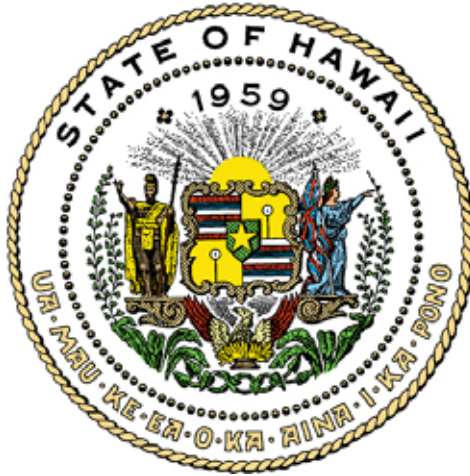


State of Hawaii's Sister States

*A Report to the
Hawaii State Legislature*

January 1, 2007 – December 31, 2007



Strategic Marketing & Support Division
**Department of Business, Economic
Development & Tourism**

March 2008

Table of Contents

	Page
I. Executive Summary	1
II. Background	1
III. Legislative Activity 2007	4
IV. State of Hawaii's Sisters	6
V. Hawaii Sister-State Committee	17
VI. Appendix, County Sisters	19

State of Hawaii's Sister States

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I. Executive Summary

The State's first sister relationship was established in 1981 with Fukuoka Prefecture, Japan. In the 1980's, sister ties were based more on cultural than economic development factors. In the 1990's, however, business considerations began to predominate, proving especially valuable in linking with sisters in Greater China (Guangdong, 1985; Hainan, 1992; Taiwan, 1993; and Tianjin, 2002).

2007: Noteworthy Activities:

- The Hawaii State Legislature, in 2006, created the Office of International Affairs (OIA) within the Department of Business, Economic Development & Tourism (DBEDT), to provide visibility and accountability for the Sister State program. In 2007, DBEDT contracted the Pacific and Asian Affairs Council (PAAC) to help the department develop, promote and implement a wide range of international activities to help position Hawaii's students, workforce and business community for new global opportunities.
- The Legislature confirmed the appointments of the five member Sister State Committee. The committee's role is to advise the Governor and the Legislature on matters relating to sister state or province relations and to evaluate new and established sister state relationships.

II. Background

Hawaii is truly an international place. The state's location in the middle of the Pacific Ocean, the influx of immigrant workers during the latter half of the 19th century and the more recent immigration from East and Southeast Asia, coupled with the large number of annual visitors, has created a cosmopolitan community with a global outlook unparalleled in the United States. Hawaii residents have an appreciation of, and sensitivity to, many different cultures. This spirit led to a myriad of cultural and educational initiatives, and a rapidly growing awareness of business opportunities - particularly those associated with the rapid expansion of Asian economies. Hawaii is ideally positioned to take advantage of its diversity; its considerable technological, educational and cultural resources; and its strategic location.

Among the international initiatives the State pursued in recent years is a Sister State program. Affiliations between American cities, counties and states and cities, and their international counterparts began shortly after World War II and developed into a national initiative in 1956 through President Dwight D. Eisenhower's "People-to-People" program. The Program brought together individuals and groups at all levels of society, with the hope that personal relationships, fostered through sister city, county and state affiliations, would contribute to world peace. In 1967, Sister Cities International (SCI), a non-profit corporation based in Washington, D.C., was established to "strengthen partnerships between U.S. and international communities." To gain the SCI's support, a community was required to follow their policies. One of these policies discouraged a community from having more than one sister in a given country.

The first established "twinings" created friendship and cultural ties through exploring other cultures, and were characterized by exchanges of performers and other entertainers who acted as "ambassadors of goodwill." The sister relationships were often initiated by legislators or civic organizations' wishing to acknowledge immigrant origins and enhance awareness in their particular communities.

In 2001, SCI changed its policy to allow members more than one sister in a country. Its membership grew to 700 American communities and 1800 international communities, totaling 2,500 partnerships. The goals expanded to embrace government, business, professional and technical exchanges and projects. Today, business creation and investment opportunities are major objectives of SCI programs.

SCI offers "matchmaking" services, linking its members for sustainable economic development, as well for cultural purposes. Both Maui County and the City & County of Honolulu are SCI members, but the State is not.

The Office of International Relations

In 1989, to organize and standardize the Sister State process, sister relationships were placed under the State Office of International Relations (OIR). In 1992, Act 101 of the Session Laws of Hawaii mandated that the Office "shall develop criteria by which sister state agreements shall be established, and shall be the lead agency to implement each sister-state agreement."

Policy

In 1993, OIR recognized that, in establishing sister relationships, economic benefit should be equal to the "historic purposes of friendship, cultural ties, and goodwill. Consequently any Sister-State relationship must provide clear economic benefits." An OIR report stated that Hawaii's Sister-State Policy should be based on:

- Strong evidence of interest by the potential Sister-State;
- Clear prospects for mutual economic advantage;
- Substantial grassroots support for the relationship;

- A strong record of activities; and
- Expanded cultural, educational and government exchange potential.

Importantly, the report stated:

- Sister-State relationships are partnerships between governments, but require active and ongoing participation by the private sector; and
- Because the State's capacity to manage Sister-State relationships is finite, a means to terminate moribund or defunct relationships should be provided.

