



**DEPARTMENT OF BUSINESS
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

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DTS#: 202301101122MA

January 13, 2023

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

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

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

For your information and consideration, I am transmitting a copy of the State of Hawaii Offices in Taipei and Beijing, Annual Report, as required by Section 201-84, Hawaii Revised Statutes. 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/>.

Mahalo a e mālama pono,

Chris J. Sadayasu

Enclosure

c: Legislative Reference Bureau

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM



STATE OF HAWAI'I OFFICES IN TAIPEI AND BEIJING DECEMBER 2022

2022 Annual Report to the Legislature
January 1, 2022 to December 31, 2022

A report to the Legislature of the State of Hawai'i as required by
Section 201-84, Hawai'i Revised Statutes

State of Hawai'i Office in Taipei
2022 Annual Report

PART 1. PROMOTED STUDY IN HAWAI'I

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PART 1. PROMOTED STUDY IN HAWAI'I

- January 18, 2022: The State of Hawai'i Office (SHOT) Director Alex Lei was invited by the National Taiwan University (NTU) to deliver a speech. According to the Times Higher Education World University Ranking, NTU is the number one university in Taiwan and is ranked 187th in the world. NTU is also has a sister-school relationship with the University of Hawai'i at Mānoa (UHM). The event was well organized by the International Exchange Office of NTU and over 150 senior class students attended. SHOT Director Alex Lei talked about cultural tourism and diplomacy, as well as studying in Hawai'i.



SHOT Director Alex Lei delivered a speech at National Taiwan University (NTU).

- February 12, 2022: Met and discussed the Hawai'i education system with Mr. Jackie Song and his associates. Mr. Song is well connected with high schools in Taiyuan County and his company offers online study programs for K-12 students. They are interested in partnering with Hawai'i and exploring opportunities to work with different schools.



Met and discussed the Hawai'i education system with Mr. Jackie Song and his associates.

- March 16, 2022: SHOT Director Alex Lei delivered a speech at Chung Yuan Christian University, to introduce studying in Hawai'i to over 70 students from different majors who attended. During the Q&A session, students were actively asking questions about study and life in Hawai'i. Following the presentation, three students visited SHOT to further discuss details about studying in Hawai'i.



Visited Chung Yuan Christian University and students visited SHOT to further discuss opportunities in Hawai'i.

- July 27, 2022: Huaxing School Principal Mr. Teng-Lung Tseng and his deans visited SHOT to explore opportunities to collaborate and exchange programs with Hawai'i schools. Huaxing School was founded in 1955 and is a well-known K-12 private school in Taipei.



Huaxing School Principal Mr. Tseng met with SHOT Director Alex Lei to explore opportunities with Hawai'i.

- November 17, 2022: SHOT Director Alex Lei and his staff visited Our Lady Providence Girls' High School, welcomed by the Principal Ms. Monica Chi, and Student Affairs Office Director, Tzu-Ming Hung. SHOT Director Alex Lei also greeted students who were going to participate the 2023 Robotic Competition in Honolulu.



SHOT Director Alex Lei greeted students from Our Lady Providence Girls' High School.

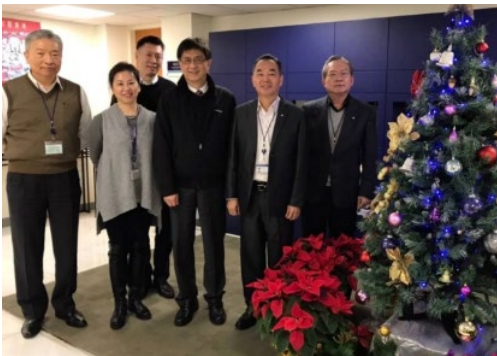
- November 18, 2022: SHOT Director Alex Lei and his staff visited New Taipei Municipal An Kang High School, welcomed by the Principal Mr. Shun-Jung Shieh and staff members. SHOT Director Alex Lei also greeted students who were going to participate the 2023 Robotic Competition in Honolulu.



SHOT Director Alex Lei greeted students from New Taipei Municipal An Kang High School.

PART 2. INVESTMENT ATTRACTION AND BUSINESS PROMOTION

- January 4, 2022: SHOT Director Alex Lei made a courtesy call to the Taiwan General Manager of China Airlines, Mr. Solomon Lee. Mr. Lee was appointed as the General Manager on December 21, 2021. SHOT Director Alex Lei congratulated him on his new position at China Airlines and expressed hopes for direct flights to be resumed between Honolulu and Taipei. Before the pandemic, China Airlines operated 2-3 direct flights a week between Honolulu and Taipei.



SHOT Director Alex Lei met with Mr. Solomon Lee, Taiwan General Manager of China Airlines.

- April 12, 2022: SHOT Director made a courtesy call to the STARLUX Airlines, an international airline founded in 2018, and operated its' first flight in January 2020. SHOT Director Alex Lei met with Mr. Simon Liu, the Chief Strategy Officer, and Ms. Patience Hsu, the Director of Business Development. The purpose of the meeting was to invite STARLUX Airlines to consider operating flights to Hawai'i. Mr. Simon Liu welcomed the visit and told SHOT Director Alex Lei that STARLUX is interested in operating a flight to Honolulu when they receive more aircrafts and when the boarder of Taiwan is re-opened.



SHOT Director Alex Lei met with Mr. Liu and Ms. Hus at STARLUX Airlines.

- June 22, 2022: SHOT Director Alex Lei and his staff attended the 2022 Taipei International Food Expo from June 22 to June 25. Taiwan Ministry of Foreign Affairs (MOFA) sponsored a free booth to each States' offices in Taiwan, to exhibit and showcase food products. SHOT took this opportunity to showcase Hawai'i coffee at the booth.



SHOT Director Alex Lei and his staff attended the 2022 Taipei International Food Expo.

- July 27, 2022: SHOT Director Alex Lei was invited by the Bureau of Trade, Ministry of Economic Affairs (MOEA), to discuss trade relationships with U.S. State offices in Taiwan and discussed the 2022 U.S. Business Day event with all representatives.



SHOT Director Alex Lei invited by the Bureau of Trade, MOEA, to discuss the U.S. Business Day.

- August 31, 2022: Attended the 2022 U.S. Business Day event, an annual event organized by the Bureau of Foreign Trade, MOEA, to promote investments, import and export opportunities with the United States. SHOT Director Alex Lei gave a 30-minute speech to the audience to introduce and promote Hawai'i.



SHOT Director Alex Lei gave a 30-minute speech at the U.S. Business Day to promote Hawai'i.

