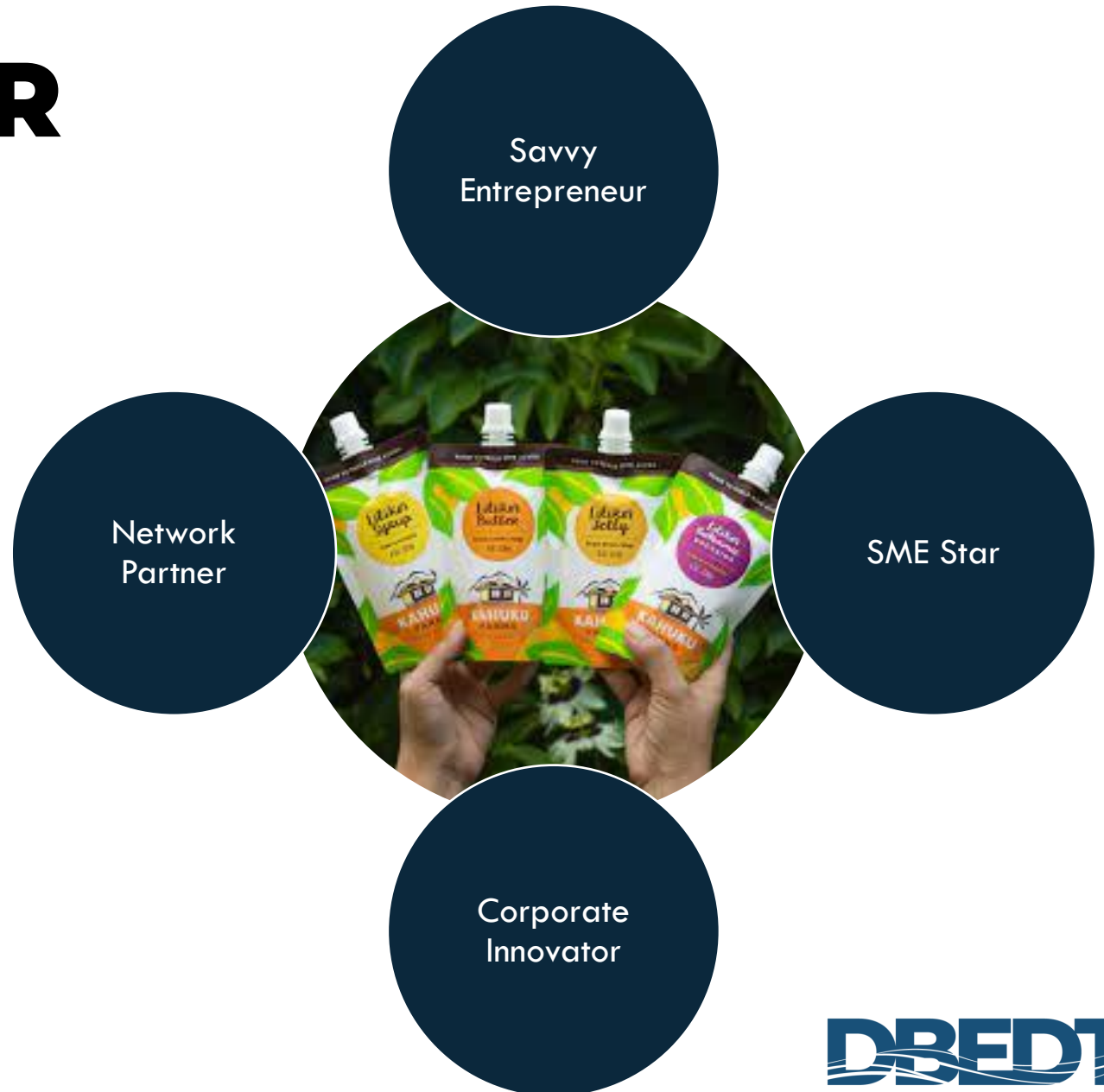


Expand &  
Export



# CATALYST FOR GROWTH

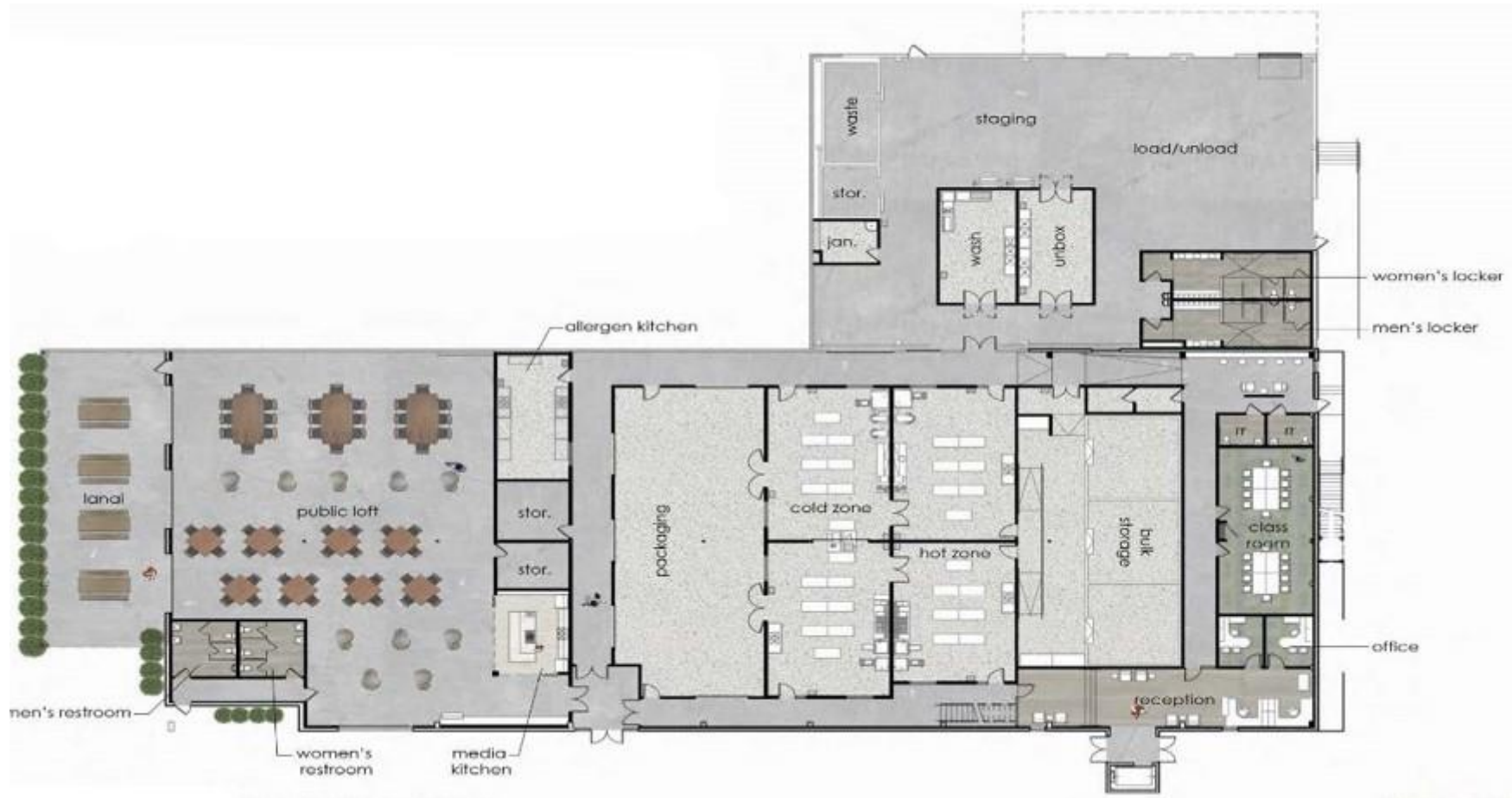
- Government supported network of innovation and production facilities
- From research and development to manufacturing
- Catalyst for small business and product growth
- Assist with innovation, scaling up and commercializing products