Process

The Office of International Relations outlined processes to establish Sister-State relationships:

1. A detailed, 5-page application form to be filled out after a relationship is proposed. The form included descriptions of geography, economic structure, cultural resources, primary industries, foreign trade and business, and sports.
2. OIR preliminarily reviewed and forwarded the application to the Hawaii Sister-State Committee, which would develop a recommendation to the Governor.
3. The Governor reviewed the recommendation and either held the recommendation or forwarded it to the Legislature.
4. The Legislature adopted a concurrent resolution authorizing the Governor to enter into an agreement with the prospective Sister-State.
5. OIR and the prospective sister developed the agreement mechanics and language and subsequent program of cooperation.

A key element in the approval process was the Hawaii Sister-State Committee which evaluated and developed recommendations on all Sister-State relationships.

Hawaii Sister State Summit

In 1992, the Office of International Relations convened the first *Hawaii Sister-State Summit* from June 30, 1992 to July 2, 1992. The event was lightly-attended, but drew a number of high-ranking officials: the President of the Azores; the Governor of Jeju Island, Korea; the Governor of Hainan Province, China; and the Vice Governor of Fukuoka Prefecture, Japan, in addition to representatives from Thailand; Guangdong Province, China; the Philippines; Malaysia; and Bali, Indonesia.

The Hawaii Sister-State Committee ceased operations after abolishment of the OIR in 1994. The incoming administration eliminated OIR as part of their cost-cutting measures. Responsibility for establishing and monitoring sister relationships shifted to DBEDT, where it presently resides.

Sister Summit 2002

Sister Summit 2002 took place at the Hawaii Convention Center in Honolulu from July 8 to 10, 2002. The *Summit* represented a major statewide initiative, spearheaded by DBEDT and actively supported by the economic development departments of Honolulu, Kauai, Maui and Hawaii counties. These agencies utilized their sister relationships to create business opportunities between local firms and overseas companies.

Panel speakers included Hawaii and overseas guests. Importantly, the Governor and the mayors of all four counties addressed the delegates and highlighted business opportunities in their particular communities. Another important feature was an exhibition area that included displays by both Hawaii and its overseas sisters.

After two days of presentations at the Convention Center, sister representatives were invited to visit their particular Hawaii sisters. Many participated in site visits on Oahu and the Neighbor Islands. Oahu site visits included the University of Hawaii and Hawaii Pacific University, the Oceanic Institute, a waste-to-energy plant, and a medical vitrification (medical waste handling) operation.

Although the meeting did not attract a majority of Hawaii's sisters (roughly 20 out of 70 attended), their presence helped identify the most active and committed sisters. Those sisters represented the state's largest trading partners (China, Taiwan, Japan, Korea, and the Philippines), with both China and Taiwan sending large delegations. More than 200 persons participated in the *Summit*. The meeting's success may be judged by the representatives' enthusiastic response and their objective to bring significantly larger delegations to the next *Summit*.

Department of Business, Economic Development & Tourism (DBEDT), Office of International Affairs

In November 2005, DBEDT launched a revived on-line Office of International Affairs, including information relating to State and County sisters. The Office provides access to sister information; outlines the process of becoming a sister; lists the latest sister news and events; assists with conference and meeting planning, etc. Interested parties may access the site by visiting DBEDT's website (www.hawaii.gov/dbedt/), clicking on "International Markets" and then going to "Office of International Affairs."

III. Legislative Activity 2007

The 2006 Legislature made significant progress in encouraging the sister-city program. Among the important factors contributing to this development were: (1) The rise of China and the obvious impact it had on Hawaii's economy; (2) The heightened need to diversify the state's

economy (made more urgent by the drastic fall in tourism following the September 11, 2001 events); and (3) An increased awareness of the challenges and opportunities brought about by the globalization phenomenon.

Legislature creates the Office of International Affairs (OIA)

The 2006 Legislature took a giant step forward in assigning responsibility for sister-state relations by passing HB 1889, HD 1, SD2, CD 1-“Relating to the Office of International Affairs.” The goal was to coordinate and promote international activities, with the specific intention of encouraging and developing sister-city programs.

Legislators noted in the Committee Report that the Office of International Relations (OIR) was abolished in 1994 and that DBEDT assumed OIR functions. However, they also noted that “in this time of globalization, it is critical for Hawaii to assume a proactive role in international matters. Our State is impacted by international agreements and activities and there is much to learn from other countries.” By forming the Office of International Affairs (OIA), attached to DBEDT, they felt that a separate office was necessary to “enable the State to carry out its international activities more effectively.”

Under the direction of the Pacific and Asian Affairs Council, the OIA emphasizes economic activities and peace education, provides informational exchanges and exchanges of individuals “to develop international and peace-based initiatives.” The OIA also encourages the development of sister state programs in art, culture, economics and education. The OIA is in the process of creating a web-based repository of international information, organizations and activities and is developing an education and training program to prepare Hawaii for a globalized world. Future legislative action still needs to address the issue of funding for the OIA.

Legislature establishes the Hawaii Sister State Committee

The 2006 Legislature took an additional step forward in systematizing the formation of State of Hawaii sister affiliations with the passage of Act 150 (SB3192, SD1, HD2, CD1) which established the Hawaii Sister State Committee. The Act requires the Committee to “evaluate and develop recommendations for the initiation of all sister state or province relationships and forward its recommendation to the Legislature.”

