
HOUSE RESOLUTION

RELATED TO ECONOMIC DEVELOPMENT VIA IMPORT SUBSTITUTION.

1 WHEREAS, being the most geographically isolated populated
2 land mass in the world, Hawaii's reliance on imported goods
3 creates economic vulnerabilities that were starkly highlighted
4 during the COVID-19 pandemic and other global supply-chain
5 disruptions; and

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7 WHEREAS, economic diversification has long been a strategic
8 priority for the State of Hawaii, in recognition of the risks of
9 over-reliance on a single economic sector, such as tourism; and

10
11 WHEREAS, historical experience in Hawaii demonstrates that
12 strong local industries can reduce economic dependence on
13 external markets and foster resilient communities, as seen
14 during the mid-nineteenth to early-twentieth centuries when the
15 sugar and pineapple industries, though export-focused, spurred
16 the development of local infrastructure and skill sets; and

17
18 WHEREAS, prior to Western contact, Hawaii had well-
19 established systems of local food production and resource
20 management that supported the population sustainably and
21 exemplified self-sufficiency, principles that can be revitalized
22 in a modern context; and

23
24 WHEREAS, several Asian economies, including Japan, South
25 Korea, and Taiwan, initially employed robust import substitution
26 strategies--characterized by protective tariffs, government
27 investment, and policy support--to develop and strengthen their
28 domestic industries before transitioning to export-led growth;
29 and

30
31 WHEREAS, following World War II, Japan used import
32 substitution measures in key sectors such as steel, automobiles,
33 and consumer electronics; and



1 WHEREAS, supported by the Ministry of International Trade
2 and Industry of Japan, this approach included:

- 3
4 (1) Selective tariffs and quotas to protect nascent
5 industries from foreign competition;
6
7 (2) Government-backed financing to help domestic firms
8 invest in capital-intensive manufacturing; and
9
10 (3) Strategic technology acquisition through licensing
11 agreements and joint ventures, enabling rapid
12 knowledge transfer and capacity building; and
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14 WHEREAS, South Korea pursued an import substitution model
15 during the 1960s and 1970s as part of its Five-year Economic
16 Development Plans, focusing on industries such as textiles,
17 chemicals, and steel; and

18
19 WHEREAS, South Korea's approach included:

- 20
21 (1) Strong government investment in infrastructure and
22 education to supply skilled labor;
23
24 (2) The protection and nurturing of key industries,
25 including shipbuilding and automobiles, through
26 directed credit and close government-industry
27 cooperation; and
28
29 (3) The development of large conglomerates (chaebols) that
30 could drive industrial expansion and later compete
31 globally in export markets; and
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33 WHEREAS, Taiwan adopted a phased approach to import
34 substitution from the 1950s through the 1970s, concentrating on
35 products like fertilizers, textiles, and basic consumer goods;
36 and

37
38 WHEREAS, Taiwan's strategy featured:

- 39
40 (1) Focused industrial parks and special economic zones
41 designed to reduce costs and spur domestic production;
42



1 (2) Strong support for small and medium enterprises to
2 foster entrepreneurship and job creation; and
3

4 (3) A gradual shift to export-oriented industries,
5 particularly electronics, once domestic firms became
6 competitive internationally; and
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8 WHEREAS, each of these Asian examples demonstrates how
9 careful protection of emerging domestic industries, coupled with
10 strategic government support, can build a foundation for long-
11 term diversification and global competitiveness; and
12

13 WHEREAS, import substitution in Hawaii, if carefully
14 tailored and executed, can significantly bolster local
15 production capacity in areas such as agriculture, manufacturing,
16 renewable energy, and technology, resulting in greater economic
17 self-sufficiency, job creation, and supply-chain resilience; and
18

19 WHEREAS, ongoing efforts by the State of Hawaii to
20 encourage local agriculture, aquaculture, renewable energy
21 development, small business innovation, and technology research
22 would complement an import substitution strategy aimed at
23 reducing the overall cost of living and improving economic
24 stability; now, therefore,
25

26 BE IT RESOLVED by the House of Representatives of the
27 Thirty-third Legislature of the State of Hawaii, Regular Session
28 of 2025, that the State of Hawaii is requested to consider
29 import substitution as a key strategy for economic growth and
30 diversification; and
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32 BE IT FURTHER RESOLVED that the Department of Business,
33 Economic Development, and Tourism; Department of Agriculture;
34 and Hawaii Technology Development Corporation, among other
35 relevant agencies, are urged to:
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37 (1) Identify sectors in which local production can
38 feasibly replace a significant portion of imported
39 goods, such as food, energy, technology components,
40 and consumer products;
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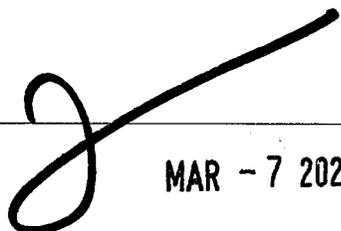
- 1 (2) Propose policy measures, incentives, and funding
- 2 mechanisms that encourage private investment in local
- 3 production and reduce barriers to entry for local
- 4 entrepreneurs and small businesses;
- 5
- 6 (3) Collaborate with private industry, research
- 7 institutions, and community organizations to foster
- 8 innovation, workforce development, and knowledge
- 9 transfer, drawing on Hawaii's historical precedents
- 10 and the successes of Asian economies that have
- 11 implemented import substitution policies;
- 12
- 13 (4) Examine the historical experiences of the Kingdom of
- 14 Hawaii, Territory of Hawaii, and State of Hawaii to
- 15 determine how governmental support, infrastructure
- 16 development, and resource management contributed to
- 17 local industry growth and how these lessons can be
- 18 adapted to modern economic realities; and
- 19
- 20 (5) Develop a comprehensive report, with input from
- 21 stakeholders in agriculture, manufacturing, finance,
- 22 and tourism, outlining a strategic plan to implement
- 23 import substitution in Hawaii as part of an overall
- 24 effort to diversify the economy; and
- 25

26 BE IT FURTHER RESOLVED that the Department of Business,
 27 Economic Development, and Tourism; Department of Agriculture;
 28 and Hawaii Technology Development Corporation are requested to
 29 submit a joint report of their findings and recommendations,
 30 including any proposed legislation, to the Legislature no later
 31 than twenty days prior to the convening of the Regular Session
 32 of 2026; and

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 34 BE IT FURTHER RESOLVED that certified copies of this
 35 Resolution be transmitted to the Governor; Director of Business,
 36 Economic Development, and Tourism; Chairperson of the Board of
 37 Agriculture; Acting Executive Director of the Hawaii Technology
 38 Development Corporation; and the Mayor of each county.

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OFFERED BY: _____



MAR - 7 2025