## 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



**UHCDC 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**

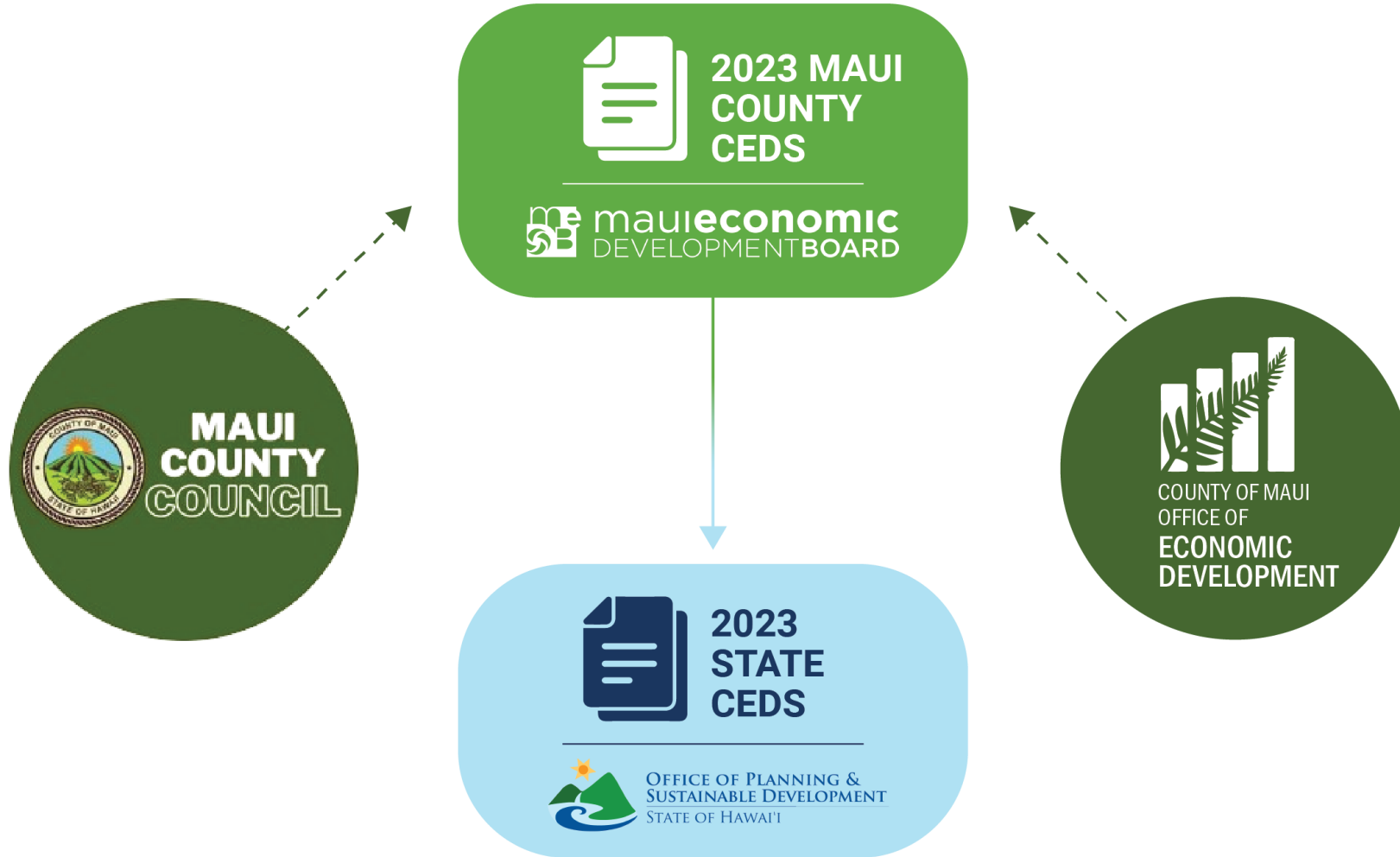
Preliminary POC and cost estimates  
Public Share-Out Session