The Act required the Governor to appoint one member from a list submitted by each of the following entities:

1. Speaker of the House
2. President of the Senate
3. A Native Hawaiian cultural organization
4. East-West Center
5. Hawaii State Association of Counties

The 2007 Legislature confirmed the nominees submitted by the five groups and the Governor appointed the following members to serve on the Committee:

<u>Committee Member</u>	<u>Term Expires</u>
1. Romy M. Cachola	June 30, 2010
2. Lisa Teruka Maruyama	June 30, 2011
3. Sherry R. Menor-McNamara	June 30, 2011
4. Anita Mae K. Naone	June 30, 2009
5. ThanhLo Sananikone	June 30, 2008

IV. State of Hawaii's Sisters

Hawaii's experience with sister-state relationships follows the national course. The impetus for initiating a sister tie has often been the result of a State or County legislator's resolution with the strong encouragement of particular ethnic organizations. Thus, Hawaii's 79 State and County sisters reflect a myriad of immigration sources into the Islands.

As of December 2007 the State had 15 sisters. Broken down by country, they are: Japan (4); the Philippines (5); China (3); Korea (1); Taiwan (1); and Portugal (1). These are listed below, with their establishment dates.

Country	Province/Prefecture	Year
Japan	Fukuoka	1981
	Okinawa	1985
	Hiroshima	1997
	Ehime	2003
Greater China	Guangdong	1985
	Hainan	1992
	Taiwan	1993
	Tianjin	2002
Philippines	Ilocos Sur	1985
	Cebu	1996
	Pangasinan	2002
	Ilocos Norte	2005
	Isabela	2006
Korea	Jeju Island	1986
Portugal	Azores Islands	1982

1. Fukuoka Prefecture, Japan (1981)

Fukuoka Prefecture, with a population of 5.1 million, is located on the Island of Kyushu-Japan's third largest island. Its capital is Fukuoka City, the 8th largest city in Japan, with a population of 1.2 million. Fukuoka's governor is Mr. Wataru Aso.

Fukuoka is a sister success story.

The resolution establishing the Sister State-Prefecture relationship with the State of Hawaii noted the great number of people from Fukuoka who visited Hawaii and the possible approval of an international air route linking the prefecture with the Islands. Another factor in the twinning was most certainly the number of Hawaii residents who trace their ancestry to Kyushu Island.

Since 1981, the year the air route was initiated, numerous cultural, educational and economic exchanges have taken place. In 1996, on the Fifteenth Anniversary of the relationship, Governor Benjamin Cayetano issued a proclamation commending the prefecture for a Tourism and Products Fair at Ala Moana Shopping Center. In the same year, the State and the prefecture signed an Exchange Agreement, which assigned a Fukuoka official to the Office of the Governor with the title of “International Relations Specialist in Residence, Fukuoka Prefectural Government.” Among the Specialist’s duties were studying Hawaii’s governmental structure; Japanese-English translation; assisting the Legislature on protocol matters; and promoting the sister relationship. In return, Fukuoka agreed to host a Hawaii official.

In 2000, DBEDT sent an educational mission to Fukuoka to spread the word on Hawaii school excursion programs. Fukuoka did not send a delegation to the 2002 *Sister Summit*,

In 2006, members of the Fukuoka Prefectural Assembly, supported by the Hawaii Fukuoka Kenjinkai, a community organization, participated in the Opening Day session of the Hawaii State Legislature. They extended invitations to a celebration marking the 25th anniversary of Hawaii’s Sister-State relationship with Fukuoka Prefecture.

On May 17, 2006, DBEDT, the Department of Agriculture (DOA), the Oahu Visitors Bureau and its partners led a 5-day business mission to Fukuoka. Participants included House Speaker Calvin Say, seven members of the House of Representatives and 47 individuals’ representing Hawaii’s business community, Fukuoka Kenjinkai and government.

The mission featured three events: (1) a consumer products and culture show at Tenjin Lion Square where an estimated 35,000 residents experienced live Hawaiian music and hula, hands-on cultural demonstrations and “Made in Hawaii” product sampling; (2) a business trade show where ten vendors representing 24 Hawaii companies met with potential buyers from the Kyushu region; and (3) a celebration culminating with “The Hawaii Experience - Gala Reception” attended by 400 people from Hawaii and Fukuoka and included Hawaiian dance and hula. Hawaii companies were able to sell their products during the Hawaiian concert.

In addition to U.S. government agencies in Japan, organizations that partnered with DBEDT and DOA included the Oahu Visitors Bureau, the U.S. Department of Agriculture, the Honolulu Japanese Chamber of Commerce, Japan Airlines, Hawaii Fukuoka Kenjinkai and the Fukuoka Prefectural Government.

2007 Activities

In cooperation with the Fukuoka Prefectural Government, the State of Hawaii celebrated its 25th Anniversary Sister-State relationship in 2006 in Fukuoka, Japan, during “The Hawaii Experience in Fukuoka”. As a reciprocal gesture, the State of Hawaii hosted a reception to welcome eight

members of the Fukuoka Prefectural Assembly who traveled to Hawaii to attend the opening day festivities of the 2007 Hawaii State Legislature. The Fukuoka Prefectural Assembly continues to support this important relationship by attending the opening of the legislature each year.

2. Azores Islands, Portugal (1982)

The Azores Islands, a part of Portugal, are situated in the Atlantic Ocean, approximately 1,200 miles, or two hours' flying time from Lisbon, the capital city.

The impetus behind establishing a sister relationship was the approximately 60,000 Hawaii residents of Portuguese ancestry, many tracing their ancestry to the Azores. In addition, Hawaii and the Azores share many physical features. They are both ocean islands of volcanic origin, with temperate climates, outstanding beaches and strong visitor industries.