- September 16, 2022: The Department of Business, Economic Development and Tourism (DBEDT), Hawai'i Coffee Association (HCA) from Synergistic Hawai'i Agriculture Council (SHAC), the State of Hawai'i Beijing Office (SHOB), and the SHOT organized and conducted a 2022 Virtual Hawai'i Coffee Mart, a hybrid event respectively held in Taipei and Shanghai to promote Hawai'i coffee. At the Taipei venue, SHOT invited over 50 buyers to attend where coffee samples were provided for a tasting after the event. At that time, many buyers expressed interest in participating in the Reverse Trade Mission to Hawai'i that was planned to be held in October 2022.



2022 Virtual Coffee Mart in Shanghai and Taipei. Taipei event: Grand Hyatt – September 16, 2022.

- From October 26 to November 2, 2022: SHOT organized the first coffee buyers Reverse Trade Mission to Hawai'i. A total of 12 people representing eight different Taiwan companies participated in the mission. The mission was arranged by DBEDT, SHOT, SHAC, and HCA. The eight-day Reverse Trade Mission to Hawai'i includes visits to coffee farms, mills, and stores on O'ahu and Hawai'i Island.



Group photo at the welcome event held at the Hawai'i State Art Museum.

- On the first day of the reverse trade mission, buyers visited Waialua Estates Coffee & Chocolate and were welcomed by Ms. Michelle Yamaguchi, Manager of Sales and Marketing. Buyers had the opportunity to visit the Chocolate Factory and walk through their farm.



Taiwan buyers visited Waialua Estates Coffee & Chocolate, welcomed by Ms. Michelle Yamaguchi.

- The second day of the mission on the 28th, the group visited O’ahu Maunawili Coffee Farm and were welcomed by Ms. Juli Burden, Certified Q-Grader and Q-Processor and introduced the Hawai’i Agriculture Research Center at the farm. The group also visited Tradition Coffee Roaster and were greeted by Ms. Lindsey Burik, Founder and Chief Operation Officer. The group later visited Honolulu Coffee Experience Center in the evening, a coffee shop in Waikīkī and met with Ms. Ariel Gugudan, Director of Communications who welcomed the group.



Visited O’ahu Maunawili Coffee Farms, Tradition Coffee Roaster, and Honolulu Coffee Experience Center.

- The group next traveled to Hawai’i Island and visited Kona Farm Direct Coffee. Mr. Kraig Lee, and Mrs. Leslie Lee, Founders of the farm provided a farm tour for the group on the first day on Hawai’i Island.



Kona Farm Direct Coffee, Mr. Kraig Lee introduced his farm.

- The first stop on October 30 was to visit Kona Misma Lani Farms where Ms. Victoria Magana, the President and Owner of the farm shared her story regarding the farm. The second stop was Greenwell Farms where Mr. Tom Greenwell introduced the farm. A reception was held at Greenwell Farms, where HCA brought members from Kona to network with Taiwan buyers. Over 20 farmers from Kona came to the reception to network with the group.



Visited Kona Misma Lani Farms, and Greenwell Farms.

- Another reception was held at the Plantation House on the 31st. Farmers from Hilo had an opportunity to meet with the group. Over 20 farmers attended the event, networked with the group and exchanged business cards. Before the reception, the group visited Ka'ū Miranda Farms, hosted by Ms. Berta Miranda, Founder of the company.



Receptions for the group to meet farms in Hilo including Ka'ū Miranda Farms.

- November 1, 2022, the group visited coffee shops in downtown Hilo and visited Hilo Paradise Coffee, and Nector Café. Mr. Miguel Meza, the Owner of Hilo Paradise Coffee shared his experience in roasting coffee. The group also visited the last farm visit during the mission, which was OK Farms, and was greeted by the Operations Manager, Mr. Troy Keolanui.



Visited Hilo Paradise Coffee and OK Farms.

- On the last day of the mission, buyers visited Kona Coffee and Tea, and HiCO Coffee Shop. The Café General Manager of Kona Coffee and Tea, Mr. Chance Ortiz, and the General Manager of HiCO Coffee Shop, Mr. Daniel Valdex, welcomed the group and shared their experience of running a coffee shop.



Visited Kona Coffee and Tea and HiCO Coffee Shop, the last day of the Reverse Trade Mission.

- November 16, 2022: SHOT attended the opening ceremony of the 2022 Pacific Rim Coffee Summit, the largest coffee event held annually in Taipei that was attended by over 300 people. The organizer also invited guest speakers from Hawai'i including Ms. Madeleine Longoria Garcia and Mr. Miguel Meza.



2022 Pacific Rim Coffee Summit, Ms. Madeleine Longoria Garcia and Mr. Miguel Meza represented Hawai'i.

- November 19, 2022: Ms. Allison Schaefer, the Chief Editor of the Honolulu Star-Advertiser visited SHOT and interviewed SHOT Director Alex Lei. Alex Lei talked about the functions of the Hawai'i Office in Taipei and informed her about activities such as those related to student attraction and education, investment attraction, export assistance, and cultural exchanges. Ms. Allison Schaefer was invited by MOFA on the World Journalist Mission to Taiwan.



Ms. Allison Schaefer, the Chief Editor of the Honolulu Star-Advertiser visited SHOT and interviewed Alex Lei.

- November 20, 2022: In connection with the Reverse Trade Mission, SHOT assisted HCA and participated in the 2022 Taipei International Coffee Expo from November 18 to 21. The Chairman of HCA, Mr. Fred Cowell, and the Secretary of HCA, Mr. Ralph Gaston, staffed the booth. Buyers from the Reverse Trade Mission also visited the booth.



HCA participated the 2022 Taipei International Coffee Expo.

- December 5, 2022: After the Reverse Trade Mission, Taiwan buyers reported purchasing 1,010 lbs. of green beans from farms that they visited including:
 - Kona Nature coffee
 - Kona Nature 200 lbs.
 - Kona Geisha Nature 50 lbs.
 - Richard Coffee
 - Kona Washed 200 lbs.
 - Aloha Star Coffee Farms
 - Kona Washed 200 lbs.
 - Silver coffee
 - Ka'u washed 200 lbs.
 - Ka'u washed PB60 lbs.
 - Ka'u nature 200 lbs.

PART 3. CULTURAL PROMOTION

- April 22, 2022: Met with Ms. Yvonne Chiang and Mr. Jing Ping Cheng at the Taipei office. Both are very enthusiastic about establishing a Hawaiian Canoe Club and training center in Taitung County that could provide opportunities to connect with Hawai'i and other Austronesia groups in the region to promote cultural and sports exchanges. Canoeing is very popular in Taiwan such as the traditional Chinese Dragon boat and others as well as the indigenous Tao canoe.