**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

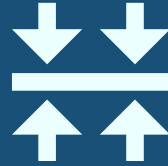




# Maui County CEDS Findings to Build Economic Resilience



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

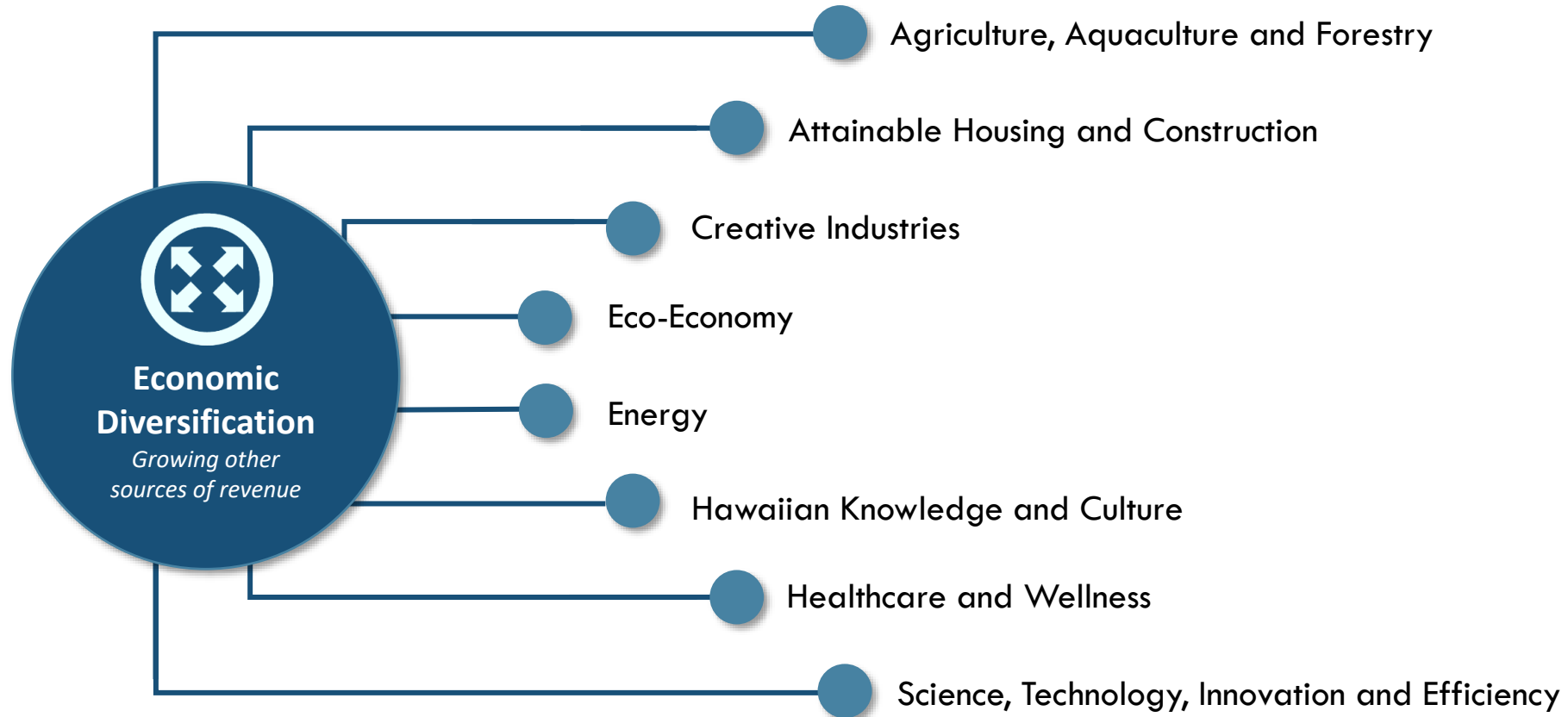


**Throughlines**  
*Addressing  
systemic economic  
needs*



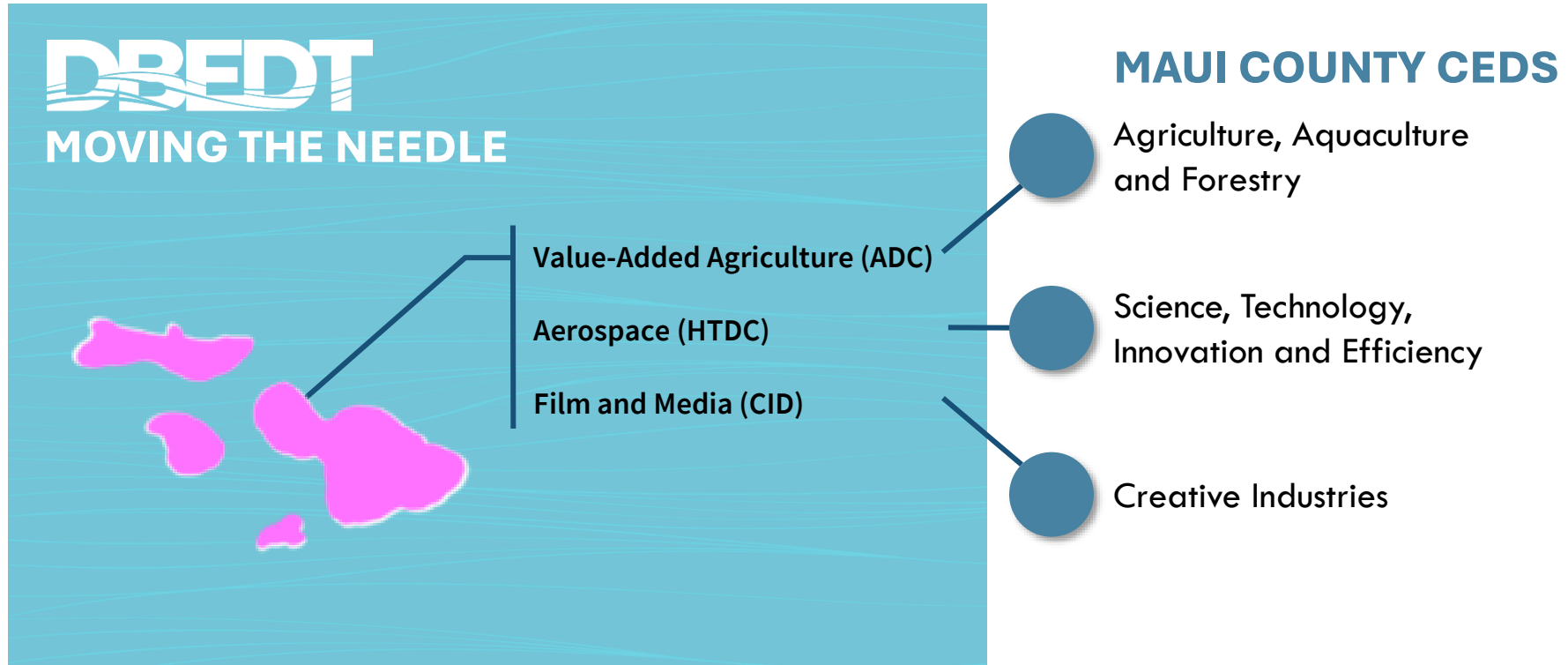
**Preparing for  
Economic Shocks**  
*Addressing economic  
vulnerabilities*