In 1992, Mr. Mota Amaral, the President of the Azores Islands, visited Hawaii for the *Hawaii Sister State Summit* to explore expanding the relationship into economic and scientific exchange programs, primarily focusing on tourism development and energy self-sufficiency. During the conference, the President discussed possible collaboration with Hawaii on resort development and tourism industry training. Of interest: geographically and geologically, Hawaii and the Azores face similar energy challenges, and the Azores, like Hawaii, has attempted to harness geo-thermal power. However, since 1992, the sister relationship has been largely dormant. Representatives from the Azores were invited to the *Sister Summit*, but declined.

2007 activities

There was no significant activity between Hawaii and the Azores Islands in 2007.

3. Okinawa Prefecture, Japan (1985)

Okinawa is Japan's southernmost prefecture and the only prefecture with a subtropical climate. Okinawa, consisting of 50 inhabited and 110 uninhabited islands, has a unique culture and language, and a prosperous, growing tourist industry. Okinawa's economy has lagged behind the rest of the nation, with per capita income below--and unemployment above--the national averages. Also of importance: Okinawa has Japan's only Special Free Trade Zone, and offers an array of tax and other financial incentives to promote business. In addition, the prefecture boasts the world's highest longevity rate, with women living an average of 86 years, and men, 78 years.

The House resolution initiating the Sister State-Prefecture relationship in 1984 noted that 16,536 persons (13% of the state's 1924 residents of Japanese ancestry) came from Okinawa.

Over the years, Okinawa has enjoyed one of Hawaii's strongest sister relationships, with numerous cultural exchanges. This is due to hard-working and highly-interested Okinawan cultural associations. In recent years, DBEDT has worked closely with Okinawan officials to assess the province's energy needs and initiate mutually advantageous programs.

Not surprisingly, Hawaii's Okinawan community has been one of the State's most active. In years past, they sponsored numerous cultural and trade events, evolving into a more business development focus.

A seminal event in the history of Hawaii/Okinawan relations was the signing of the "Okinawa-Hawaii Partnership," officially inaugurated in November 1997 in Yomitan-son, Okinawa, by representatives from Hawaii, Okinawa and Japan's Ministry of Foreign Affairs. An Aloha Committee was formed to oversee partnership activities, chaired by the Director of DBEDT; the Consul-General of Japan in Hawaii; and the Director General, Department of Planning & Development, Okinawa Prefectural Government. There were seven specific project development areas:

- Monitoring and Preservation of Okinawa's Coral Reefs.
- Sustainable Tourism.
- Deep Sea Water Technology applications.
- Integrated Agricultural Pest Management.
- Computer Data Processing Technologies for Ecosystem and Natural Resources Management.
- Telemedicine Technology Cooperation.
- Educational Exchange.

Due to political prefectural shifts, both locally and nationally, there were funding restrictions for these initiatives, and they have been on hold since 2000.

2007 Activities

The 16th annual Okinawa-Hawaii Student Exchange program included visits by over 20 high school students from Okinawa to Hawaii in March. In June, a delegation of 20 Hawaii students traveled to Okinawa to participate in this program.

Also in June, Governor Linda Lingle and a delegation from Hawaii traveled to Okinawa in honor of the sister-state relationship. Significant activities during the mission included: (1) Hawaii-Okinawa Innovation Seminar attended by 75 people; (2) Hawaii-Okinawa Sister-State Reception attended by 200 people from Hawaii and Okinawa; and (3) presentation of a wreath at the Cornerstone of Peace Memorial.

The annual Okinawa Festival receives numerous performing groups from Okinawa. This year, the Festival welcomed a delegation from Okinawa led by Vice-Governor Zenki Nakasato. In addition, 100 hula dancers from Okinawa traveled to Hawaii and participated in a parade in Waikiki.

4. Guangdong Province, China (1985)

Guangdong Province, located in southern China, is China's fourth largest province, with a total population exceeding 110 million, of which 90 million are residents.

Guangdong has emerged as the nation's economic powerhouse and enjoys the highest per capita income and standard of living in China. In 2006, Guangdong led the nation with an astonishing GDP of 14.1%, ranking first in industrial output, imports and exports (32% of the national total), and boasted the largest consumer market, with two of its cities - Guangzhou and Shenzhen - ranked among the top three cities in per capita income in the nation. This is because the province was one of the first to introduce economic reform and has the largest industrial base in China. Importantly, the Central Government has allowed Guangdong a high degree of autonomy in handling its economic affairs. The capital, Guangzhou, formerly Canton, is a lively, bustling city of approximately seven million people.

The establishment of a sister relationship with Guangdong in 1985, which set up formal ties to the province, had much to do with Hawaii's success in developing a bridge to China. The House resolution noted that "developments in the People's Republic of China make this a particularly propitious time in which to establish firm relations of goodwill and friendship." Guangdong was a logical choice as the state's first Chinese sister, as many early immigrants from China came to the Islands from Guangdong, and much of Hawaii's Chinese community has ancestral and cultural ties to the province. Moreover, Dr. Sun Yat-sen, the first president of China (the "Father of Modern China"), who studied at Iolani and Punahou Schools, was born in Zhongshan City in Guangdong.

Since 1985, Guangdong has developed into one of Hawaii's closest sisters, eager to expand the relationship beyond traditional cultural exchanges. Legislators, Chinese Chamber of Commerce leaders, university officials and participants in trade missions have visited Guangdong. The province, in turn, has sent many delegates to Hawaii for business and training. Among the many activities carried out by DBEDT: over the years, hundreds of business publications were collected and sent to Zhongshan Library in Guangzhou and in July 2002, Guangdong sent a large delegation to *Sister Summit 2002*, accompanied by a giant display on the life of Sun Yat-sen.

