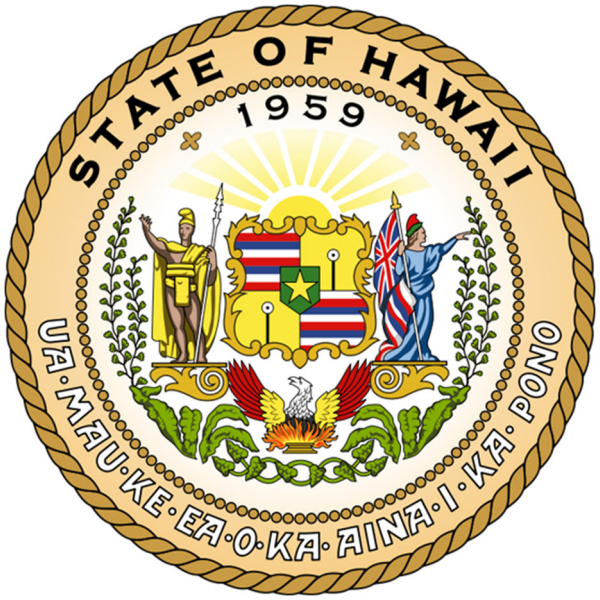
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

STATE OF HAWAIʻI OFFICES IN BEIJING AND TAIPEI DECEMBER 2021

2021 Annual Report to the 31st Legislature
January 1, 2021 to December 31, 2021



A report to the Legislature of the State of Hawaiʻi as required by
Section 201-84, Hawaiʻi Revised Statues

State of Hawaii Office in Beijing
2021 Annual Report

PART 1. HISTEP – ENTERING THE CHINA MARKET WEBINAR SERIES

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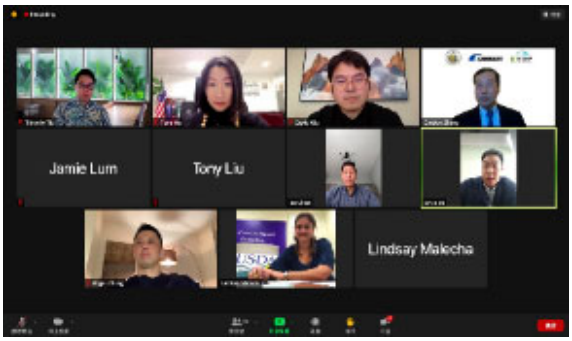
PART 1. Hawaii State Trade Expansion Program (HiSTEP) – ENTERING THE CHINA MARKET WEBINAR SERIES

The China Webinar Series was effectively launched on October 22, 2020, and held through April 8, 2021. The State of Hawaii Beijing Office (SHOB) invited panelists with knowledge and expertise in doing business in China to help Hawaii businesses gain a better understanding of the China market while also encouraging companies to consider doing business in China. There were five webinars conducted in 2021. One of the topics in 2021 was the introduction of the Alibaba Business Workshop that featured Tmall Global to Hawaii businesses. Approximately 35 Hawaii companies participated in each of the five webinars. The webinar screenshots and schedule are presented as follows:

- Screenshot of hosts and panelists who participated in the webinar in 2021.



Webinar Topic: Building a Hawaii Business Brand in China.

Webinar Topic: Study Abroad by Chinese Students.

Webinar Topic: Alibaba Business Workshop, featuring Tmall Global.

Webinar Topic: China Travel and Tourism Industry.

Webinar Topic: Perspectives of Hawaii Business.

The schedule of the webinar series:

Webinar	Date	Topic
10	Hawaii 04/08/2021 THUR China 04/09/2021 FRI	Perspectives of Hawaii Businesses that Found Success in China
9	Hawaii 02/25/2021 THUR China 02/26/2021 FRI	China Travel and Tourism Industry
Special	Hawaii 02/09/2021 TUE China 02/10/2021 WED	Alibaba Business Workshop, featuring Tmall Global
8	Hawaii 01/28/2021 THUR China 01/29/2020 FRI	Study Abroad by Chinese Students
7	Hawaii 01/14/2021 THUR China 01/15/2021 FRI	Building a Hawaii Business Brand in China
6	Hawaii 12/29/2020 TUE China 12/30/2020 WED	The Power of Promoting Business by Social Media in China
5	Hawaii 12/17/2020 THUR China 12/18/2020 FRI	E-commerce in China
4	Hawaii 12/3/2020 THUR China 12/4/2020 FRI	Marketing and Advertising in China
3	Hawaii 11/19/2020 THUR China 11/20/2020 FRI	Steps and Procedures to Start/Establish/Connect your Business in China
2	Hawaii 11/5/2020 THUR China 11/6/2020 FRI	Opportunities and Challenges When Doing Business in China
1	Hawaii 10/22/2020 THUR China 10/23/2020 FRI	Current Business Environment in China for Hawaii Companies

