



**DEPT. COMM. NO. 341**  
**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

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January 10, 2019

The Honorable Ronald D. Kouchi,  
President and Members  
of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am pleased to transmit a copy of the Department of Business, Economic Development and Tourism's Sister-State report that evaluates the sister-state program and makes recommendations to improve the capacity and sustainability of the efforts to promote mutually beneficial international relationships to stimulate economic benefits, cultural and educational exchange, and goodwill as required by SCR121, SD1 (18).

In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at: <http://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/>.

If you have any questions, please contact Mark Ritchie at: (808) 587-2785 or [mark.j.ritchie@hawaii.gov](mailto:mark.j.ritchie@hawaii.gov).

Sincerely,

Mary Alice Evans

Enclosure

c: Legislative Reference Bureau

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**REQUESTING THE HAWAII SISTER-STATE COMMITTEE AND THE  
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM  
TO EVALUATE THE SISTER-STATE PROGRAM AND MAKE  
RECOMMENDATIONS TO IMPROVE THE CAPACITY AND SUSTAINABILITY  
OF THE EFFORTS TO PROMOTE MUTUALLY BENEFICIAL INTERNATIONAL  
RELATIONSHIPS.**

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A Report to the Legislature of  
the State of Hawaii Required by  
SCR121, SD1 (18)

Submitted by

**The Department of Business,  
Economic Development &  
Tourism**

**December 20, 2018**

## **INTRODUCTION:**

Senate Concurrent Resolution 121, S.D. 1 and Senate Resolution 78, S.D. 1 requests the Hawaii Sister-State Committee and the Department of Business, Economic Development & Tourism (DBEDT) to evaluate the Sister-State program and make recommendations to improve the capacity and sustainability of the efforts to promote mutually beneficial international relationships.

## **OVERVIEW:**

There are three pillars to the organizational and operating structure for administering, operating and sustaining sister state relationships. These are:

- I. **Sister State Committee (Committee)**: The Committee was established by the Legislature in 2013. Its responsibilities are:
  1. **To take an active role in evaluating prospective and current sister relationships, for both cultural and economic development reasons, with attention to fostering the most productive ties.**

There is agreement that most successful sister relationships occur when:

- a. There is commonality between Hawaii and the sister, primarily from geographical, historical, cultural or economic standpoints.
- b. There are active and interested support groups, such as Chambers of Commerce, cultural and civic associations.
- c. There are economic benefits for both sisters, such as increased numbers of visitors, or enhanced investment or marketing opportunities.
- d. Close ties have been established between educational institutions of the two potential sisters, including both student and faculty exchanges.
- e. There is a clear, strong governmental interest in not only forming, but maintaining the relationship.

**2. To assure the productivity and viability of a sister relationship, the Committee reviews and revises the sister-state application forms.**

In addition to a completed application form, the Committee requires the following supplemental information:

- a. A letter from the Governor or designee of the proposed sister.
- b. A designated local point-of-contact person.
- c. Recent activity reports between Hawaii and the proposed sister.
- d. Recommendations for future activities.
- e. Proposed calendar of future events.

**3. The Committee periodically reviews the activities of each sister relation to determine which ties should be strengthened and which should be severed. The State has 17 sister relationships, dating back to 1981. Some relationships have been very active (e.g. Hiroshima, Fukuoka, Okinawa, Hokkaido, Taiwan and Guangdong), while others have shown little or no activity (e.g. Azores Islands).**

The Committee has not to date recommended the severing of any relationship ties. There is a general feeling that there are activities going on that the committee and DBEDT/BDSB that may not be aware of that are social, cultural or political in nature. Severing ties may jeopardize these relationships. Much goodwill has been gained in the establishment of a sister state; much ill will may be generated with the severing of ties. The Committee finds that better oversight and scrutiny be placed beforehand on evaluating and reviewing initial applications so that sister states have the best chance to remain active and productive.

