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# A BILL FOR AN ACT

RELATING TO MANUFACTURING.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that there is a great  
2 need for Hawaii to develop and support manufacturing in the  
3 State. Over ninety per cent of the products the State consumes  
4 each year are imported. At the same time, there is a great  
5 demand outside the State for products that are made in Hawaii.  
6 Nationally, revitalizing the manufacturing industry has been a  
7 focal point for developing the United States economy as well as  
8 a catalyst for innovation.

9       Hawaii manufacturers tend to be small, with thirty-four per  
10 cent having less than four employees. These manufacturers only  
11 provide four per cent of the manufacturing jobs in the State.  
12 In contrast, five per cent of Hawaii manufacturers have more  
13 than one hundred employees and provide thirty-seven per cent of  
14 the manufacturing jobs in the State. To develop the industry,  
15 Hawaii manufacturers will increasingly need to turn to advanced  
16 manufacturing and industrial automation. Although automated  
17 manufacturing reduces the number of workers required to produce



1 a product, it also provides local manufacturers the ability to  
2 compete with offshore production. Ultimately, for many  
3 products, Hawaii manufacturers cannot compete without  
4 automation.

5 The legislature finds that Hawaii can identify its niche  
6 and develop a viable manufacturing industry. The aloha shirt  
7 and surf wear markets are just two examples of where Hawaii-made  
8 products may have natural competitive advantages and command a  
9 price premium. Presently, there is a limited supply of skilled  
10 labor to produce these products, and the skilled labor force is  
11 aging without a succeeding generation to continue the work.  
12 Therefore, the legislature finds that an economic development  
13 study on automated manufacturing opportunities is necessary to  
14 support the manufacturing industry in Hawaii.

15 SECTION 2. The department of business, economic  
16 development, and tourism shall conduct an economic development  
17 study on opportunities for automated manufacturing in the State.  
18 The department of business, economic development, and tourism  
19 shall submit a report to the legislature with preliminary  
20 findings and recommendations, including any proposed



1 legislation, no later than twenty days prior to the convening of  
2 the regular session of 2019.

3 SECTION 3. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$150,000 or so much  
5 thereof as may be necessary for fiscal year 2018-2019 for the  
6 purpose of conducting an economic development study on  
7 opportunities for automated manufacturing in the State.

8 The sum appropriated shall be expended by the department of  
9 business, economic development, and tourism for the purposes of  
10 this Act.

11 SECTION 4. This Act shall take effect on July 1, 2112.



**Report Title:**

DBEDT; Automated Manufacturing; Study; Appropriation

**Description:**

Requires the Department of Business, Economic Development, and Tourism to conduct an economic development study on automated manufacturing opportunities in Hawaii. Makes an appropriation for the study. Takes effect on 7/1/2112. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