PART 2. CONSISTENT EXPOSURE ABOUT HAWAII IN CHINA

Since the pandemic outbreak began, China took stringent steps to curb COVID19. China was among the first countries to reopen for business in 2021. SHOB continued with its networking opportunities by attending in-person events and consistently marketed Hawaii in China.

- May 16, 2021: SHOB was invited by EducationUSA and the U.S. Foreign Commercial Service, U.S. Embassy Beijing, to attend the Discover America, A Re-Opened Study Destination Education Expo in Beijing. Over 300 participants, including students and parents, visited the Hawaii booth to seek information about studying in Hawaii.

Hawaii Booth at the Discover America, A Re-Opened Study Destination.

Flora Wu, the Office Assistant at SHOB, introduced Hawaii to participant.

- May 19, 2021: At the invitation by EducationUSA, SHOB attended the Study in U.S. in-person meeting at the U.S. Embassy Beijing and made a presentation about studying in Hawaii. SHOB's presentation was received by 50 participants, including students and parents.

Flora Wu, the Office Assistant at SHOB, made presentation to participants.

Participants from "Study in U.S.".

- June 20, 2021: SHOB was a judge during the 2021 Global Natural History Day (GNHD) Youth Competition. GNHD is a youth natural science extracurricular education event that was initiated by Kenneth E. Behring, Founder of the Behring Global Educational Foundation since 2012. The foundation aims to combine comprehensive resources to promote and enhance the exploration spirit of teachers and students in primary and secondary schools in natural sciences.

  SHOB introduced Hawaii's natural sciences to students and provided a brief introduction about the Hawaii State Science & Engineering Fair (HSSEF) to GNHD. GNHD is hoping to strengthen the relationships between HSSEF, schools in Hawaii, and GNHD.

2021 Global Natural History Day (GNHD) Youth Competition.

- July 1, 2021: At the invitation of the Beijing ETU School, a private K-12 school, SHOB had an opportunity to meet with Chinese educators. The ETU School was founded by ETU Education, an education innovation project with founding roots in Silicon Valley and Beijing. ETU Education is dedicated to offering a student-centered whole-person education by combining progressive pedagogy, including social emotional learning, project/phenomenon-based learning, and real-world inputs. Together with China's culturally rich curriculum, it is intended to cultivate active lifelong learners with high self-efficacy and innovative spirits who have passion to make changes in their communities.

  Since the opening of the first school in Beijing in 2016, ETU has now built a global family of progressive schools in Palo Alto (imagination lab school-Global ETU Family), Beijing and Guangzhou in China. Through the partnership with the 25-year-old Beijing BISS International School (BISS) that offers all three International Baccalaureate (IB) programs, ISS will become a new addition to ETU's global network of partners.

Meeting at ETU School with other Chinese educators.

Visited ETU School.

- July 2, 2021: SHOB visited the Moonshot Academy and met with Chinese educators. Moonshot Academy is an innovative high school education project, established in 2017, to develop a bilingual curriculum system. The curriculum applies both Chinese characteristics and overseas university admissions criteria by using the American high

school curriculum standards (CCSS\NGSS\C3) combined with the core literacy of China's new curriculum standards. It also offers international courses in IB, A-Level system. Moonshot is working on teacher training and all students will have study abroad opportunities once project(s) are completed.

Visited Moonshot Academy and met with other Chinese educators.

- Fall 2021: Met with Hunan Agricultural University (HAU) at SHOB's office to maintain its relationship. HAU cooperated with the University of Hawaii at Manoa (UHM) on a program that attracted more than 100 students enrolled in the joint program in Fall 2021. Some of the students will have the privilege to study at the UHM Campus. The inter-school exchange opportunity can help Hawaii schools to recruit more students.

Meeting with Hunan Agricultural University at SHOB's office.

- September 25, 2021: SHOB staffed a booth at the EducationUSA College Fair 2021 that was organized by EducationUSA and the U.S. Foreign Commercial Service at the U.S. Embassy Beijing.

