

STATE OF HAWAII

Offices in Taiwan and Beijing

January 1, 2009 – December 31, 2009

Annual Report to the Legislature

Strategic Marketing & Support Division

Department of Business, Economic Development & Tourism

January 2010

TABLE OF CONTENTS

1. STATE OF HAWAII OFFICE IN TAIPEI: 2009 ACTIVITIES

Goals and Strategy
Developing and Expanding Linkages
Increasing Hawaii's Exports of Goods and Services
Expanding Hawaii's Energy Sector
Attracting New Investment to Hawaii
Promoting Hawaii's Visitor Industry
Promoting Educational Opportunities and Educational Exchanges
Results at a Glance
Financial Summary

2. STATE OF HAWAII OFFICE IN BEIJING: 2009 ACTIVITIES

Goals and Strategy
Developing and Expanding Linkages
Increasing Hawaii's Exports of Goods and Services
Expanding Hawaii's Energy Sector
Attracting New Investment to Hawaii
Promoting Hawaii's Visitor Industry
Promoting Educational Opportunities and Educational Exchanges
Results at a Glance
Financial Summary

3. CONTACT INFORMATION

1. STATE OF HAWAII OFFICE IN TAIPEI: 2009 ACTIVITIES

Goals and Strategy

The State of Hawaii Office in Taipei opened in July 1994 to take advantage of the rise of investor interest in Hawaii, which was symbolized by a Taiwan's group's purchase of the Grand Hyatt Waikoloa in late 1993 for \$60 million. Taiwan was riding a wave of prosperity and, to many investors, the state looked like an excellent place to explore business opportunities. Coupled with this was the advent of Eva Air and China Air's non-stop flights to the Islands, making it much easier for tourists and businesspersons to visit. To date, Taiwan's interest in Hawaii remains high, and the propriety in the country continues to grow.

In 2009, the Office was active in marketing Hawaii products and services. In both of these, the thrust has been participating in the wide variety of annual shows and exhibitions that take place in Taipei, whose audience is the increasingly affluent Taiwan population. This segment of the population has the means to purchase such higher-priced items as macadamia nuts, vodka, coffees, cookies, cooking oils and skin care products. In 2005, 2006, 2007, 2008, and again in 2009, "giant" shows attracted thousands of visitors, resulting in numerous opportunities for Hawaii exporters to gain a foothold in the Taiwan market.

Also during the year, the Office was active in marketing Hawaii's ground-breaking *2009 Asia Pacific Clean Energy Expo & Summit*. As the price of oil has escalated in recent years, so has the interest in developing alternative resources. As Taiwan is a leader in this field, there were many opportunities for the Office to assist with coordination and partnering activities. Staff were instrumental in attracting a large contingent of Taiwan energy companies and experts to the conference, and linking these with Hawaii entities.

In addition, the Office maintained and expanded the long-time, close linkage between Hawaii and Taiwan. On numerous occasions, staff worked with Mr. Philip Wang, the General Director of the Taipei Economic and Cultural Office in Honolulu, to either host dignitaries and delegations from Taiwan, or support Hawaii businesspersons, educators and government officials traveling Taiwan. Highlights were the visit to Hawaii by President Ying Jeou Ma in July, and the visit of Speaker Calvin Say and his House delegation in October.

The Office also continued to lend strong support to Hawaii's tourism industry by participating in major travel conferences, such as the *2009 Taipei International Travel Fair* in October, and attracting the *7th Bio-energetic Medicine International Seminar* to the state in February, 2010. In addition to bringing more visitors to the state, these events have provided excellent opportunities to showcase Hawaii products. Moreover, the Office's close relationship with Ms. Ann Fan—entrepreneur and director of her own hula halau—resulted in numerous occasions to place Hawaiian culture on display and attract Taiwan residents to Hawaii. Two large Taiwan insurance companies elected to send close to 1,000 employees to the state as a result of Ms. Chan's performances. She also appeared on radio and TV with her group during the year.

Finally, as noted earlier in this report, the Taipei Office has increasingly been called upon to assist the Beijing Office in developing markets for Hawaii companies in China.

For administrative purposes, the Office reports directly to the Administration of the Strategic Marketing & Support Division (SMSD).

The remainder of this chapter describes the principal activities of the Office in 2009.