Met with Ms. Yvonne Chiang and Mr. Cheng to discuss establishing a Hawaiian Canoe Club.

- April 27, 2022: SHOT Director Alex Lei was invited to attend the opening ceremony of the Taipei Triple Seven Association that promotes Hawai'i hula and cultural activities in Taipei. This group of hula dancers are very interested in visiting Hawai'i and attending the 2023 Honolulu Festival.



Met with Ms. Yvonne Chiang and Mr. Cheng to discuss establishing a Hawaiian Canoe Club.

- July 2, 2022: SHOT Director Alex Lei was invited by the Taipei Triple Seven Association to their annual member gathering of over 120 members. SHOT Director Alex Lei made a presentation during the event to promote education, culture and tourism in Hawai'i. Members were encouraged to visit Hawai'i.



SHOT Director Alex Lei attended the annual member gathering and presented Hawai'i to the member.

- July 27, 2022: Former Hawai'i resident Mr. Spencer Liao and his friends visited the Taipei office to discuss cultural exchange opportunities between Hawai'i and Taiwan. Mr. Liao suggested organizing a group to visit Hawai'i at the time of 2023 Honolulu Festival.



Met and discussed with Mr. Spencer Liao in exchanges opportunities.

PART 4. SISTER-STATE AND GOVERNMENT RELATIONSHIPS

- January 11, 2022: SHOT Director Alex Lei was invited by Chairperson Ms. Chu-Lan Yeh of the Taiwan Visitors Association (TVA) to attend TVA's 65th anniversary. Since TVA established in 1956, it was the first semi-governmental and non-profit organization to promote businesses in tourism. Premier Tseng-chang Su of Executive Yuan delivered a keynote speech to the audience. SHOT Director Alex Lei took this opportunity to meet and discuss with many travel industry leaders to promote Hawai'i.



SHOT Director Alex Lei attended the 65th anniversary of Taiwan Visitors Association to promote Hawai'i.

- January 13, 2022: SHOT was invited by the Council of Indigenous Peoples (CIP), to attend the Austronesia Forum and Executive Council Meeting at the Grand Hotel, Taipei. The President of Taiwan Ing-wen Tsai delivered an opening speech during the event. Cabinet members of Taiwan, Ambassadors, and Representatives of foreign countries also attended. SHOT Director Alex Lei took this opportunity to report on the Festival of Pacific Arts and Culture (FestPAC) that will be held in Hawai'i in 2024 and expressed that he looks forward to support from all council members in Taiwan.



SHOT Director Alex Lei attended the Austronesia Forum and Executive Council Meeting.

- March 17, 2022: Director Sandra Oudkirk, American Institute in Taiwan (AIT), hosted a dinner event at her residence. Director Oudkirk was appointed as AIT's Director in late 2021. This event served as a social networking opportunity between American State offices and AIT, as well as to network with key AIT executives.



SHOT Director Alex Lei attended the AIT social event.

- March 22, 2022: SHOT Director Alex Lei was invited by the Taipei City government to attend the opening ceremony of the 2022 Smart City Summit and Expo. This event attracted 100,985 visitors, including 188 city leaders from 35 countries. There were 450 companies with a scale of 1,500 booths at the expo. The Taipei City government would like to invite Hawai'i to attend in 2023.



SHOT Director Alex Lei attended the opening ceremony at the 2022 Smart City Summit and Expo.

- August 1, 2022: SHOT Director Alex Lei attended the opening ceremony of the 2022 Indigenous Rights Forum organized by CIP. The President of Taiwan Ing-Wen Tsai, Premier Tseng-chang Su, and Minister Icyang Parod of CIP delivered opening remarks. Ambassadors, and diplomatic representatives along with over 300 Taiwan indigenous leaders attended the forum.



SHOT Director Alex Lei attended the opening ceremony of the 2022 Indigenous Rights Forum.

- November 11, 2022: SHOT Director Alex Lei was invited by MOFA to attend a working luncheon hosted by Director-General of North America Affairs, Mr. Douglas Yu-Tien Hsu. Director-General Hsu reported on major activities and accomplishments between U.S. and Taiwan and invited each State representative to share information about their projects in 2022.



SHOT Director Alex Lei attended the event by MOFA to share information about projects held in 2022.

- November 19, 2022: SHOT Director Alex Lei was invited by MOFA to welcome four U.S. Lieutenant Governors from States who were visiting Taiwan. The meeting was arranged in order to brief these officials about U.S. State Offices in Taiwan.



SHOT Director Alex Lei attended the briefing event to four Lieutenant Governors from U.S. States.

- December 2, 2022: The promotion team of the Smart City Summit and Expo visited SHOT and Director Alex Lei. Presentations were made by Mr. Sam Shen, Regional Head of Asia Pacific, Ms. Joanne Chiu, and Ms. Sophie Lai. The government of Taipei City also invited the State of Hawai'i to participate in the 2023 Smart City Summit and Expo.



Promotion Team of the Smart City Summit and Expo visited SHOT.

- December 4, 2022: SHOT Director Alex Lei was invited by CIP to deliver a speech in Kaohsiung city at the 2022 Indigenous Youth Employment Function and Exchange Activity that was attended by 40 university students from Taiwan and Pacific Island nations.



SHOT Director Alex Lei attended the 2022 Indigenous Youth Employment Function and Exchange Activity.

PART 5. SPECIAL MEDIA COVERAGE

- Ms. Allison Schaefer, the Chief Editor of the Honolulu Star-Advertiser, published 2 articles to coverage SHOT on December 19, 2022, and January 9, 2023:
 - December 19, 2022: Hawai'i Coffee Makes Inroads in Taiwan



Honolulu Star-Advertiser article on December 19, 2022 – *Isle coffee Makes Inroads in Taiwan*

TAIPEI >> Vujicic Heish and Mae Wei were willing to wait in line to sample Hawai'i coffee at the Taiwan International Coffee Show, one of the world's larger coffee events.

The couple, who are part of a growing group of coffee aficionados in Taiwan, are the perfect target market for specialty coffee growers. They and others like them are a reason that Hawai'i's coffee industry wants to cultivate more business in Taiwan, which has the highest per capita gross domestic product in Eastern Asia.

The Honolulu Star- Advertiser visited the coffee show, which was part of the Taiwan Food, Coffee, Tea & Wine Expo 2022, held Nov. 17-20 at the Taipei Nanang Exhibition Hall. The Hawai'i delegation was there to teach coffee buyers, sellers and drinkers about their crop from a colorful Hawai'i booth often manned by celebrity barista Ya-Shu Song, champion of Taiwan's Fengjen Cup hand-drip exchange competition. The delegation also participated in the Pacific Rim Coffee Summit, where Hawai'i coffees made the top-20 list.

