



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Friday, February 10, 2017
9:00 a.m.

State Capitol, Conference Room 309

in consideration of

HB 975

RELATING TO ECONOMIC DEVELOPMENT.

Chair Nakashima, Vice Chair Keohokalole, and Members of the Committee on Economic Development and Business.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of HB 975 which creates an advisory council for global economic competitiveness of fifteen or more knowledgeable representatives to recommend policy, so long as it does not displace Administration priorities.

DBEDT estimates that funding in the sum of \$150,000 for each year of the upcoming biennium is necessary to implement this bill and undertake the tasks specified.

Thank you for the opportunity to provide testimony.



ORGANIZATION *for* INTERNATIONAL INVESTMENT
Global Investment Grows America's Economy

February 9, 2017

Dear Chairman Nakashima and Members of the Committee:

The Organization for International Investment (OFII) appreciates the opportunity to comment on HB 975. We support this bill because an advisory council would create a platform where the private sector, academia, economic developers, and government can work together to create a plan that would enhance Hawaii's global economic competitiveness.

OFII is a business association representing the U.S. subsidiaries of foreign-headquartered companies (U.S. subsidiaries), including many Hawaiian employers like BNP Paribas, the parent of First Hawaiian Bank; BAE Systems; Syngenta and BASF (full membership list attached). OFII advocates for policies that increase America's competitiveness in attracting foreign direct investment (FDI) and which provide fair and non-discriminatory treatment.

U.S. subsidiaries bring high-value economic activities to the United States. These companies employ 6.4 million U.S. workers, account for over 20 percent of U.S. manufacturing jobs, produce over 26 percent of U.S. exports, and fund over 17 percent of U.S. research and development activities.¹ These U.S. subsidiary jobs pay salaries that are 30 percent higher than the economy-wide average. In Hawaii, U.S. subsidiaries employ 37,000 state residents. These FDI jobs account for 7.3 percent of the state's private sector workforce, ranking Hawaii 5th in the nation in the percentage of its private sector workforce attributed to FDI.

Hawaii also benefits from exports. Over 860 Hawaii businesses export and almost 90 percent of these exported goods are from small or medium-sized business.² This economic activity supports almost 6,200 jobs.

Hawaii has clearly benefitted from its openness to the global economy. HB 975 would mark a positive step forward in helping Hawaii further compete for international investment and grow exports. Collaborative policymaking with the full consultation of businesses, employees, think tanks, economic developers, and other community stakeholders is essential to a healthy, predictable, and sustainable economic growth strategy.

For these reasons, OFII urges the Committee to vote for HB 975.

For any additional questions, please contact Evan Hoffman, Director of State Government Affairs at ehoffman@ofii.org or (202) 659-1903.

¹ All statistics in this paragraph are the latest data from the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) released October 2016 regarding the U.S. subsidiaries of foreign headquartered companies

² All statistics in this paragraph are the latest available data from the office of the U.S. Trade Representative; <https://ustr.gov/map/ustrade/hi>

Sincerely,

A handwritten signature in blue ink, appearing to read 'Nancy McLernon', with a long horizontal flourish extending to the right.

Nancy McLernon
President & Chief Executive Officer
Organization for International Investment

ORGANIZATION *for* INTERNATIONAL INVESTMENT

Global Investment Grows America's Economy

OFII is the only business association in Washington D.C. that exclusively represents U.S. subsidiaries of foreign companies and advocates for their non-discriminatory treatment under state and federal law.

Member

ABB Inc.	Evonik	Philips Electronics North America
Ahold Delhaize	Experian	Philips Lighting North America Corporation
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Alibaba Group	FUJIFILM Holdings America	RELX Group
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Anheuser-Busch	G4S	Roche Holdings, Inc.
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BASF Corporation	HSBC North America Holdings	Schneider Electric USA
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BBA Aviation	Hyundai Motor America	SCOR
Beam Suntory	InterContinental Hotels Group	Shell Oil Company
BHP Billiton	JBS USA	Shire Pharmaceuticals
BIC Corp.	John Hancock Life Insurance Co.	Sibelco Group
Bimbo Bakeries USA	Johnson Controls	Siemens Corporation
bioMérieux	Kering	Smithfield
BNP Paribas	Kerry	Smith & Nephew, Inc.
Boehringer Ingelheim Corp.	Kia Motor Corporation	Solvay America
Bombardier Inc.	Kudelski Group	Sony Corporation of America
BOSCH	LafargeHolcim	SSAB Americas
BP	LEGO	Standard Chartered Bank
Braskem	L'Oréal USA, Inc.	Sumitomo Corp. of America
Bridgestone Americas Holding	Louisiana Energy Service (LES)	Swiss Re America Holding Corp.
BT	Louis Dreyfus Commodities	Syngenta Corporation
Bunge Ltd.	Louisville Corporate Services, Inc.	Takeda North America
Bunzl USA, Inc.	LVMH Moët Hennessy Louis Vuitton	The Tata Group
CEMEX USA	LyondellBasell	Tate & Lyle
CGI Group	Maersk Inc	TE Connectivity
Chubb	Magna International	Teva Pharmaceuticals USA
CNH Industrial	Mahindra	Thales USA, Inc.
Compass Group USA	Mallinckrodt	Thomson Reuters
Continental Corporation	Mazda	ThyssenKrupp North America, Inc.
Credit Suisse Securities (USA)	McCain Foods USA	Toa Reinsurance Company of America
Daiichi Sankyo, Inc.	Medtronic, Inc.	TOTAL Holdings USA, Inc.
Daimler	Michael Kors	Toyota Motor North America
Dassault Falcon Jet Corp.	Michelin North America, Inc.	Transamerica
Dassault Systemes	Morton Salt, Inc.	UBS
DENSO	National Grid	UCB
Deutsche Telekom	Nestlé USA, Inc.	Umicore
Diageo, Inc.	The Nielsen Company	Unilever
Direct Energy	Nissan	Vivendi
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EMD Serono Inc.	Novo Nordisk Pharmaceuticals	White Mountains, Inc.
Enel Green Power North America	Oldcastle, Inc.	Willis Towers Watson
ENGIE	ORIX USA	Wipro Inc.
E.ON North America	Panasonic Corp. of North America	Wolters Kluwer U.S. Corporation
Ericsson	Pearson Inc.	WPP Group USA, Inc.
	Pernod Ricard USA	Zurich Insurance Group