The Open Ceremony of EducationUSA College Fair 2021.

Flora Wu, the Office Assistant at SHOB, oversighted the Hawaii Booth.

Participants visited the Hawaii booth during the event.

- Networking event with IELTS Smart Learning, and Beijing Private Schools' Principals.

Networking event with IELTS Smart Learning.

- Social Media Promotion: SHOB maintains two WeChat accounts: 1) Love Hawaii, and 2) Study in Hawaii. Recent posts have included the following:
    - University of Hawaii System.
    - Study Hawaii attended EducationUSA Fall Fair.
    - 110th celebration and anniversary of 1911 Revolution (led by Dr. Sun Yat-Sen).
    - Honolulu and Fuzhou became Sister-Cities.
    - Hawaii reopened.
    - USA reopens boarder restrictions to international travelers.
    - U.S. Embassy resumes non-immigration visa service.

Different posts from the WeChat accounts.

PART 3. PROMOTED TRADE

In support of DBEDT's Hawaii State Trade Expansion Program (HiSTEP), SHOB researched and conducted a market analysis of Hong Kong and Mainland China for the Hawaii coffee industry.

In June 2021, SHOB identified two Hawaiian coffee growers who are currently exporting their products to China -- the Kona Hills Coffee and the Hawaiian Queen's Coffee. SHOB reached out to these companies and continued to dialogue with them about opportunities and issues.

SHOB also reached out to the China Tourist Hotels Association (CTHA), and Shanghai Sinoexpo Informa Markets International Exhibition Co., Ltd., organizers of the Hospitality Equipment & Foodservice Expo (HOTELEX) to discuss the possibilities to help Hawaii's coffee industry to enter the China market. HOTELEX is based on hotel catering, coffee, baking, bars, clubs, and supermarkets, to provide a high-quality "procurement hall" that explores the domestic catering industry via global consulting and product development. Promoting the development of the domestic catering industry is an important platform to understand. HOTELEX Shanghai has been held in China 30 times and is currently the world's largest hotel catering exhibition and known as one of the most influential expos in China.

PART 4. SUPPORTED DIFFERENT ORGANIZATIONS AND AGENCIES IN HAWAII AND MAINTAINED RELATIONSHIP WITH ORGANIZATIONS IN CHINA

- Continued to provide support to the Study Hawaii Consortium by representing schools at education fairs, organizing online webinars, and by distributing information and Study Hawaii's printed literature to schools, students, and parents in China.

Study Hawaii Strategic meeting via Zoom.

- SHOB provided support to the Hawaii Tourism Authority (HTA) to maintain Hawaii's tourism destination brand to the Chinese market. SHOB also supported HTA by attending travel fairs, maintained contacts within the industry, and assisted with branding through social media platforms.

- SHOB continued to have interactions with the Ministry of Culture and Tourism (MCT) and the Ministry of Education (MOE) after businesses reopened in 2021.

Group picture with the Ministry of Culture and Tourism (MCT) in front of a museum.

PART 5. LOOKING AHEAD

Travel and Tourism

When focusing on travel to Hawaii, there are few locations that compete with Hawaii. Hawaii has established a strong image as a quality destination. HTA's emphasis on new branding strategies that focuses on cultural content for Chinese travelers will likely stimulate and create demand from this market.

Chinese travelers are more experienced in international travel so are less attracted to island destinations such as in Southeast Asia. However, Hainan Province in China could be one of Hawaii's competitors. Hainan Province rolled out several ambitious plans to develop Hainan as the number one island travel destination, not only for domestic travelers, but also for travelers from Northeast Asia and from Far East Russia.

SHOB suggests that Hawaii should take the advantage of the Hawaii-Hainan Sister-State relationship to actively seek "coopetition" with Hainan Province. SHOB believes there are

favorable opportunities for Hawaii to benefit from developments being made in Hainan Province.

Student Attraction

Concerns about safety and racism issues became more apparent for Chinese students seeking study abroad opportunities. Hawaii is in a better position in comparison to other U.S. states regarding these issues.

Beginning in 2021, China has drastically reduced the enrollment rate for high school and college admissions. It was estimated that 50% of middle school students are not able to enroll in high school in China. Some students may choose to attend a professional school, however, many would prefer to study abroad in order to complete high school and/or pursue higher educational opportunities. SHOB believes that K-12 education in Hawaii would definitely benefit from China's new policy.