The coffee show was the couple's first chance to taste Hawai'i coffee. There were eight coffees on exhibit from six growing regions: Kona, Kau, Puna/Hilo, Oahu, Maui and Kauai.

Wei swirled the Hawai'i coffee in her cup, sniffed its aroma and then slowly sipped the brew, delving into each aspect of flavor. "We like the sweet taste (of the Hawai'i coffee), which comes quickly," she said.

Heish added that it was "less acidic" than other coffees, and said that he detected an "orange flavor."

The pair are so serious about the brew that they like to buy green coffee beans — the more exotic and higher-end the better — and roast them at home for optimal flavor and freshness. Once upon a time, that behavior would have been kind of quirky in a country better known for its tea. Nowadays it is increasingly common to find Taiwanese pulling out all the stops for coffee.

The couple pronounced the Hawai'i coffee the best of the show. That's a big compliment as there were hundreds of exhibitor booths, including Panama Geisha, one of the world's most coveted coffees.

Peter Zhu, founder of Pro Aroma Enterprise Coffee Co. Ltd., which had a large exposition footprint, told the Star-Advertiser that he recently auctioned off a bag of green Panama Geisha beans for about \$6,800.

"I think Hawai'i can do it, too," Zhu said, adding that the first launch of Hawai'i coffee was heartily embraced during the exposition.

Emily Scott, director of the Agricultural Trade Office for the American Institute in Taiwan, said coffee has played a role in making Taiwan the United States' sixth-largest export market for food and agricultural products. Scott said her office anticipates the value of U.S. agricultural products in Taiwan this year will finish north of \$4 billion, a record.

In 2021 alone, Scott said, Taiwan imported over \$30 million of coffee from the U.S., which is the No. 1 supplier of roasted coffee beans to Taiwan.

In 2021 there were 3,000 newly registered coffee shops in Taiwan, not including shops that registered as eateries for tax purposes, according to a report called "Demand in Taiwan Brews Opportunities," which was released in October by the U.S. Department of Agriculture Foreign Agricultural Service.

The report also cited an International Coffee Organization statistic that said the Taiwanese consume 2.85 billion cups of coffee per year, or 204 cups per person.

Scott said, “Hawai’i and Taiwan are a great pairing. As we know, Hawai’i coffee is very high-end. It’s not your real commercial-grade coffee. It’s not mass-produced. It really is unique — small farms, super-high quality.

“That really fits with the Taiwan consumer, and that really fits with our office’s strategy to promote high-end, you could say luxury-grade products to Taiwan.”

Scott said her office paid for Hawai’i coffees to be tested against 100 coffees from around the world as part of the Pacific Rim Coffee Summit, which was held Nov. 16-17 in concert with the exposition.

Ralph Gaston, secretary of the Synergistic Hawai’i Agriculture Council and a member of the Hawai’i Coffee Association, said washed Ka’u Typica from Isla Custom Coffees and Washed Kona Fancy from Hokukano Ranch/ Kona Hills LLC earned speciality designations making the summit’s

“With that speciality coffee designation, we hope Hawai’i farmers realize an increased price for their products,” Scott said.

Scott is optimistic about the growth potential for Hawai’i coffee in Taiwan, which historically has been famous for its tea but has seen demand for coffee growing increasingly more sophisticated.

Miguel Meza, founder of Paradise Coffee Roasters and co-owner of Isla Custom Coffees, opined that only two or three cities globally have a coffee scene as advanced as Taipei.

“I’d say Seoul, maybe Melbourne, but this is a major coffee mecca globally,” Meza said. “Seattle like in the 1990s, but I think(Taipei) is well beyond that now. I’ve been coming here for 12 years; it was already pretty advanced then, and it’s only accelerated.”

Meza said Hawai’i has a shared coffee history with Taiwan as the Japanese planted Hawai’i coffee seedlings when they colonized Taiwan.

But Meza said that story was more about Japan’s coffee culture than Hawai’i’s. Now, Hawai’i coffee growers and sellers are seizing the chance to make their own history by planting deep business roots in Taiwan.

The timing is good. Earlier this year the Ministry of Foreign Affairs said it welcomed the launch of the U.S.-Taiwan Initiative on 21st-century trade. The initiative is expected to mark the beginning of a new chapter in bilateral economic ties, with MOFA and other related ministries striving to steadily elevate the Taiwanese-U.S. economic and trade partnership.

Alex Lei, executive director of the State of Hawai'i Office in Taipei, or SHOT, said Hawai'i's coffee industry push also will be aided by the reopening of tourism in Taiwan. Lei said direct flights between Taiwan and Hawai'i are expected to be restored by March.

Greater back-and-forth tourism access could make it easier for Hawai'i growers to connect with Taiwanese buyers and consumers, potentially even through agritourism trips, he said.

Madeleine Longoria Garcia, Synergistic Hawai'i Agriculture Council board member and co-owner of Pacific Coffee Research, who was in Taiwan for the exposition, said forging connections that allow Hawai'i to share stories about its coffee history and culture is important.

"We're going to make a lot more headway by being here in person and being able to make more personal connections with folks and provide more in-depth information," Garcia added.

Fred Cowell, Hawai'i Coffee Association president and general manager of Kauai Coffee, which was featured at the exposition, said the chance to tell compelling stories is critical to the success of Hawai'i coffee.

"For someone to be willing to pay the price that Hawai'i coffee demands, they have to have a sense of a connection either to the origin or to a farm or to a family," he said. "The specialness has to come through in the story. Otherwise it's just expensive coffee."

Gaston, co-owner of Isla Custom Coffees and Rusty's Hawaiian Coffee, said he is bullish on the future of Hawai'i coffee in Taiwan. While COVID-19 initially disrupted Hawai'i's plans, he said a virtual coffee mart with a coffee tasting in November 2020 allowed Hawai'i growers to connect with Taiwanese buyers. The American Institute in Taiwan, the U.S. Department of Agriculture, the Foreign Agricultural Services, SHAC, SHOT and the state Department of Business Economic Development and Tourism provided assistance.

In 2021, Hawai'i representatives could not attend the Taiwanese exposition, However, Garcia said they paid a group to run their booth and sent their products, which led to some coffee sales.

In late October the DBEDT offices helped SHAC to bring Taiwanese coffee buyers and sellers to Honolulu, Kau and Hilo for a reverse trade mission where they visited coffee growers, mills, roasteries and cafes.

The potential for Hawai'i's coffee industry in Taiwan was noted in the October U.S. Department of Agriculture Foreign Agricultural Service report.