The most notable result of the sister relationship was the Guangdong Province Senior Executive Leadership Training Program which DBEDT and the College of Business Administration (CBA) established at the University of Hawaii in 1999. Each year, for five years, a group of ten senior civil service administrators and State-owned private enterprise executives attended classes at CBA related to their professional interest; visited businesses and governmental institutions; performed internships; and learned American customs and culture. Today, the 50 alumni of this program are among the upper echelon of Guangdong's provincial government leadership, and are actively involved in China's international relations and trade with other nations. Their fields include medicine, law, forestry, textiles, electric power, agriculture, aquaculture, engineering, economic development, and environmental preservation. One graduate was promoted to the rank equivalent to a Vice Governor.

2007 Activities

In December, a 15-member delegation from the Guangdong Provincial Government, led by Mr. Fu Lang, Director-General of the Foreign Affairs Office, visited Hawaii to meet with senior faculty and administration officials at the University of Hawaii at Manoa. At the meeting, both parties discussed the creation and implementation of an internship program for UH students with

the Guangdong chapter of the China Council for the Promotion of Industry and Trade (CCPIT) member companies. It is interesting to note that Director-General Fu is a graduate of the Guangdong Province Senior Executive Leadership Training Program which DBEDT and the College of Business Administration (CBA) established at the University of Hawaii in 1999. In April of this year, Director-General Fu was promoted to head Guangdong's Foreign Affairs Office (FAO). The FAO plays a very important role in Hawaii's quest to globalize its citizens and workforce and expand its trade ties to China.

5. Ilocos Sur Province, Philippines (1985)

Ilocos Sur is a province, with a population of almost 600,000, along the northwest coast of Luzon. The dominant language is Ilocano. Ilocos Sur, with adjoining province, Ilocos Norte, was the home of large numbers of Hawaii's sugar and pineapple plantations workers who immigrated to the Islands in the late 19th century. Port Salomague in Cabugao is the port where the last group of Filipino immigrants (the "sakadas") boarded a ship for Hawaii.

The 1985 Hawaii House resolution, which established the sister relationship, noted that Filipino immigrants and their descendants "have contributed greatly to the economy, cultural diversity, and strength of Hawaii's society."

Hawaii's strong, active Filipino community, the Filipino Chamber of Commerce of Hawaii, and the thousands of Filipino residents who visit their ancestral home annually strengthened ties with Ilocos Sur, and the province was represented at the *2002 Sister Summit*.

2007 Activities

There was no significant activity between Hawaii and Ilocos Sur in 2007.

6. Jeju Province, Korea (1986)

Jeju, with a population of over 550,000 persons, is located off the southwest coast of Korea. Jeju has a well-established reputation as an international tourist resort and is sometimes called "Korea's Hawaii." The island has a mild climate, and is rich in plant and marine resources. Halla Mountain, a dormant volcano, dominates the island.

Like the Azores, Okinawa, Guangdong and Ilocos Sur, the sister relationship with Jeju acknowledged an important segment of Hawaii's population--persons of Korean ancestry, estimated at approximately **35,000** persons. In addition, Jeju and Hawaii share a dependence on the visitor industry. But this relationship was not especially active. Jeju was unable to send a representative to the *2002 Summit*.

In June of 2005, Governor Linda Lingle became the first sitting Hawaii governor to visit Jeju Island. She met with Jeju Governor Tae-Hwan Kim and Deputy Governor Kye-Sik Lee and attended a "recommitment" ceremony as a symbol of commitment to the 19-year sister relationship between Hawaii and Jeju. Governor Lingle also spoke to a group of Jeju

government officials, encouraging each side to continue seeking opportunities to partner in business and education and training.

2007 Activities

A Memorandum of Understanding (MOU) between the Hawaii State Department of Education and the Jeju Special Self-governing Provincial Office of Education, Republic of Korea, was executed on May 2, 2007. The MOU outlined specific activities including: (1) senior staff exchanges; (2) teacher exchanges (participation in classroom programs, development of instructional material, seminars and other activities); (3) student exchanges (middle and high school student exchanges via the Internet, school-to-school exchanges, sports and other cultural activities); and (4) assisting in the establishment of sister-school relationships. The MOU will remain in force for a period of three years.

7. Hainan Province, China (1992)

Hainan is China's southernmost province. The island is sizeable, with a population of over **7 million** and rich solar resources alternative energy, ocean resources, and a warm, tropical climate. Like Jeju and Hawaii, there is a large and expanding visitor industry. Because of the numerous similarities with Hawaii, Hainan is often referred to as "China's Hawaii."

In 1988, Hainan split off from Guangdong and formed a separate province. Importantly, in the same year, the Hainan Special Economic Zone was created to accelerate economic development. This gave the Province special dispensations in customs, duties and taxes, lowering these rates significantly below the rest of China.

Since Guangdong was under a sister relationship with Hawaii (1986) and Hainan was separated from Guangdong in 1988, the Sixteenth Legislature decided to establish separate sister ties with Hainan. Other reasons included the rapidly-growing importance of Hainan's Economic Zone, with its strong business incentives, and similarities between Hainan and Hawaii's tourism-focused economies.

In addition to tourism-related projects, Hainan is interested in exploring cooperative "ocean festival", extreme sports, and cultural activities. Other opportunities include aquaculture R&D (especially joint development and operation of a shrimp hatchery) and tourism training.

2007 activities

There was no significant activity between Hawaii and Hainan in 2007.