According to SHOB's research efforts, the average expenditure from a K-12 Chinese student would be approximately $65,000 a year in Hawaii. This amount does not include funding support from parents while students are studying in Hawaii.

Other survey and research findings have indicated that over 90% of Chinese students who plan on studying abroad will not change their decision once it has been made.

Exporting coffee to China

There is no doubt that China is still a booming market for Hawaii's coffee industry. Coffee is considered as a posh drink in China representing a high-end lifestyle and consumption in society. Many specialty coffee shops in China are in the most expensive real estate areas in the city, and all the high-end coffee beans are imported from foreign countries giving the Hawaii coffee industry an opportunity to export their coffee to China. SHOB has complied reports on Hawaii coffee in China and is looking forward to the Shanghai Coffee Mart that will be held in mid-December 2021 to confirm its research and observations.

PART 6. BEIJING OFFICE'S EXPENSE (FY2021)

Description of Expense	**Total**
Director's Contract	$39,312
Assistant's Salary	$22,800
Office Rent	$26,050.43
Office Management Fee	$2,939.74
Bank Fee	$65.32
Phone/Fax/Long Distance	$124.15
Freight & Delivery Charge	$83.13
Office Supplies	$469.35
Offices Equipment	$16.63
Taxi Fare	$65.29
Miscellaneous Expense	$537.32
Total Expenses	**$92,463.36**

State of Hawaii Office in Taipei
2021 Annual Report

PART 1. PROMOTED STUDY IN HAWAII

PART 2. INVESTMENT ATTRACTION AND BUSINESS PROMOTION

PART 3. CULTURAL PROMOTION

PART 4. SISTER-STATE AND GOVERNMENT RELATIONSHIPS

PART 5. TAIPEI OFFICE'S EXPENSE (FY 2021)

PART 1. PROMOTED STUDY IN HAWAII

- January 7, 2021: Met with Vice Chancellor Mr. Wang Sung Chin and Dean Mr. Huang Ming Chun of Chung Hwa Senior High School regarding educational exchanges and summer programs in Hawaii. Vice Chancellor Wang is interested in sending his students to Hawaii for customized summer program opportunities after the pandemic eases. He welcomed the State of Hawaii Office in Taipei (SHOT) to visit the school for student recruitment and to promote higher education opportunities in Hawaii.

Meeting with Vice Chancellor Mr. Wang Sung Chin and Dean Mr. Huang Ming Chun of Chung Hwa Senior High School for education exchange and summer program.

- January 13, 2021: Visited a company, *Home of After School*, for online study opportunities. *Home of After School* attracts high school and college students to enroll in classes online that are conducted after school. SHOT Director Alex Lei toured the

facility and spoke about education in Hawaii and possible opportunities to collaborate with Hawaii schools for online studies.

Taipei Office Director Alex Lei inspected facility and talked about Hawaii education, and opportunity for online study cooperation with schools in Hawaii.

- January 14, 2021: Attended the Annual Appreciation Luncheon hosted by Hawaii Tourism Asia-Taiwan Office. SHOT Director Alex Lei used this opportunity to promote studying in Hawaii and introduced information regarding summer programs.

Director Alex Lei attended the Annual Appreciation Luncheon hosted by Hawaii Tourism Asia-Taiwan Office and promoted studying in Hawaii.

- February 17, 2021: SHOT Director Alex Lei promoted studying in Hawaii to over 100 students at Fu Jen Catholic University. Chancellor Mr. Jiang Han Sen and Deans from different colleges met with Director Alex Lei to discuss potential educational exchanges between Fu Jen Catholic University and universities in Hawaii.

Director Alex Lei conducted a campus speech at Fu Jen Catholic University to promote studying in Hawa'i.

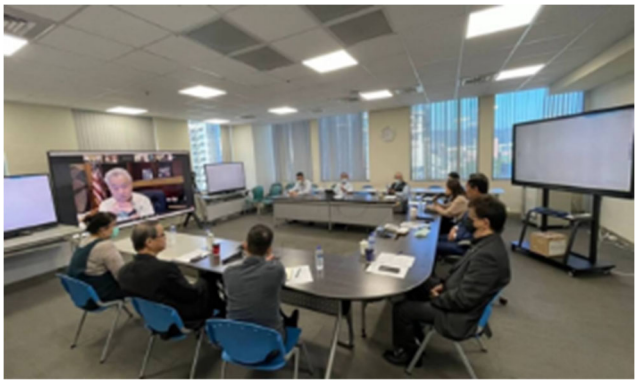
- February 25, 2021: SHOT was invited by Nan Shan High School to participate in a Model United Nations event. Over 300 students from 22 different high schools attended the event. Director Alex Lei had an opportunity to introduce Hawaii's education system to students.