"Consumers increasingly treat their coffee as an enjoyable experience rather than a simple drink. Unique flavors, environmental attributes, and small quantities are more important

factors towards making purchase decisions, making U.S. coffee a perfect match for the market, particularly unroasted beans from Hawai'i."

Scott said while other U.S. states roast coffee, Hawai'i is the only one that produces green coffee beans.

Garcia said there is huge interest in importing Hawai'i green coffee to Taiwan, "whether that is to distributors (in Taiwan) who then market to smaller cafe roasters or home roasters or to roasting companies themselves."

Kelly Wang, marketing director for Green Stone Coffee in Taiwan, said demand for small-batch speciality coffees like those grown in Hawai'i is ramping up in Taiwan. Wang, who visited Hawai'i in October during the reverse trade mission, said she first learned about Hawai'i coffee in 2017 when her mother bought a half-pound of Kona coffee from a roasting company in Taiwan.

"She paid close to \$70 for it," she said.

After visiting Hawai'i as part of the DBEDT mission, Wang said she is delighted to be able to share Hawai'i's coffee story with Taiwanese consumers, who care enough about coffee to pay attention to where it is planted and picked as well as stored and roasted.

Wang said Taiwan has become such a coffee-focused culture that there are plenty of professionals and home-based coffee enthusiasts willing to pay as much as \$800 and make the commitment to take one of the four- to six-week classes that she offers in roasting and brewing techniques.

Zhu, who also visited Hawai'i during the October mission, shared photos of the farm with Scott and customers at the Pro Aroma booth. Zhu's booth featured Hawai'i industry reps and showcased two Hawaiian coffees, both of which sold out at the show.

Andy Chen of Then Coffee, a high-end coffee store, created a trade show buzz at the Pro Aroma booth when he started making Hawai'i coffee for customers to sample. He used the pour-over method, where hot water is poured over the coffee, which slowly drains through a filter. The pour-over method is popular in Taiwan, where tea has been steeped for flavor throughout history.

Chen said coffee drinkers in Taiwan have heard positive things about Hawai'i coffee, "but it's not easy to find the coffee bean from Hawai'i."

Hawai'i's coffee industry is only now trying to expand in the Taiwan market, and is known for its small coffee production size. According to the USDA, Hawai'i produces approximately 2.3 million kilograms of green bean per year, which is less than 1% of all coffee grown in the world.

Chen added that the DBEDT mission to Hawai'i has helped Taiwanese consumers get better access to Hawai'i coffees.

Gaston said, "Pro Aroma has already put in orders with Hawaiian coffee companies — both the companies they worked with before, and also is expanding to work with additional farms in Hawai'i."

He said other buyers who visited via the reverse trade event also followed up at the show and expressed interest in purchasing Hawai'i coffees in 2023.

"So the connection of the reverse trade mission, followed closely by the booth at the (exposition) less than a month later, was a real success and allowed the buildup of momentum going from one event to the next," Gaston said. "And the group has a real affinity for Hawai'i's coffee industry that comes best from personal visits, interactions and person-to-person connections."

Editor's note:

Allison Schaefers, Honolulu Star- Advertiser Waikiki bureau chief, was part of an international press group sponsored by the Ministry of Foreign Affairs Taiwan in November.

- o January 9, 2023: Expanding Relationships: Cultural events, educational programs and economic opportunities are bridging the connection between Hawai'i and Taiwan.



Honolulu Star-Advertiser article on January 9, 2023 – Expanding Relationships

TAIPEI >> About 100 Taiwanese students are expected to arrive in Hawai'i in March to compete in the Hawai'i FIRST Robotics Competition, a regional qualifying event required for advancing to an international level.

Another large contingent from Taiwan is slated to perform that same month at the Honolulu Festival, which was founded to promote understanding, economic cooperation and ethnic harmony in Hawai'i and the Pacific Rim. And in April about 60 hula dancers from Taiwan are anticipated to dance at the Merrie Monarch Festival in Hilo, an event groups from Taiwan attended twice in a row before the COVID-19 pandemic.

These spring events will build on opportunities created by the State of Hawai'i Office in Taipei, or SHOT, which was established about a quarter-century ago and falls under the guidance of the state Department of Business, Economic Development and Tourism.

In an interview at his office in the bustling Taipei World Trade Center, SHOT Director Alex Lei said his staff is focused on bringing more students from Taiwan to study in Hawai'i, as well as promoting cultural exchange and improving government relations, which could benefit this year from the 30th anniversary of the Hawai'i-Taiwan sister-state relationship.

Gains also are expected from the easing of COVID-19 restrictions and the reopening of tourism with direct flights between Hawai'i and Taiwan, which could resume as soon as March.

Lei said SHOT leverages relationships to attract export assistance to bring made-in-Hawai'i products to Taiwan such as coffee, which the American Institute in Taiwan's Agricultural Trade Office has identified as an opportunity crop. SHOT also works to increase Taiwanese business investment in Hawai'i, especially in key areas such as real estate, trade and clean-energy initiatives — an important area of growth for Taiwan, which has been doubling down on its message to the international community that it wants to make greater contributions to creating a net-zero world.

Students from Taiwan — the ninth-largest group of international students to Hawai'i in 2021 — played a role in generating direct spending by all foreign students in Hawai'i, which reached \$105 million in 2021, according to DBEDT. With ripple effects, DBEDT estimated that international students in Hawai'i contributed \$208.5 million in economic output, \$14.7 million in state taxes, \$91 million in household income and supported 2,741 jobs.

Lei said that before the pandemic, students from Taiwan made up a larger share of international students who were in the islands for special events, camps and language studies as well as higher education. He said Director General Ho Yi-Ming of the Economic Development Administration in the New Taipei City Government has expressed the administration's interest in enhancing education and economic cooperation with Hawai'i.

“Great numbers of Taiwanese students, when they choose to study abroad, the U.S. is always No. 1,” Lei said. “Current President Ing-wen Tsai is U.S.-educated. Former President Ying-jeou Ma is U.S.-educated. A lot of high-ranking officials in Taiwan graduated from college in the U.S.”

Lei said specialty educational programs also promote cultural exchange while building business connections.

“The Academia Sinica Institute of Astronomy and Astrophysics in Taiwan has a big telescope on the Big Island. There are Taiwanese scientists working on that station, and oftentimes they send students and scholars,” he said.

Lei said that since 2013 the East-West Center in Manoa has hosted the Pacific Islands Leadership Program, which is funded by the Institute of Diplomacy and International Affairs of Taiwan’s Ministry of Foreign Affairs. The program, geared to developing a network of collaborative leaders focused on building prosperity in the Pacific region, includes a visit to Taiwan.

