



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

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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

Friday, March 21, 2025
10:00 AM
State Capitol, Conference Room 423

In consideration of
HCR156 / HR151
**REQUESTING THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION TO
INCREASE ITS FOCUS ON ADVANCED MANUFACTURING AND CYBERSECURITY
TO BUILD A STRONGER, DIVERSIFIED ECONOMY, CREATE HIGH-WAGE JOB
OPPORTUNITIES, AND POSITION HAWAII AS A LEADER IN INNOVATION AND
NATIONAL SECURITY IN THE PACIFIC.**

Chair Ilagan, Vice Chair Hussey, and members of the Committee:

The Department of Business, Economic Development and Tourism (DBEDT), appreciates the opportunity to submit comments on HCR156 / HR151, which requests the Hawaii Technology Development Corporation (HTDC) to increase its focus on advanced manufacturing and cybersecurity to build a stronger, diversified economy, create high-wage job opportunities, and position Hawaii as a leader in innovation and national security in the Pacific.

As outlined in DBEDT's 2025 Economic Landscape framework, Hawaii's economy is at a critical inflection point. Our state must transition from its over-reliance on tourism by investing in sectors that promote economic resilience, job creation, and long-term sustainability. HCR156 / HR151 aligns with DBEDT's Moving the Needle strategy, which identifies advanced manufacturing and technology-driven sectors as key opportunities for economic diversification.

Aligning HCR156 / HR151 with Hawaii's Economic Landscape

1. Strategic Growth in Advanced Manufacturing

- a. Advanced manufacturing currently represents only 1.7% of Hawaii's GDP, compared to 10.2% nationally. Expanding this sector through targeted investments will strengthen local supply chains, reduce import reliance, and create skilled jobs.
 - b. Hawaii's Manufacturing Assistance Program (MAP) and the Small Business Innovation Research (SBIR) grants are critical incentives supporting this transition. HCR156 should integrate these programs to ensure funding and resources are directed toward high-impact projects.
2. Workforce Development and Economic Resilience
- a. Hawaii faces an outward migration of skilled labor, exacerbated by high living costs and limited job opportunities in technology and manufacturing. HCR156 can support workforce retention strategies by ensuring HTDC collaborates with DOE, UH, and private industry to develop career pathways in advanced manufacturing and cybersecurity.
3. Infrastructure and Policy Incentives
- a. Developing shared-use manufacturing facilities will lower barriers to entry for local businesses.

This measure is a timely and strategic initiative that aligns with the State's economic diversification priorities. By incorporating the recommendations outlined in DBEDT's Economic Landscape report, this resolution can serve as a catalyst for strengthening Hawaii's industrial base, securing high-wage employment, and positioning the state as a leader in cybersecurity and advanced manufacturing.

Mahalo for the opportunity to provide testimony.



**TESTIMONY IN SUPPORT OF HCR156 / HR151
REQUESTING THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION TO INCREASE ITS FOCUS
ON ADVANCED MANUFACTURING AND CYBERSECURITY TO BUILD A STRONGER, DIVERSIFIED
ECONOMY, CREATE HIGH-WAGE JOB OPPORTUNITIES, AND POSITION HAWAII AS A LEADER IN
INNOVATION AND NATIONAL SECURITY IN THE PACIFIC.**

Committee on Economic Development & Technology
Representative Greggor Ilagan, Chair
Representative Ikaika Hussey, Vice Chair

Friday, March 21, 2025 at 10:00 AM
Conference Room 423 & Videoconference
415 South Beretania Street

Chair Ilagan, Vice Chair Hussey, and Members of the Committee:

The Hawaii Military Affairs Council ("MAC") **supports** HCR156 / HR151 which requests the Hawaii Technology Development Corporation increase its focus on advanced manufacturing and cybersecurity.

The MAC was established in 1985 when the Chamber was appointed by the State to serve as the liaison to the military. The MAC advocates on behalf of Hawaii's military, and is comprised of business leaders, academic institutions, State and County officials, members of the CODEL, community leaders, labor unions and organizations and retired U.S. flag and general officers. The MAC works to support Hawaii's location as a strategic U.S. headquarters in the Indo-Asia-Pacific region which is crucial for U.S. national and homeland security.

The defense industry is a vital economic driver for Hawaii, ranking as the state's second-largest industry after tourism. The MAC advocates for the integration of innovative technologies and advancements in cybersecurity to transform the fields of advanced manufacturing and digital security. These efforts could serve as powerful catalysts to further strengthen and diversify Hawaii's economy.

Thank you for the opportunity to offer testimony in support.



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Written Statement of
Sandi Kanemori
Interim Executive Director
Hawai'i Technology Development Corporation
before the
House Committee on Economic Development & Technology
Friday, March 21, 2025
10:00 a.m.
Conference Room 423 & Videoconference
In consideration of
HCR156 / HR151

REQUESTING THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION TO
INCREASE ITS FOCUS ON ADVANCED MANUFACTURING AND CYBERSECURITY
TO BUILD A STRONGER, DIVERSIFIED ECONOMY, CREATE HIGH-WAGE JOB
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NATIONAL SECURITY IN THE PACIFIC

Chair Ilagan, Vice Chair Hussey, and Members of the Committee:

The Hawai'i Technology Development Corporation (HTDC) supports HCR156 / HR151, which will provide additional focus on advanced manufacturing and cybersecurity to build a stronger and more diversified economy.

HTDC agrees that boosting advanced manufacturing and cybersecurity will result in creating higher paying-jobs and creating opportunities for local talent to work in Hawaii. This focus will also leverage new and existing federal grant programs to provide resources and federal funds to assist with training and additional HTDC wrap-around services to help ensure long-term economic sustainability for the State of Hawaii.

Thank you for your consideration of supporting this measure.