
A BILL FOR AN ACT

RELATING TO MANUFACTURING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that there is a great
2 need for Hawaii to develop and support manufacturing in the
3 State. Over ninety per cent of the products the State consumes
4 each year are imported. At the same time, there is a great
5 demand outside the State for products that are made in Hawaii.
6 Nationally, revitalizing the manufacturing industry has been a
7 focal point for developing the United States economy as well as
8 a catalyst for innovation.

9 Hawaii manufacturers tend to be small, with thirty-four per
10 cent having less than four employees. These manufacturers only
11 provide four per cent of the manufacturing jobs in the State.
12 In contrast, five per cent of Hawaii manufacturers have more
13 than one hundred employees and provide thirty-seven per cent of
14 the manufacturing jobs in the State. To develop the industry,
15 Hawaii manufacturers will increasingly need to turn to advanced
16 manufacturing and industrial automation. Although automated
17 manufacturing reduces the number of workers required to produce



1 a product, it also provides local manufacturers the ability to
2 compete with offshore production. Ultimately, for many
3 products, Hawaii manufacturers cannot compete without
4 automation.

5 The legislature finds that Hawaii can identify its niche
6 and develop a viable manufacturing industry. The aloha shirt
7 and surf wear markets are just two examples of where Hawaii-made
8 products may have natural competitive advantages and command a
9 price premium. Presently, there is a limited supply of skilled
10 labor to produce these products, and the skilled labor force is
11 aging without a succeeding generation to continue the work.
12 Therefore, the legislature finds that an economic development
13 study on automated manufacturing opportunities is necessary to
14 support the manufacturing industry in Hawaii.

15 SECTION 2. The department of business, economic
16 development, and tourism shall conduct an economic development
17 study on opportunities for automated manufacturing in the State.
18 The department of business, economic development, and tourism
19 shall submit reports of its findings and recommendations,
20 including any proposed legislation, to the legislature as
21 follows:



1 (1) A preliminary report to be submitted no later than
2 twenty days prior to the convening of the regular
3 session of 2019; and

4 (2) A final report to be submitted not later than twenty
5 days prior to the convening of the regular session of
6 2020.

7 SECTION 3. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so much
9 thereof as may be necessary for fiscal year 2018-2019 for the
10 purpose of conducting an economic development study on
11 opportunities for automated manufacturing in the State.

12 The sum appropriated shall be expended by the department of
13 business, economic development, and tourism for the purposes of
14 this Act.

15 SECTION 4. This Act shall take effect on July 1, 2112.



Report Title:

DBEDT; Automated Manufacturing; Study; Appropriation

Description:

Requires the Department of Business, Economic Development, and Tourism to conduct an economic development study on automated manufacturing opportunities in Hawaii. Makes an appropriation for the study. Effective 7/1/2112. (SD2)

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