



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Ways and Means
Tuesday, April 3, 2018 at 10:00 A.M.
Conference Room 211, State Capitol**

LATE

RE: HOUSE BILL 583 HD1 RELATING TO TECHNOLOGY

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** HB 583 HD1, which appropriates funds to the Hawaii Technology Development Corporation for administrative and operational costs.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Within our State, there are approximately 700 active manufacturers that employ almost 14,000 people and contribute to Hawaii's economy through \$1.06 billion in manufactured goods exported in 2016. Manufacturers in Hawaii help improve the quality of our local economy. In 2016, total output from manufacturing was \$1.78 billion with manufacturers accounting for 2.2 percent of Hawaii's work force. Overall, manufacturers in Hawaii account for 2 percent of the state's total output and has experienced steady growth for more than a decade.

The Hawaii Technology Development Corporation and Innovate Hawaii works with small to medium-sized businesses and is closely allied with Hawaii's manufacturers – serving to understand their needs, meet current challenges, and provide sector-specific support to help these companies grow and prosper in Hawaii. HTDC and Innovate Hawaii have consistently produced an effective range of seminars for the manufacturing industry. Manufacturers have shared a tremendous amount of positive feedback regarding how beneficial these seminars have been in improving their individual businesses and manufacturing in Hawaii, as a whole. This invaluable support has assisted in the cultivation of a more robust local manufacturing sector.

With the University of Hawaii taking over management of the Manoa Innovation Center (MIC), we are concerned where this leaves HTDC and its programs – critical support to our organization and the industry which we serve. It is because of the support of HTDC and its programs that Hawaii has seen an innovation streak of success for start-up companies and medium-sized companies that were able to reach the next level and maintain success. Their programs have provided phenomenal guidance for our members to help them grow their businesses in Hawaii. With the loss of tenant revenue, HTDC requires a consistent annual



Chamber of Commerce HAWAII

The Voice of Business

appropriation to cover staff salaries, federal funding match, and programs to continue operating out of the MIC until funding becomes available to construct a replacement facility in Kakaako.

HTDC and its programs actively support and advocate for the specific needs of Hawaii's technology and manufacturing businesses. We have seen a rising demand from local companies wanting to manufacture here in Hawaii in order to maintain quality control, as well as an increasing desire for 'Made in Hawaii' products from consumers globally, which will continue to economically benefit our state. HTDC and its programs are integral to the growth and success of these companies who seek information and guidance on what it takes to succeed in Hawaii.

Thank you for this opportunity to testify.