“People in Taiwan like and love the U.S. not because the U.S. has tried to defend us from China; this is a long-lasting relationship from 10, 20 to 30 or 40 years ago,” Lei said. “The U.S. always has been a country that we admire.”

He said the sister-state relationship between Hawai’i and Taiwan dates back to 1993 and has been mutually beneficial. As part of the arrangement, the Taiwan Ministry of Foreign Affairs subsidizes one-third, or about \$4,200, of the rent for SHOT’s Taipei office. Altogether the office’s entire expenses were under \$90,000 in fiscal year 2020.

In 2020 the sister-state relationship helped Hawai’i boost its stock of personal protection equipment when SHOT reached out to the National Women’s League of Taiwan, leading to a donation of 1,000 isolation gowns and 10,000 surgical masks. With COVID-19 restrictions loosening and tourism reopening, the relationship now is more likely to expand business, cultural and educational options.

Jennifer Chun, DBEDT director of tourism research, said that through the first nine months of this year, only 2,000 visitors came to Hawai’i from Taiwan, most of whom arrived on flights from the U.S. mainland. Chun said a tourism forecast from Oxford Economics is optimistic about recovery of the Taiwanese market but assumes resumption of direct flights.

Cy Feng, head of the greater China market at the Honda International Center at Kapiolani Community College, capitalized on the potential for a tourism return with a visit to Taiwan from Dec. 14 to 20, when he participated in international education fairs and made school visits to recruit for educational and cultural exchanges to Hawai’i.

Feng said international studies are important to KCC, where in 2022 the studies generated \$18.73 million in sales, \$1.44 million in tax revenue and supported 195 jobs.

He said SHOT was invaluable in helping him make connections with international students in Taiwan and follow up on leads.

“When students are interested they can go to the office and pick up materials and talk to someone about Hawai‘i,” Feng said. “They helped facilitate meetings with alumni, too.”

Feng said another purpose of his trip was to help start a program to link the Indigenous populations from both sides.

“They both have very strong sustained culture. Hawaiian culture and Taiwanese Indigenous culture are very similar,” he said, adding that studies have connected Hawaiians to Taiwanese Indigenous people.

Ka‘iwakiloumoku, a Pacific Indigenous Institute, in 2022 held a conversation on “Indigenous Taiwan: Birthplace of Polynesian Languages and Pacific Navigation.”

A genetic study published in 2005 that was conducted by Jean Trejaut of the Mackay Memorial Hospital in Taipei and his colleagues analyzed mitochondrial DNA from Indigenous Taiwanese and found it closely related to Polynesians.

Bi-khim Hsiao, Taiwan’s ex-officio ambassador to the U.S., visited Bishop Museum in Honolulu on Nov. 17, and the museum has sent collections to Taiwan in the past.

DBEDT Business Development and Support Division Administrator Dennis Ling said establishing cultural and educational connections between Hawai‘i and Taiwan has a way of leading to other business and investments. For instance, Ling said there is potential for Hawai‘i to create business opportunities from Taiwan’s hula culture much like it has in Japan, where hula teachers are going over to teach and sell hula-related goods.

Lei said Hawai‘i’s cultural links to Taiwan, as well as its geographic position in the Asia-Pacific region, make it an appealing pilot location for Taiwanese companies looking to expand into the U.S.

To promote bilateral trade, Lei has met with the Taiwan External Trade Development Council, a quasi-nongovernmental organization under the Ministry of Economic Affairs. It’s also promising that the Taiwan- U.S. Initiative on 21st-Century Trade, launched in June, is slated to begin a new round of meetings Saturday to Jan. 17 in Taipei City.

Lei said investors interested in Hawai'i mostly "want to purchase real estate, agriculture, and some people are interested in medical such as assisted- living facilities."

Ling said, "The most recent one that comes to mind was an elderly-care facility in Hauula."

Lei said the Taiwanese also are well known "for renewables like solar panels and wind turbines."

He said SHOT promotes the Asia Pacific Clean Energy Summit and Expo in Honolulu and makes speeches at the Taiwan Clean Energy Summit to introduce Hawai'i and invite Taiwanese companies to visit and partner with Hawai'i companies.

TECO, a Taiwanese company actively engaged in the energy transition, is one of the companies that is studying options for Hawai'i partnerships, according to Lei. He expects Taiwan's aggressive "green" goals will expand opportunities.

Minister Tzi-Chin Chang, who leads the Environmental Protection Administration in Taiwan, told the international press group visiting Taipei in November that Taiwan plans to invest \$30 billion by 2030 to promote four transition strategies focused on energy, industry, lifestyle and society that it sees as critical to getting the nation to net-zero emissions by 2050.

Hawai'i has an even more ambitious goal of becoming the first U.S. state to make the switch to 100% renewable energy, a task it hopes to complete by 2045. In September, Hawai'i closed its last coal-fired power plant.

Historically, Taiwan has relied heavily on nuclear, gas and coal energy sources but is now focused on other alternatives.

Chang said there is room for future cooperation with Hawai'i, an island with similarities, in the area of green development. For instance, one of the challenges Taiwan faces in the development of renewable energy is limited space, which is one of the reasons Taiwan is developing offshore wind power.

Taiwan already has its first utility-scale offshore wind farm, the Formosa I Offshore Wind Farm off the coast of Miaoli County. Eventually, the project could reach five phases, powering more than 3 million Taiwanese households.

Editor's note:

Allison Schaefer, Honolulu Star- Advertiser Waikiki bureau chief, was part of an international press group sponsored by the Ministry of Foreign Affairs Taiwan in November.

PART 6. TAIPEI OFFICE'S EXPENSE (FY 2022)

Description of Expense	Total
Director's Contract	\$46,252.06
Assistant's Salary	\$22,999.47
Office Rent	\$12,713.18
Parking Rental	\$1,614.52
Health Insurance	\$954.24
Labor Insurance	\$1,555.18
Newspaper Subscription	\$158.88
Copy Machine Rental	\$1,062.24
Utilities	\$308.72
Phones/Fax/Long Distance	\$782.63
Mobile Phone	\$1,210.13
Postage	\$80.10
Freight & Delivery Charge	\$2.50
Office Supplies/Internet	\$31.96
Taxi Fare	\$152.46
Miscellaneous Expense	\$160.71
Membership Fee	\$297.61
Marketing/Promotion/Other	\$1,549.82
Telephone Equipment	\$446.13
Total Expenses	\$92,332.54

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PART 1. THE EXPORT INITIATIVE OF HAWAI'I COFFEE

PART 2. PROMOTED COFFEE TRADE

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PART 4. CHALLENGES IN THE YEAR OF 2022

PART 5. BEIJING OFFICE'S EXPENSE (FY 2022)