Director Alex Lei had an opportunity to introduce Hawai'''s education system to students at the Model United Nation Event. Over 300 students from 22 different high schools attended the event.

PART 2. INVESTMENT ATTRACTION AND BUSINESS PROMOTION

- January 28, 2021: SHOT Director Alex Lei visited the headquarters of Foxconn Technology Group in Taiwan and met with the Chairman and Founder of Foxconn, Mr. Terry Kuo. Foxconn is the world's largest provider of electronics manufacturing services, and the fourth largest technology company by revenue. Foxconn is the largest private employer in Mainland China and one of the largest employers around the world.

  One of the companies from Foxconn Technology Group, Icare Diagnosis Corporation, is developing a COVID-19 rapid screening device. Icare Diagnosis Corporation is planning to launch this device in Hawaii once they receive the Emergency Use Authorization (EUA) approval from the U.S. Food and Drug Administration (FDA). One week later, on February 6, Mr. Terry Kuo and his team met with Honorable Governor David Ige and his team to make an online presentation.



Director Alex Lei visited the headquarter of Foxconn Technology Group in Taiwan. Chairman and Founder of Foxconn, Mr. Terry Kuo and his team met with Honorable Governor David Ige and his team to make an online presentation.

- May 14, 2021: Met and discussed with Taipei Import and Export Association opportunities to introduce Hawaii business and made in Hawaii's products in Taiwan. SHOT Director Alex Lei was interviewed for their monthly magazine which was published in July 2021.

Meeting with Taipei Import and Export Association to introduce Hawaii business and made in Hawaii's products

- October 5, 2021: Attended the 2021 U.S. Business Day event to promote Hawaii. U.S. Business Day is an annual event organized by the Bureau of Foreign Trade, and Taiwan Ministry of Economic Affairs to promote investment and import opportunities from the United States. SHOT Director Alex Lei made a 30-minute presentation about Hawaii.

Director Alex Lei attended the 2021 U.S. Business Day to promote Hawaii.

- October 19, 2021: SHOT Director Alex Lei met with the American Institute in Taipei (AIT) to discuss the possibility of establishing a travel bubble/corridor between Hawaii and Taiwan. The meeting was held with AIT Commercial Section Chief Mr. Brent Omdahi and his team. Director Alex Lei also was interested in seeking support from AIT as an advocate of the travel bubble/corridor proposal with Taiwan authorities.

- October 27, 2021: SHOT Director Alex Lei visited and met with Director General Douglas Y.T. Hsu from the Department of North American Affairs, Ministry of Foreign Affairs, to discuss the establishment of a travel bubble between Hawaii and Taiwan.

- October 29, 2021: Director Lei made a courtesy visit to Director General Mr. Chang Shi Chung from Taiwan Tourism Bureau, Ministry of Transportation and Communication. He expressed Hawaii's interest in establishing a travel bubble/corridor with Taiwan and is looking forward to working closely with the Taiwan Tourism Bureau to develop a plan and policy.

Director Alex Lei made a courtesy visit to Director General Mr. Chang Shi Chung from Taiwan Tourism Bureau, Ministry of Transportation and Communication, to express the interest to establish a travel bubble/corridor.

- Department of Business, Economic Development and Tourism (DBEDT), Hawaii Coffee Association (HCA), and SHOT worked together to host the second virtual Hawaii coffee mart in Kaohsiung City scheduled for December 2021, to promote the export of Hawaii coffee to Taiwan. (Note: This event was postponed due to pandemic related matters.)

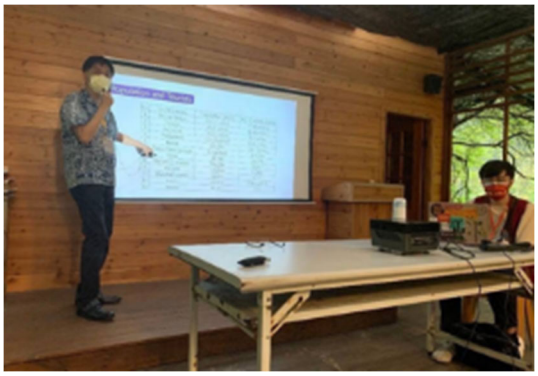
- From October to November 2021, there were a number of online meetings held to discuss the establishment of a travel bubble/corridor between Hawaii and Taiwan. In addition to meetings between DBEDT and SHOT, SHOT also met and discussed this proposal with the Hawaii Tourism Authority (HTA), Taipei Economic and Cultural Office in Honolulu (TECO), and Hawaii Tourism Japan (HTJ).