Developing and Expanding Linkages

Staff assisted in organizing the visit to Hawaii of Taiwan President Ying Jeou Ma, from July 5 to 6, 2009. This included fixing an agenda and scheduling meetings, in coordination with the Taipei Economic and Cultural Office of Honolulu (TECO) and DBEDT home office.

From October 5 to 10, 2009, staff assisted in coordinating the visit to Taipei, Kaohsiung City and Taichung of State House Speaker Calvin Say, who led a delegation of seven House Representatives. The visit involved working closely with the Taiwan Ministry of Foreign Affairs (MOFA) and TECO Taiwan. The agenda focused on new energy initiatives; sports; education; culture; tourism; health services and mass transportation. Among places visited were the Institute of Astronomy; Taipei and Kaohsiung City Governments; the Agricultural Research Institute; the Bureau of Tourism; the Council of Economic Planning and Development; and I-Shou University.

Staff teamed up with Director General Philip Wang of the Taipei Economic and Culture Office (TECO) in Honolulu to plan the visit to Taiwan of Mr. Dennis Hwang, the President of the Chinese Chamber of Commerce of Hawaii with TECO, from November 14 to 17, 2009. During the visit, he met with Dr. Wei Sen Li, Deputy Executive Secretary of the National Science and Technology Center for Disaster Reduction (NCDR) in Taiwan. Mr. Hwang and Dr. Li agreed to cooperate in the area of natural disaster prevention.

Mr. Hwang also visited with Mr. Cheng-yung Hsu, the Deputy Minister of the Overseas Compatriot Affairs Commission and exchanged ideas about future cooperation, especially for youth programs and education projects.

Over the year, MOFA invited Taipei Office Executive Director Alex Lei to attend eleven meetings and function to further enhance the close relationship between Taiwan and Hawaii.

Increasing Hawaii's Export of Goods and Services



During the year, Taipei Office staff participated in numerous trade shows to market Hawaii products. Just one example: special product promotion events in April and September at the Taipei World Trade Center (pictured above).

Staff assistance to the Retail Support International Co., Ltd. for importing beer from Kona Brewery LLC. and spring water from Hawaii Spring LLC. resulted in a special summer sale and promotion at 7-11 convenience stores island-wide. The companies exported \$148,000 of product to Taiwan.

Ever Shine Company, headed by Hawaii Pacific University graduate Jason Lee, has been the leader in importing Hawaii products into Taiwan. Staff once again assisted his participation in *Food Taipei 2009* from June 23 to 26. The event attracted 825 exhibitors who occupied 1,629 booths, surpassing previous year's totals. Ever Shine International exhibited over twenty Made in Hawaii products, with sales totaling \$80,000. Staff also assisted Mr. Lee in marketing products to China. One such effort resulted in \$245,000 worth of Made-in-Hawaii products that were delivered to Kunming.

2009 Food Taipei offered thousands of visitors an opportunity to purchase Hawaii products.

Staff also assisted Ever Shine at *BioTaiwan 2009*, a major bio-tech trade show, from July 23-26 at the Taipei World Trade Center Exhibition Hall. The show has become the largest biotech event in Taiwan and one of the largest biotech gatherings in the Asia-Pacific Region. Ever Shine exhibited their bio products, along with Made in Hawaii products, with total sales reaching \$30,563.

Staff worked closely with the American Institute of Taiwan-Kaohsiung Branch for a *Hawaii Theme Night* at the *2009 World Games* in Kaohsiung City, from July 16 to 26, 2009.



In July, staff promoted Hawaii products at the 2009 World Games in Kaohsiung City.

Staff coordinated an exhibit that featured Hawaii flora, orchid, plantation service, cultural and tourism at the *2010 Taipei International Gardening and Horticulture Exposition*. This event was organized by the Taipei City Government and Taiwan External Trade Development Council

(TAITRA). Since 2007, it has been the largest international gardening exposition recognized by International Association of Horticultural Producers (IAHP). This year, the State of Hawaii was the only American state invited by Taipei City Government. Director Lei will be looking into removing restrictions on cut flowers and potted plants from Hawaii.

Expanding Hawaii's Energy Sector

Hawaii's hosting of the *2009 Asia Pacific Clean Energy Summit and Expo* from August 31 to September 3 at the Sheraton Waikiki Resort provided an opportunity to invite numerous delegations from government and industry to attend the event. Taiwan delegations participating included the Taiwan Bureau of Energy; Ever Shine Worldwide Inc.; iWIND Energy Co., Ltd.; SCIM Cooperation; and JuhMeei Enterprise Co., Ltd.