# Maui County CEDS Findings to Build Economic Resilience Through Economic Growth



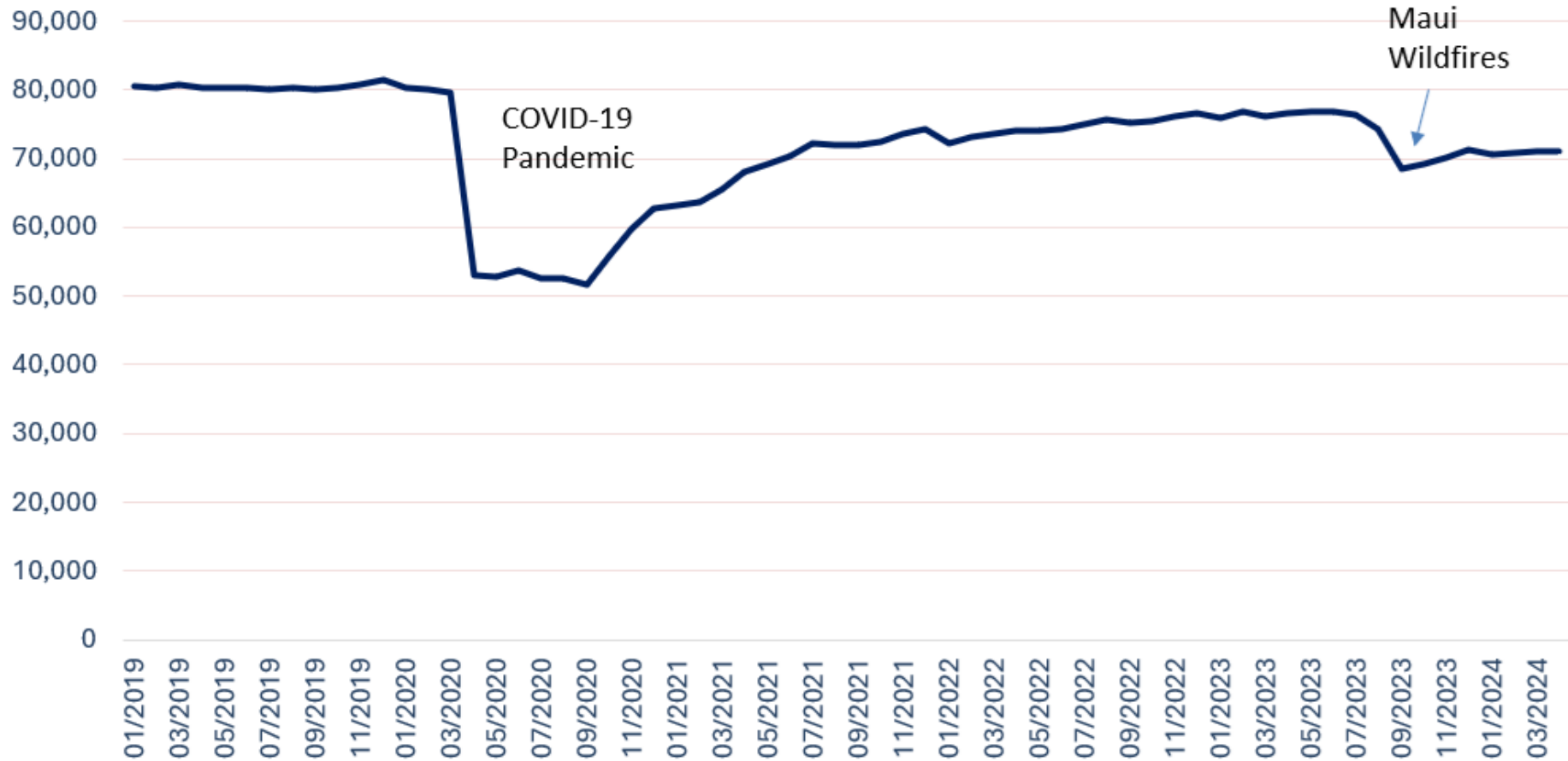
*\* Does not include geographic-based clusters (Hāna, Lāna'i, Molokai) identified in the Maui County CEDS*