**II. DBEDT: The Committee is administered by DBEDT under the Business Development and Support Division (BDSB).**

Aside from the application forms and supplemental information, DBEDT's general process for sister state status is as follows:

1. Direct application to the Committee by a community or governmental entity;
2. Passage of a Concurrent Resolution by the Legislature for the Committee to recommend to the Legislature and Governor a sister state relationship;
3. Recommendation by the Committee to the Governor to enter into sister state relationship;
4. Approval by the Governor to enter into a relationship.

DBEDT does not receive dedicated funding for sister state activities, nor does it have a dedicated staff person in charge of sister state activities. Sister state activities are done on an ad hoc, as needed basis.

### **III. The Community**

Sister state relationships are maintained by the community that sought and lobbied for the relationship in the first place. Some relationships are backed by strong community and business support, while for others, after the initial flurry of support for a relationship, interest has waned. DBEDT/BDSB issues an annual report of the activities that take place with its sisters. As earlier mentioned, there are some very active sisters, and some that DBEDT cannot ascertain any activities. This does not mean that relationships with the less than active sisters do not take place, but that they may be under the radar of DBEDT.

<b>SISTER-STATES (Chronological order)</b>		
<b>COUNTRY</b>	<b>PROVINCE/PREFECTURE</b>	<b>YEAR ESTABLISHED</b>
Japan	Fukuoka	1981
Portugal	<a href="#">Azores Islands</a>	1982
Greater China	<a href="#">Guangdong</a>	1985
Japan	<a href="#">Okinawa</a>	1985
Philippines	Ilocos Sur	1985
Korea	Jeju	1986
Greater China	Hainan	1992
Greater China	Taiwan	1993
Philippines	Cebu	1996
Japan	Hiroshima	1997
Philippines	Pangasinan	2002
Japan	Ehime	2003
Philippines	Ilocos Norte	2005
Philippines	Isabela	2006
Morocco	Rabat-Sale-Zemmour-Zaer	2011
Indonesia	Bali	2014

<b>SISTER-STATES (Alphabetical order by country and area)</b>		
<b>COUNTRY</b>	<b>PROVINCE/PREFECTURE</b>	<b>YEAR ESTABLISHED</b>
Greater China	<a href="#">Guangdong</a>	1985
	Hainan	1992
	Taiwan	1993
Indonesia	Bali	2014
Japan	<a href="#">Fukuoka</a>	1981
	<a href="#">Okinawa</a>	1985
	Hiroshima	1997
	Ehime	2003
Korea	Jeju	1986
Morocco	Rabat-Sale-Zemmour-Zaer	2011
Philippines	Ilocos Sur	1985
	Cebu	1996
	Pangasinan	2002
	Ilocos Norte	2005
	Isabela	2006
Portugal	<a href="#">Azores Islands</a>	1982

## **CHALLENGES:**

- 1. Budget:** There is no dedicated funding to support or sustain sister state relations. Funding for sister state activities come from two main sources: 1) grants in aid sought by the community each legislative session to fund a specific sister state or sister state activity, and 2) from the general budget of the Business Development & Support Division, if any residual funds are available.
- 2. Personnel:** There is no personnel within the BDSD specifically assigned to service sister state activities. Sister state assignments are handled on an as needed basis by the administrator, branch chief or economic development specialist available, or by staff with some particular skill, such as a foreign language capability.

## **CONCLUSION**

Sister state relations, while an important component of economic development, is a by-product of other activities for which the BDSD is responsible for. While its importance is not minimized, due to lack of a dedicated budget and personnel, its potential to enhance additional economic development benefits will continue to be unfulfilled.

## **RECOMMENDATIONS:**

In order to improve the capacity and sustain mutually beneficial international relationships through the sister state program, the Legislature should:

- Dedicate funding on a recurring basis to support sister state activities.
- Fund on a one-time basis a Sister State Summit inviting all the sisters to attend as a way to find out and marshal 1) those sisters who are still interested in the relationship, 2) community support for specific relationships.