PART 1. THE EXPORT INITIATIVE OF HAWAI'I COFFEE

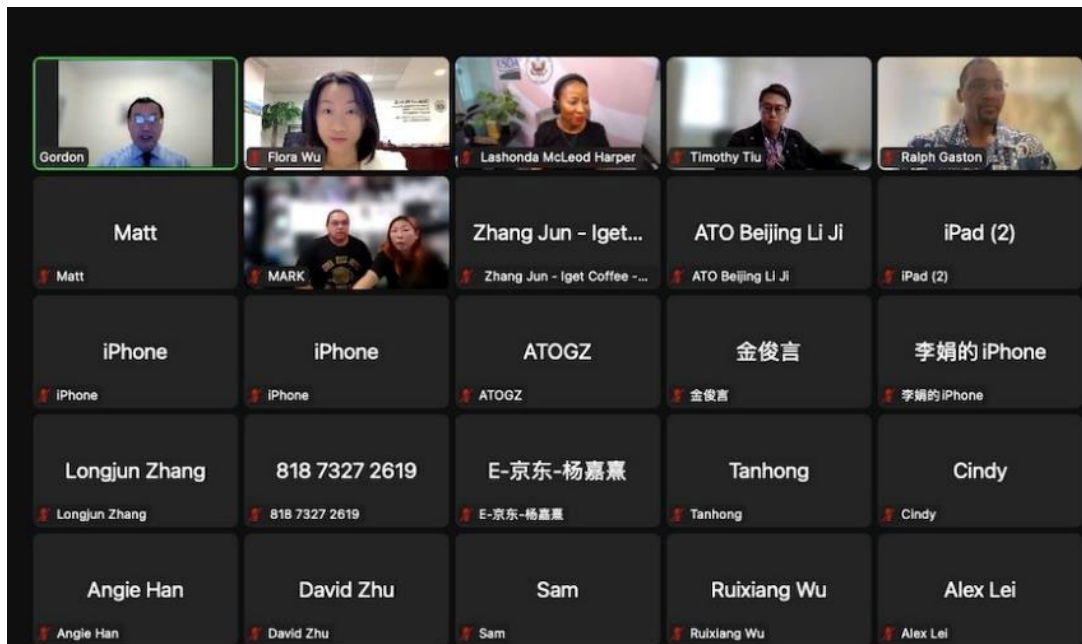
The State of Hawai'i Beijing Office (SHOB) held two events to promote Hawai'i coffee to the Chinese market: 1) Online Presentation by Synergistic Hawai'i Agriculture Council (SHAC); and 2) 2022 Virtual Coffee Mart in Shanghai and Taipei.

1) Online Presentation by SHAC

Prior to the Virtual Coffee Mart in Shanghai, an Online Presentation by SHAC was held on August 25, 2022. The Department of Business, Economic Development and Tourism (DBEDT), SHOB, and SHAC organized the event to determine the level of interest of Hawai'i coffee in the Chinese market. There were 26 companies that participated virtually including the Agricultural Trade Office - Beijing (ATO Beijing), Agricultural Trade Office - Guangzhou (ATO Guangzhou), Beijing Coffee Association, HotelEx (largest hotel supply exhibition organizer in China), JD mall, coffee distributors, coffee shop owners, coffee roasteries, and individuals who were interested in new business opportunities.

As a follow-up to the event, SHOB set-up a working group via the WeChat platform for companies to exchange information and organize events related to the Hawai'i coffee industry.

ATO Guangzhou is enthusiastic about promoting Hawai'i coffee and the office has plans to organize a similar event in Guangdong Province in 2023 to promote Hawai'i coffee.



Online Presentation by SHAC – August 25, 2022.

2) 2022 Virtual Coffee Mart in Shanghai and Taipei

DBEDT, SHAC, SHOB, and the State of Hawai'i Taipei Office (SHOT) held a hybrid event on September 16, 2022, to promote the export of Hawai'i coffee to the Greater China region. The Shanghai event attracted 24 buyers. SHOB surveyed participants about Hawai'i coffee during the event.

As a follow-up activity after the Virtual Coffee Mart, SHOB invited businesses who were interested in Hawai'i coffee to participate in meetings, discussions, and tastings to increase business opportunities for the export of Hawai'i coffee to China. These invitees included the

Beijing Coffee Association, Craft Coffee Roasters Association, Beijing Junjie Xizhong Trading Co. Ltd, Beijing Zhongmei United Food Co. Ltd, Beijing IMS Digttech Group, Tianjin Yongchengshijia International Forwarder Co. Ltd. These activities were brought to the attention of Chinese buyers who gained an understanding about Hawai'i coffee. It was an excellent opportunity to educate the Chinese market about Hawai'i coffee.



2022 Virtual Coffee Mart in Shanghai and Taipei. Shanghai event was held at GABEE Shanghai Store – September 16, 2022.



Follow up meetings, discussions, and tastings were held after the Virtual Coffee Mart.

PART 2. PROMOTED COFFEE TRADE

Background

In 2019, coffee was identified by SHOB/DBEDT as one of the potential exportable items from Hawai'i to China and SHOB began conducting research about markets in Hong Kong and mainland China accordingly. Prior to 2022, the Hawai'i Coffee Association (HCA) and SHAC began exploring the potential of exporting Hawai'i coffee to the Chinese market.

The market of coffee in China

Coffee is still growing in China. The market is hot but there are many uncertainties including inexperienced coffee investors or coffee shop owners closing their businesses within a short time period. SHOB submitted several articles about the Shanghai coffee market which were written in June 2021 and reflected those observations.

Existing Hawai'i Coffee Sellers

SHOB identified three Hawai'i companies that were exporting coffee to China: 1) Queen's Coffee; 2) Kona Hills Coffee; and 3) BerryBird Coffee. These companies were not members of HCA but all three companies had a Chinese-speaking employee who consistently discussed opportunities with potential clients in China.

Weakness

SHOB recognized weaknesses that were mentioned by buyers who attended the events that were held as follows:

- The most concerning issue was the current tariffs when importing coffee from Hawai'i. There is a 46% tax when importing green beans, and 53% tax when importing roasted coffee.

- A second issue was related to whether Hawai'i farms would have capacity to supply quantities of beans for export to China.
- Concerns about the retail price of Hawai'i coffee sold in China.
- Lastly, there was concern regarding how information was being disseminated about Hawai'i coffee from various sources.