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

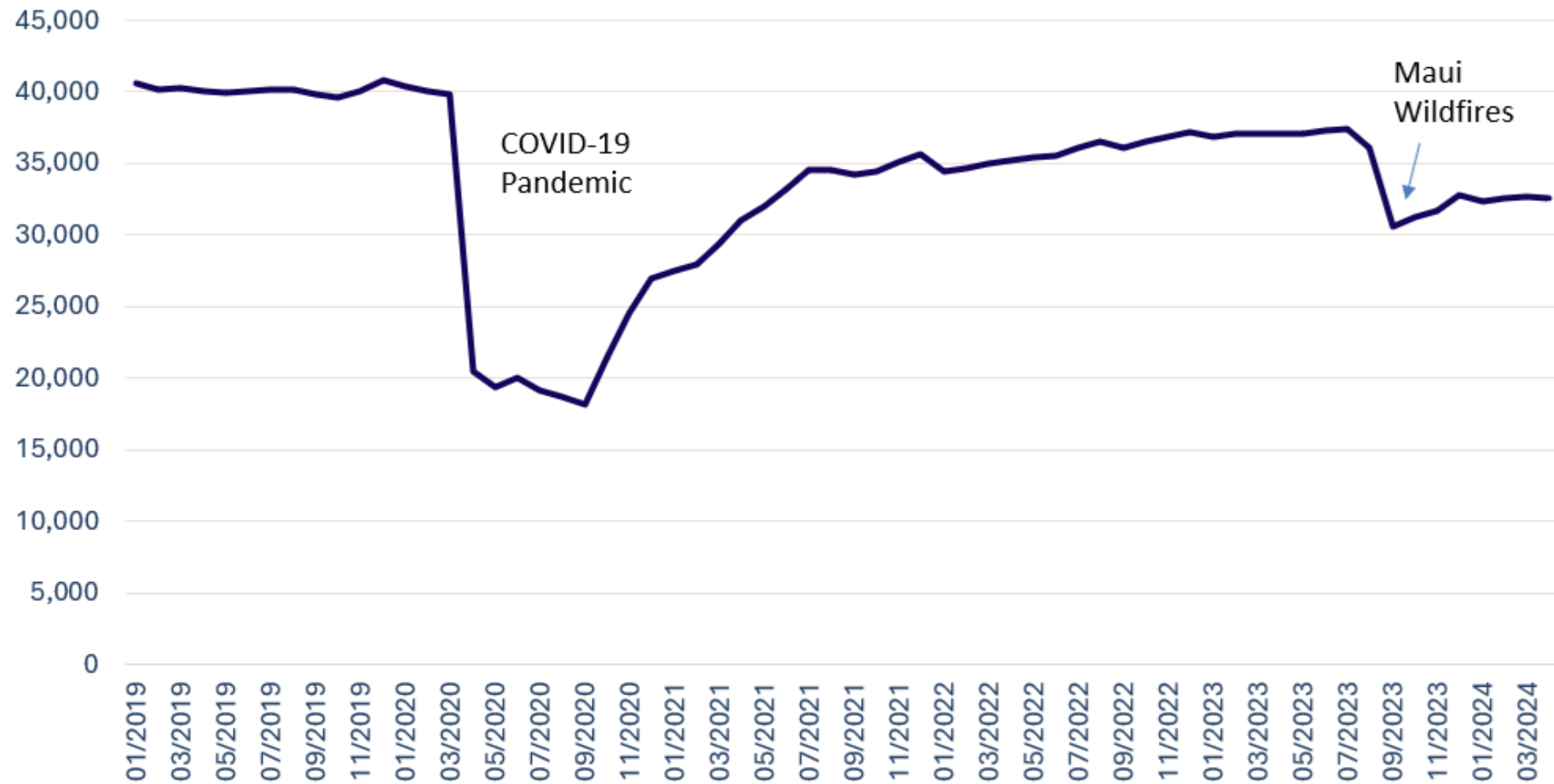


# Job & Unemployment Data

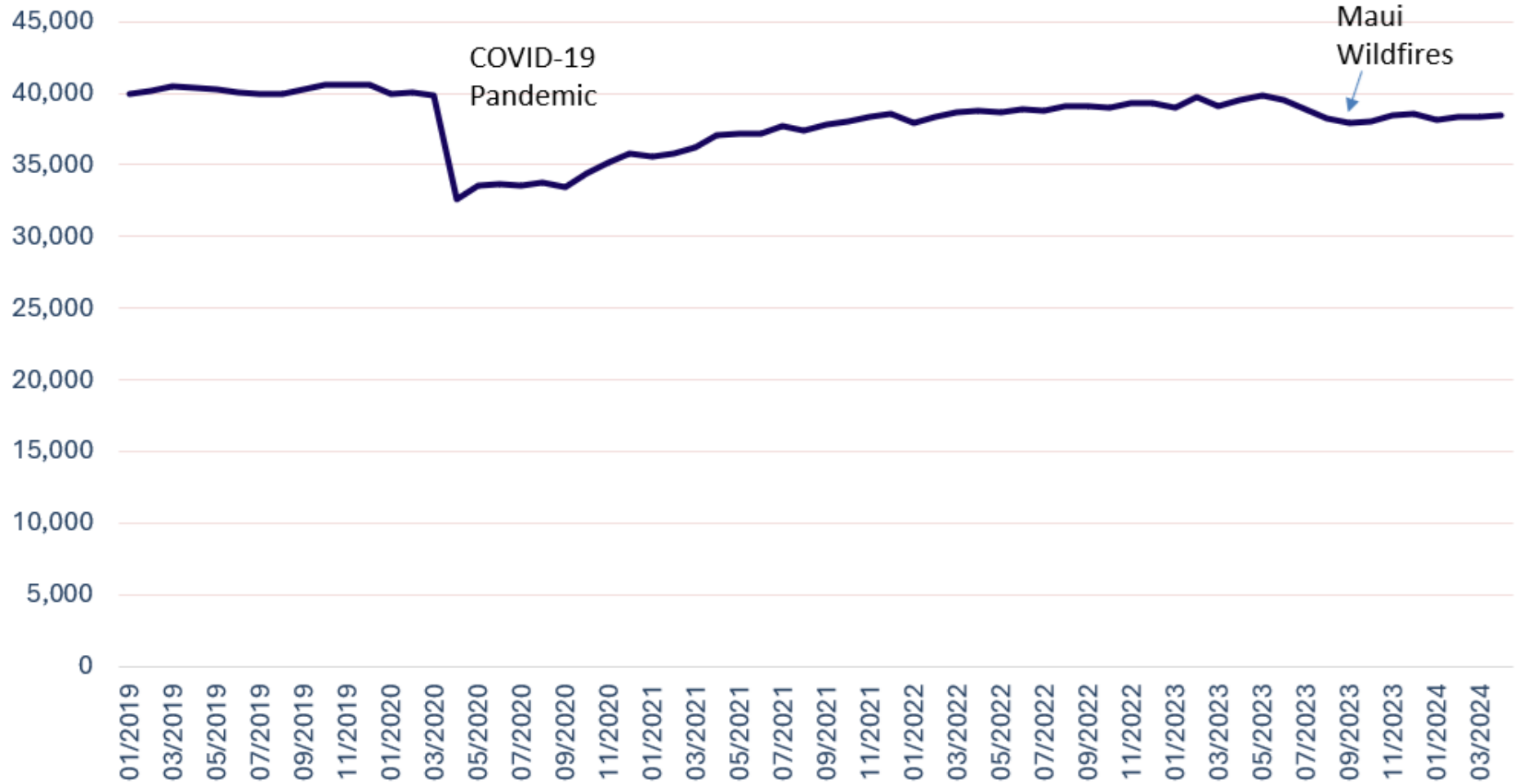
# Total non-agriculture payroll jobs in Maui County