8. Taiwan Province, Taiwan (1993)

Taiwan is an island off the coast of China, with a population of approximately 23 million and a population density of 616 persons per square kilometer, making it the second highest in the world, after Bangladesh. The capital, Taipei, has 3.5 million people. Taiwan ranks as the world's 17th largest economy and the third largest exporter of information technology. The

economy, while not as robust as China's, experienced solid growth over the past decade. Taiwan's economy grew by 3.7% in 2004, its fastest pace in four years, and increased to 4.21% in 2005. This was due to expanded foreign trade and manufacturing output, in response to a recovered global economy.

In contrast to other Hawaii sisters where a strong cultural history led to the sister relationship, in Taiwan's case, an economic relationship was already established before the sister twinning in 1993. Over the years, there have been few overseas locations with more cultural and economic activity. These activities have included business missions, educational and special promotional fairs, cultural exchanges, investor seminars, media productions and gubernatorial visits.

In 1994, DBEDT opened the State of Hawaii Office in Taipei to take advantage of the rapidly increasing investor interest in Hawaii, symbolized by the purchase of several well-known resort hotels.

DBEDT's activities in Taiwan are performed by Mr. Alex Lei, the Executive Director of the State of Hawaii Office in Taipei (SHOT). In December of 2004, Mr. Lei served as the President of the American State Offices Association, an organization of 18 U.S. states in Taiwan.

2007 activities

In December, a delegation from Hualien City, led by Magistrate Shen-san Hsieh, visited its Sister-City, the Island of Hawaii. The reverse mission to Hawaii is a direct result of a DBEDT-led deep ocean water mission to Taiwan in September 2006.

In addition to meetings with Mayor Harry Kim, County Council members and legislators from Hawaii Island, the delegation also toured the Natural Energy Laboratory of Hawaii Authority (NELHA) to learn more about deep ocean water technologies that could be exported to Taiwan. While in Honolulu, Director-General Chui-Lung Chang met with Oceanit, to discuss civil, ocean and coastal engineering technologies which could be employed in Hualien for 3-D air quality monitoring, sewage treatment and environmental remediation projects. Oceanit is an Environmental Development Group (EDG) member. EDG is a consortium of Hawaii companies, organized by DBEDT, to export their diverse environmental services and products overseas.

9. Cebu Province, Philippines (1996)

Cebu Province in the Philippines is a long, narrow island, 365 miles south of Manila, with a population of 2.4 million. Major industries include copper mining, fishing and aquaculture, agriculture, shipping, steel and cement. The capital, Cebu City, has an important international harbor, and several universities, including San Carlos University, the oldest in the Philippines.

The sister agreement with Cebu was initiated because of the traditionally strong ties Hawaii enjoys with the Philippines and because a number of Hawaii firms were already engaged in business in the province. These included some of Hawaii's largest companies (Hawaiian

Dredging and Belt Collins, for example). Another contributing factor was the friendship with Cebu Governor Pablo Garcia.

For the 2002 *Sister Summit*, Cebu sent a large delegation, headed by Provincial Vice Governor John Henry Osmena.

2007 activities

There was no significant activity between Hawaii and Cebu in 2007.

10. Hiroshima Prefecture, Japan (1997)

Hiroshima is a mountainous prefecture of 2.8 million people in the southern Japan Chugoku Region. The capital, Hiroshima City, was the target of the first atomic bomb on August 6, 1946. The city has since reconstructed and had a population of 1,160,956 in 2006. The prefecture is heavily industrialized, with automobile and shipbuilding predominating. A large number of Hawaii residents of Japanese ancestry trace their roots to the prefecture. Since becoming a sister of the State in 1997, Hiroshima has participated in numerous educational, cultural and commercial exchanges. Both Governors Ariyoshi and Cayetano visited Hiroshima, assisted by DBEDT and the Japanese Chamber of Commerce. In 2000, DBEDT sent an educational trade mission to Hiroshima and Hiroshima Prefecture and Hawaii teamed up to present a business seminar at the Japanese Cultural Plaza on November 5, 2003. Titled *Hawaii Partnership in the 21st Century - an International Business and Economic Development Symposium*, the workshop featured business opportunities in Hiroshima and Hawaii. Governor Lingle provided opening remarks for the event, which was attended by 130 Hiroshima business leaders and 50 from Hawaii.

Hiroshima contributed a replica of the Torii Gate to the community of Moiliili on Oahu.

In December 2006, the Hiroshima Chamber of Commerce & Industry sent an 80 member delegation to Hawaii to commemorate the 25th anniversary of the signing of its sister relationship with the Honolulu Japanese Chamber of Commerce and to further promote business and economic ties between Japan and Hawaii.

2007 activities

The State of Hawaii and Hiroshima Prefecture celebrated the 10th anniversary of its sister-state relationship in Hiroshima. A delegation of 50 individuals representing business, government and the community traveled to Hiroshima for this occasion.

Significant activities during the mission included: (1) official visits with Governor Yuzan Fujita and Assembly Chair Masao Hayashi; (2) presentation of an official gift (a sculpture designed by Hawaii artist Satoru Abe) from the State of Hawaii to Hiroshima Prefecture; (3) presentation of a wreath and 36,000 cranes (folded by Hawaii's youth) at the Hiroshima Peace Memorial Park; and (4) Sister-State Reception that featured Natalie Ai-Kamau and included Hawaii hula performances by performers from Hiroshima.

11. Pangasinan Province, Philippines (2002)

Like Ilocos Norte Province, Pangasinan is the ancestral home of thousands of Hawaii residents of Filipino extraction. The Province, with a population of over 2.4 million people, occupies the northern portion of the central plains of Luzon, with east-west configuration extending into a peninsula jutting into the China Sea. The capital is Lingayen, but the transportation hub is Dagupan City. Pangasinan is a major agriculture and aquaculture center in the Philippines. The principal industries are farming and fishing.