PART 3. CULTURAL PROMOTION

- March 19, 2021: SHOT Director Alex Lei was invited by the Council of Indigenous Peoples (CIP) to attend the opening ceremony of the 2021 Austronesia Traditional Sports Competition. CIP is very active and supportive of international exchanges and works closely with the State of Hawaii on visitations. The organization invited executives from the Office of Hawaiian Affairs (OHA) to Taiwan to attend the forum. They also sent large government delegations to visit Hawaii and participated in the Merrie Monarch Festival. CIP also plans to attend the 13th Festival of Pacific Arts and Culture (FestPAC) in Hawaii and participate as a sponsor.

Director Alex Lei was invited by the Council of Indigenous Peoples (CIP) to attend the opening ceremony of 2021 Austronesia Traditional Sports Competition.

- September 11, 2021: SHOT Director Alex Lei was invited by the CIP to attend the 2021 Austronesia Forum Cultivation Program of Young Talents for International Affairs. Director Alex Lei provided a two-hour lecture at the event.



Director Alex Lei was invited by the CIP to attend the 2021 Austronesia Forum Cultivation Program of Young Talents for International Affairs and provided a two-hour lecture.

PART 4. SISTER-STATE AND GOVERNMENT RELATIONSHIPS

- January 20, 2021: SHOT Director Alex Lei was invited by Chairperson Ms. Yeh Chu Lan of the Taiwan Visitors Association (TVA) to attend the 64th Anniversary of TVA. TVA established in 1956, was the first semi-government and nonprofit organization to promote Taiwan's tourism industry. Premier Su Tseng Chang from Executive Yuan delivered a keynote speech at the event to encourage international exchanges.

Director Alex Lei was invited by Chairperson Ms. Yeh Chu Lan of Taiwan Visitors Association (TVA) to attend the 64th Anniversary of TVA. Premier Su Tseng Chang from Executive Yuan delivered a keynote speech at the event to encourage international exchanges.

- February 22, 2021: SHOT Director Alex Lei was invited by the CIP to attend the 2021 International Mother Language Day at the Taipei Grand Hotel. The President of Taiwan, Tsai Ing Wen, delivered opening remarks. Cabinet members representing Taiwan, Ambassadors and representatives from many foreign countries also attended the event.

Director Alex Lei was invited by the CIP to attend the 2021 International Mother Language Day.

- April 20, 2021: Since the Hawaii Tourism Asia Office in Taiwan was terminated at the end of 2020, SHOT helped the Hawaii tourism industry to maintain market presence by attending meetings with foreign States and tourism representatives hosted by the Taiwan Tourism Bureau and Taiwan Visitors Association, to discuss future cooperation with Taiwan.

State of Hawaii Office in Taipei attending the meeting with foreign States and tourism representatives hosted by Taiwan Tourism Bureau and Taiwan Visitors Association, to meet and discuss future cooperation with Taiwan.

- With respect to the Sister-State relationship, the Taiwan Ministry of Foreign Affairs continued to support a subsidy for office rent in the amount of USD $5,232 which is about one-third of the total rental cost.

- Due to the COVID pandemic, a rental reduction was granted by TITRA in the amount of USD $486 for the months from May to July 2021.

PART 5. TAIPEI OFFICE'S EXPENSE (FY 2021)

Description of Expense	**Total**
Director's Contract	$45,629.24
Assistant's Salary	$22,475.01
Office Rent	$12,496.37
Parking Rental	$1,682.04
Health Insurance	$825.69
Labor Insurance	$1,383.74
Newspaper Subscription	$156.16
Copy Machine Rental	$1,038
Utilities	$263.61
Phones/Fax/Long Distance	$887.35
Mobile Phone	$1,182.83
Postage	$143.75
Freight & Delivery Charge	$30.85
Office Supplies/Internet	$424.52
Taxi Fare	$139.83
Miscellaneous Expense	$224.14
Intrastate Travel Expense	$599.21
Seminar/Mission	$2,530.86
Telephone Equipment	$399.76
Total Expenses	**$92,512.96**