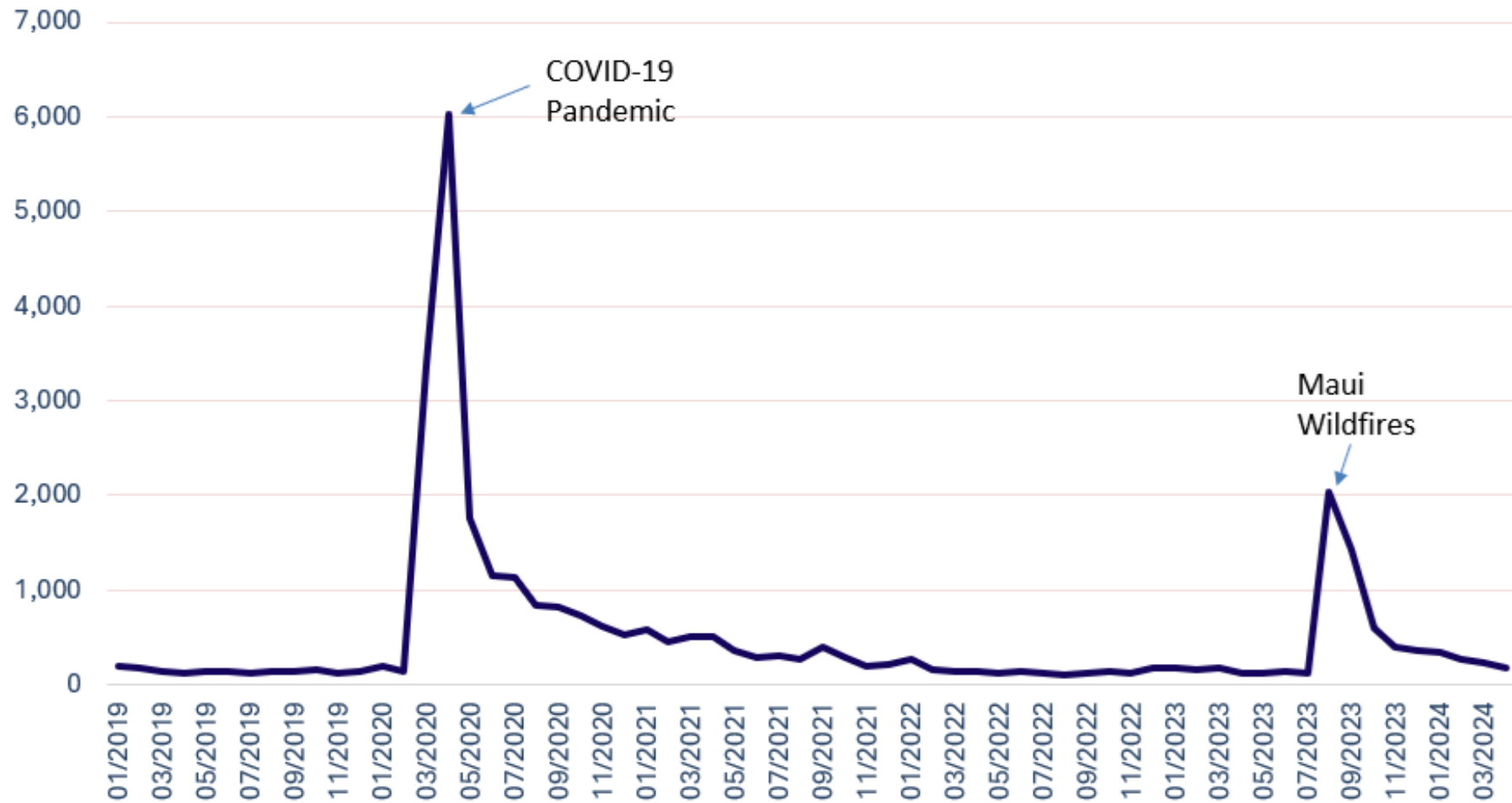
# Tourism sector payroll jobs in Maui County