The province accounted for more than half the Ilocos region's rice output in 1991. Other products are corn, tobacco, garlic, sugarcane, salt, and cassava. Pangasinan also has substantial fish production. In 1991, it turned out three times as much as the next leading fish-producing province in the region, Ilocos Norte. Extensive fish ponds where *bangus* are raised are found near the coasts. Prawn and oyster farms also abound.

The province is also known for its *bagoong*, a popular fish or shrimp paste. Cottage industries include blanket-weaving, basketry, bamboo craft, furniture-making and shell craft. The ox-drawn wagons bearing handicrafts of all sizes and shapes are from Pangasinan.

The 2002 Legislature passed HCR 28, SD 1 which called for the establishment of sister ties with Pangasinan. Governor Victor Agbayani and Governor Benjamin Cayetano signed the sister state-province agreement in Honolulu on July 11, 2002.

2007 activities

There was no significant activity between Hawaii and Pangasinan in 2007.

12. Tianjin, China (2002)

Tianjin is one of four municipalities of China and a major industrial center. As a municipality, Tianjin has provincial-level status and comes directly under the central government. The urban area of Tianjin, with a population of 10 million, is China's third largest city.

The Tianjin Economic and Technological Development Area is regarded as one of the most competitive and best-run in China. The city has evolved into a major foreign investment center. Production includes electronics, petrochemicals, metallurgy and automobiles. More than 13,000 foreign-funded enterprises have been established in the city, involving foreign capital input totaling \$30 billion.

A DBEDT trade mission visited Tianjin City in November, 2002 to sign a Friendship and Cooperative Relationship Agreement - a *de facto* sister state/city agreement, approved and authorized by the 2002 Hawaii State Legislature. During their visit, Tianjin officials agreed to send senior administrators, tourist officials and technology sector personnel for short-term custom designed training in Hawaii.

2007 activities

In July, as an initiative to encourage and increase tourism and nurture sister relations between Hawaii and Tianjin, the Tianjin Municipal Foreign Affairs Office, in collaboration with the State of Hawaii Office in Beijing and the Tianjin Youth Travel Services, created the “Hawaii Wedding Program.” Twenty five couples will travel to Hawaii in February 2008, right after the Chinese New Year.

In October, State of Hawaii Office in Beijing staff collaborated with the Tianjin Municipal Government and the Tianjin chapter of the China Council for the Promotion of Industry & Trade on a potential Tianjin World Trade Center project. The World Trade Center project will allow Hawaii’s Integrated Development Group companies to export their planning and development services to China.

13. Ehime Prefecture, Japan (2003)

On February 9, 2001, a U.S. submarine, the U.S.S. Greenville, collided with a training vessel from Ehime Prefecture, Japan off the coast of Oahu. Tragically, nine people aboard the ship lost their lives, including four Japanese high school students, two teachers and two crew members.

The establishment of a sister relationship between Ehime and Hawaii was a logical next step in furthering relations for the mutual benefit of the two communities. Consequently, in 2003, the House of Representatives of the Twenty-second State Legislature adopted two measures to establish the relationship: H.R. No. 55, H.D. 1 and H.C.R. No. 52, H.D. 1, and the Senate adopted S.C.R. 66.

On November 21, 2003, Governor Lingle and Ehime Governor Moriyuki Kato signed the “Sister State-Prefecture Agreement between the State of Hawaii and the Prefecture of Ehime of Japan.” The agreement pledged to “further a history of relations which is reflected in commerce, education, social and cultural exchange...” and to “foster mutually beneficial inter-change, build upon American and Japanese friendship, cordial relations, understanding, and goodwill.”

2007 activities

Over 100 youth baseball players from Ehime Prefecture and their families traveled to Hawaii to participate in the annual goodwill Hawaii-Ehime Youth Baseball Exchange.

14. Ilocos Norte, Philippines (2005)

Ilocos Norte became a sister of Hawaii on February 1, 2005.

The 2003 State Legislature laid the groundwork to establish the sister relationship through H.R. No. 17 and H.C.R. No. 17. The House and Senate adopted H.C.R. No. 17, H.D. 1, with copies directed to Presidents Bush and Arroyo.

2007 activities

There was no significant activity between Hawaii and Ilocos Norte in 2007.

15. Isabela Province (2006)

Isabela Province is located in North Central coastal area of the Island of Luzon. It comprises an aggregate land area of 10,665 square kilometers, representing almost 40 percent of the regional territory. It is the largest regional province and the second largest province in the country in terms of land area. The capital is Ilagan and the population is roughly 1.16 million.

Agriculture is the major industry of Isabela. Farming is highly mechanized. With the presence of the Isabela State University, joint ventures and other foreign assisted projects and the Magat Dam contribute to the high agricultural productivity. It is also the hub of trade and commerce and other economic activities due to its central location in the region. Isabela's wood industry declined after a logging ban was imposed in the Cagayan Valley Region. However, furniture-making using narra and other indigenous forest materials still exists.

Potential investments are in fisheries and tourism. Isabela has a fertile fishing ground on the Pacific Coast. The Magat Dam reservoir is utilized for domestic market tilapia fish cage production. Tourism is a relatively new industry being developed in the province. Support services and accommodation facilities are likewise being developed.

The 2006 Legislature passed HCR 230, which established Isabela Province in the Philippines as a sister of the State of Hawaii.

On August 31, 2006, Governor Linda Lingle and Governor Grace Padaca of the Province of Isabela signed an agreement establishing a sister-state-province relationship between the State of Hawaii and Isabela Province. The ceremony took place at the Philippines Consulate.