Suggestions

- Hawai'i and Hainan have a sister-state relationship and they are willing to reduce the tariffs of green beans that are processed, packaged and redistributed from the Free Trade Zone in Hainan.
- Introduce Hawai'i coffee companies who are participating in the Made in Hawai'i program to the Chinese market. Made in Hawai'i is DBEDT's program and Chinese consumers and buyers have confidence in government programs.
- Participate in trade shows and conduct in-person visits to increase publicity of Hawai'i coffee in China.
- Develop short- and long-term plans:
 - SHOB created a working group via WeChat to provide information about Hawai'i coffee to the Chinese market. General guidelines would be established that are responsive, consistent, progressive, effective, and sustainable.
 - Host meetings and events with buyers and invite Hawai'i companies to participate. These activities would provide Hawai'i companies the opportunity to share new products, exchange information and increase the interest of Hawai'i coffee in the Chinese market.
 - Conduct market research and arrange pop-up sales/events in China in order to gauge the most effective strategy (B2B and/or B2C) for Hawai'i coffee sales in China.

- Evaluate marketing plans based upon market research and feedback obtained at events. Identify long-term business partners in China to strengthen business relations.

PART 3. CONSISTENT EXPOSURE OF HAWAI'I

- September 24, 2022: SHOB was invited by EducationUSA, US Embassy Beijing to attend the 2022 Fall EducationUSA College Fair. Approximately 300 students and parents visited the Hawai'i booth.



Hawai'i Booth at the 2022 EducationUSA College Fair.

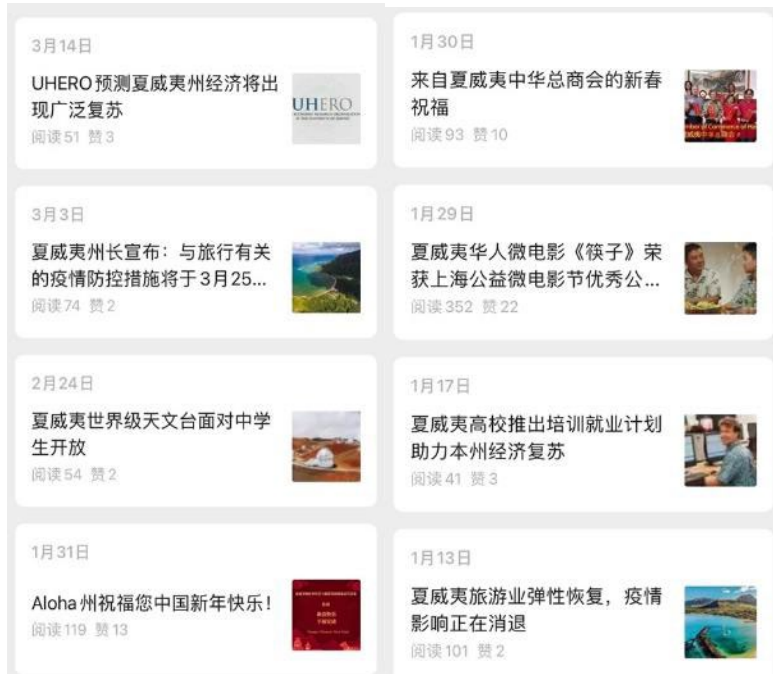


Flora Wu, SHOB's Office Assistant staffed the Hawai'i booth.

- Launched a social media promotion to publicize Hawai'i: SHOB maintains two WeChat accounts: 1) Love Hawai'i, and 2) Study in Hawai'i. Recent posts have included the following:
 - The announcement of Hawai'i reopening for travel
 - In-person high school graduation commencement ceremonies
 - 2022 Study Hawai'i Directory
 - Hawai'i Coffee Virtual Coffee Mart
 - Introduction of Hawai'i coffee
 - Promoted 'ukulele and hula



Different posts from the WeChat Account.



Different posts from the WeChat Account.

- SHOB supported the production of a video with Chinese 'ukulele teachers, hula dancers, and Hawai'i fans in China to publicize the *Aloha Spirit*. The video was organized by 'ukulele teacher Mr. Liu Zongli, and hula teacher Kumi. More than 70 people participated in the video, and about 8,000 people viewed the video.



Video Production with Chinese 'ukulele teacher, hula dancers, and Hawai'i fans in China.

- In July 2022, via SHOB, the Guangdong Foreign Affairs Office invited Hawai'i schools to join the 2022 GD Youth Link Painting and Calligraphy Competition. One of the organizers was the Guangdong People's Association for Friendship. 'Iolani School and Pearl City Highlands Elementary School attended the competition and won awards.



2022 GD Youth Link Painting and Calligraphy Competition.

- In 2022, the Sun Yat-sen Memorial Secondary School in Zhongshan invited Punahou school to have an online musical collaboration that honored a 25-year partnership between the cities of Honolulu and Zhongshan, the birthplace of Sun Yat-sen. Two schools were part of the sister-school relationship since 2016. SHOB was invited to attend the concert and signing ceremony.



Sun Yat-sen Memorial Secondary School in Zhongshan and Punahou School had an online musical collaboration that honored a 25-year partnership.

PART 4. CHALLENGES IN THE YEAR OF 2022

2022 was a difficult year to conduct promotions in China because of two main reasons:

1) Due to the stringent and prolonged control of COVID-19 in China; and 2) the continuous tension that exists between the U.S. and China.

1) Unlike most of the world, China was still implementing the zero COVID policy for most of the months in 2022 that affected tourism the most. Cancellation of direct flights between Hawai'i and China and between other countries made international travel nearly impossible. Domestic travel was also affected by ongoing changes in travel policies that impacted events that were planned and also made planning in-person events in 2022 very difficult.

2) The second reason was the continuous tension between U.S. and China. This tension affected Chinese students to obtain visas to study abroad. Moreover, China is discouraging students to study abroad. As such, hundreds of international schools and joint programs closed. English language has become less important in both schools and job markets and universities in the United States are reducing the number of admissions of Chinese students, especially in STEM subjects.

Corresponding to the two reasons listed above, SHOB attended one education show in the year of 2022; however, SHOB is optimistic that Hawai'i schools can still attract Chinese students and believes that Hawai'i maintains a good relationship with Chinese officials, especially those that have a sister relationship with Hawai'i.

SHOB would like to keep working closely with government officials, schools, parents, and students, and work towards increasing and introducing more trade opportunities for Hawai'i companies in 2023.

PART 5. BEIJING OFFICE'S EXPENSE (FY 2022)

Description of Expense	Total
Director's Contract	\$39,312
Assistant's Salary	\$22,800
Office Rent	\$29,588.25
Office Management Fee	\$3,071.59
Bank Fee	\$121.03
Phone/Fax/Long Distance	\$208.29
Office Supplies	\$465.61
Taxi Fare	\$30.56
Miscellaneous Expense	\$544.26
Total Expenses	\$96,141.59