# Non-tourism sector payroll jobs in Maui County

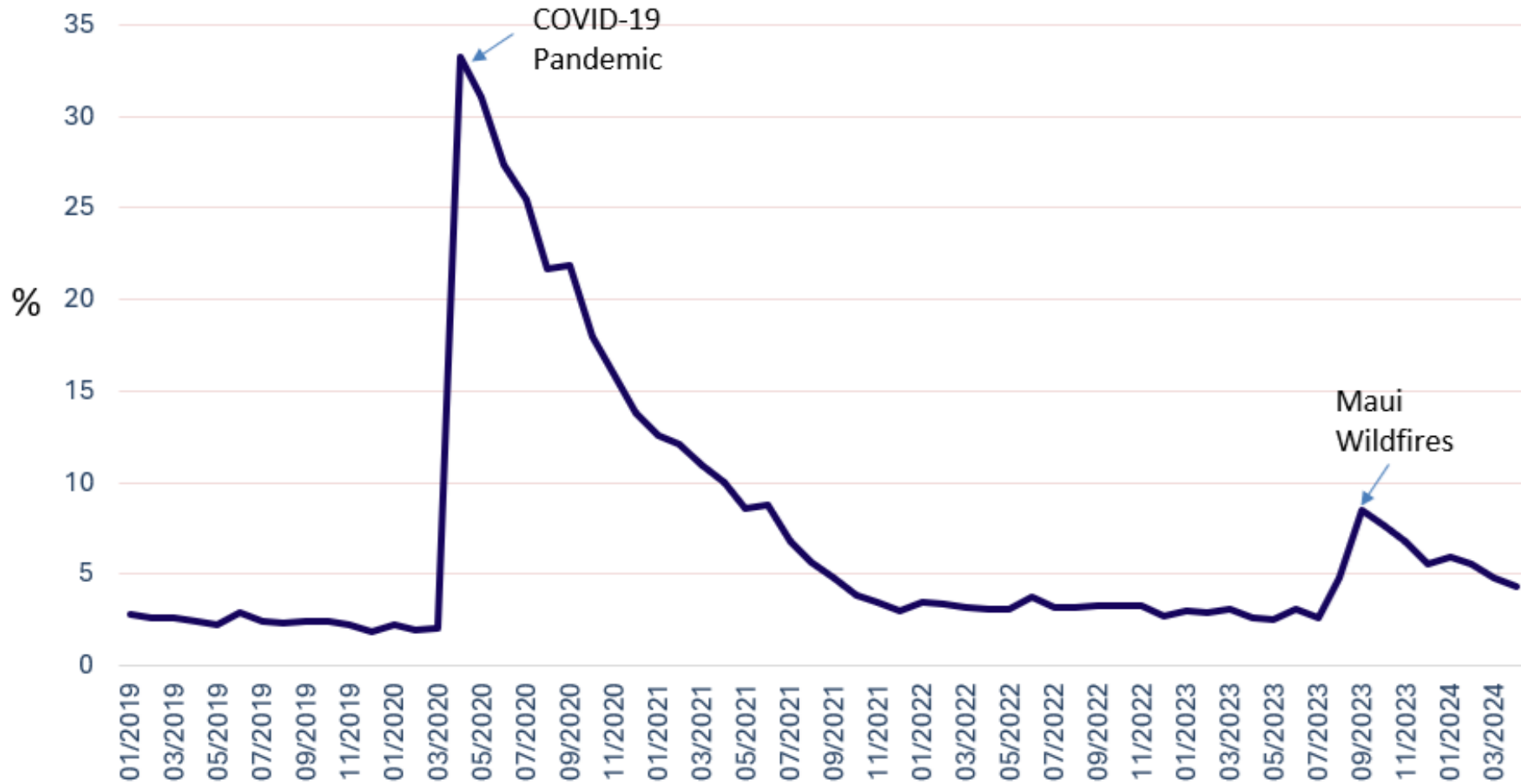


# Initial unemployment claims in Maui County





# Maui County unemployment rate



**MAHALO**



# Maui County CEDS Findings to Build Economic Resilience: 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