The agreement builds on the historic relationship and cultural ties between Hawaii and the Philippines, provides increased opportunities in economic development, trade, tourism, agriculture, education, health care and social and cultural development.

The two Governors met in the Philippines in January 2006 when Governor Lingle led the Hawaii Philippines Centennial Mission commemorating the 100th anniversary of Filipino immigration to Hawaii.

2007 activities

There was no significant activity between Hawaii and Isabela in 2007.

V. Hawaii Sister-State Committee

With the confirmation of all five appointed Sister-State Committee members in 2007, the Committee will focus on the following goals and objectives:

1. The Committee will take an active role in evaluating prospective and current sister relationships, for both cultural and economic development reasons, with attention to fostering the most productive ties.

There is agreement that most successful sister relationships occur when:

- a. There is commonality between Hawaii and the sister, primarily from geographical, historical, cultural or economic standpoints.
- b. There are active and interested support groups, such as Chambers of Commerce, cultural and civic associations.
- c. There are economic benefits for both sisters, such as increased numbers of visitors, or enhanced investment or marketing opportunities.
- d. Close ties have been established between educational institutions of the two potential sisters, including both student and faculty exchanges.
- e. There is a clear, strong governmental interest in not only forming, but maintaining the relationship.

2. To assure the productivity and viability of a sister relationship, the Committee reviewed and revised the Sister-State Application Form originally developed by the Office of International Relations. The Committee also reviewed and revised the Policies and Procedures Manual which governs the process of nominating and evaluating prospective and existing Sister States.

In addition to completing the revised application form, additional requirements include:

- a. A letter from the Governor of the proposed sister.
- b. A designated point-of-contact person.
- c. Recent activity reports between Hawaii and the proposed sister.
- d. Recommendations for future activities.
- e. Proposed calendar of future events.

3. The Committee will carefully review the history of activities of each sister relation to determine which ties should be strengthened and which should be severed. The State has 15 sister relationships, dating back to 1981. Some of these have been extremely active (e.g., Fukuoka and Guangdong), while others have shown little or no activity (e.g., the Azores).

VI. Appendix, County Sisters

1. Hawaii County

Hawaii County has 10 sisters:

Hualien City, Taiwan Province (1971)
La Serena, Chile (1994)
Legazpi City, Philippines (1970)
Nago City, Okinawa, Japan (1986)
Oshima, Japan (1962)
Sao Miguel Island, Portugal (1980)
Shibukawa, Gunma Prefecture, Japan (1997)
Sumoto, Japan (2000)
Tasmania, Australia (1997)
Yurihama, Tottori Prefecture, Japan (1996)

2. City & County of Honolulu

City & County of Honolulu has 23 sisters:

Baguio City, Benguet Province, Philippines (1995)
Baku City, Azerbaijan (1998)
Bruyeres, France (1960)
Caracas, Venezuela (1999)
Cebu City, Cebu Province, Philippines (1990)
Funchal, Madeira, Portugal (1979)
Hainan Province, China (1985)
Hiroshima Prefecture, Japan (1959)
Hue, Vietnam (1995)
Incheon, South Korea (2003)
Kaohsiung City, Taiwan Province (1962)
Laoag City, Ilocos Norte Province, Philippines (1969)
Manila, Philippines (1980)
Mumbai (Bombay), India (1970)
Mombasa, Kenya (2000)
Naha City, Okinawa Prefecture, Japan (1960)
Rabat, Morocco (2006)
San Juan, Puerto Rico (1985)
Seoul, South Korea (1973)
Sintra, Portugal (1998)
Uwajima, Ehime Prefecture (2004)
Vigan, Ilocos Sur Province, Philippines (2003)
Zhongshan, Guangdong Province (1997)

3. Kauai County

Kauai County has 11 sisters:

Bangued, Abra Province, Philippines (2000)
Cooktown, Queensland, Australia (1989)
Ishigaki, Ryuku Islands, Japan (1963)
Moriyama City, Shiga Prefecture, Japan (1975)
Quinhuangdao, Hebei Province, China (1993)
Suo-Oshima, Yamaguchi Prefecture, Japan (1964)
Papaenoo, French Polynesia (2000)
Penghu County, Taiwan Province (2007)
Santa, Ilocos Sur Province, Philippines (1991)
Urdeneta, Pangasinan Province, Philippines ((2000)
Whitby, England (1987)

4. Maui County

Maui County has 21 sisters.

Albe, France (2001)
American Samoa (1986)
Arequipa Municipality, Peru (1994)
Bacarra, Ilocos Norte Province, Philippines (1970 and 1985)
Cabugao, Ilocos Sur, Philippines (2005)
Embo, Dornach, Scotland, United Kingdom (1990)
Funchal, Madeira, Portugal (1985)
Hachijo Island, Japan (1994)
Sanya County, Hainan Province, China (1998)
Hirara City, Miyako Island, Okinawa, Japan (1965)
Madrid, Spain (1969)
Manila, Philippines (1994)
Ping Tung County, Taiwan (1982)
Puerto Princesa, Palawan, Philippines (1999)
Quezon City, Metro Manila, Philippines (1970)
Rapa Nui, Easter Island, Chile (1998)
Saipan, Northern Marianas Islands (2005)
Santa and San Juan Municipalities, Ilocos Sur, Philippines (1991)
Sao Miguel Island, Azores, Portugal (1990)
Sarrat, Ilocos Norte Province, Philippines (2005)
Zambales Province, Philippines (1968)