TECO Director Philip Wang introduced Governor Lingle to representatives of Taiwan's i-WIND Energy Company at the *Summit*.

Staff assisted Lockheed Martin's Dr. Ted Johnson and his team on Ocean Thermal Energy Conversion projects in both Hawaii and Taiwan. This included coordination with Home Office, Industry Technology Research Institute (ITRI) of Taiwan and Taiwan Bureau of Energy for

Staff invited the ROC-USA Business Council to visit Hawaii for the *2009 U.S. – Taiwan Bilateral Joint Conference* to investigate new energy industries" from November 28 to December 6. The delegation from Government and academia included Mr. Jung-Chiou Hwang, the Vice Minister of Ministry of Economic Affairs and Mr. H. S. Chu, Vice President of the Industrial Technology Research Institute. The delegation also included individuals from major, private-sector energy companies. These were Mr. Chin-Yao Tsai, Chairman & CEO of AURIA Solar Co., Ltd.; Mr. Allen J.H. Guo, President & CTO of E-TON Solar Tech Co., Ltd.; Mr. Maw-Wen Lin, Vice President of CPC Corporation, Taiwan; Mr. Ming-Min Lin, Senior Engineer of Taiwan Power Company; Mr. Chih-Heng Lee, CEO & President of Ever Shine Worldwide Co.; and Mr. Jing-Yih Cherng, CEO of Amita Technologies, Inc. for a total of about 40 to 50 people.

From October 21-24, 2009 staff participated in the *Taiwan International Green Industry Show* (<http://www.greentaiwan.tw/index.shtml>) to promote the Hawaii Clean Energy Initiative. They met with Taiwan companies to invite and encourage them to invest in doing business in Hawaii. This year the show focused on the water technology, clean energy and producing a green environment. Kansas Governor Mark Parkinson visited the event during his trip to Taiwan and held a seminar to discuss the development of green industry in United States and Kansas. Executive Director Lei explained the development of renewable energy in Hawaii and the events of the *2009 Asia Pacific Clean Energy Summit and Expo* to the Governor, and invited him to visit next year's conference.

Staff coordinated with the Home Office, the Industry Technology Research Institute (ITRI) of Taiwan and Taiwan Bureau of Energy to assist Lockheed Martin's Ted Johnson and his team in exploring the development of Ocean Thermal Energy Conversion projects in both Hawaii and Taiwan.

Attracting New Investment to Hawaii

In January, staff was contacted by Mr. Tom Rosenfeld of CanAm Enterprises, whose firm was appointed to be the representative for the Hawaii Regional Center Program. The goal of this program is to attract overseas capital to the U.S. through the issuance of Green Cards. Throughout the year, staff referred inquiries on investing in Hawaii to Mr. Rosenfeld.

On June 10, 2009 staff assisted Mr. Fong from Taiwan in developing a tea farming business in Hawaii. Mr. Fong, who is experienced and well-connected with tea experts in Taiwan and China, asked the State for financial and visa assistance to invite experts from Mainland China to visit Hawaii.

On August, 31, staff met with Mr. Simon Chang, President of Powercom Group Company, to discuss potential opportunities for investing in a photovoltaic power plant in Hawaii. Powercom (PCM), a listed company in Taiwan, is a pioneer among PV companies, and generally considered to be among the world's leading vertical integration companies for solar production. PCM recently completed a one megawatt PV power plant in Italy, and has another in Thailand. Staff explained the Hawaii Clean Energy Initiative to Mr. Chang and invite him to visit the state for further discussions on a PV power plant investment or PV product sales in Hawaii.

On October 12, staff met with Mr. Ren-chiu Chang, President of Poly Machinery Works Co., and his staff to discuss the details of investing in a factory to manufacture EPS disposable food containers and EPE (expanded polyethylene) fruit nets and sheets in Hawaii. Mr. Chang's initial investment would be in the range of \$475,000.

On September 28, staff met with Mr. C. S. Huang, President of Fuh Feng Group Taiwan, to discuss the affordable housing programs in Hawaii. Fuh Feng is a multi-business enterprise group in Taiwan with interests in textiles; lumber; import and export trade; shipping and construction. Because of the current economic situation in Taiwan, Mr. Huang would like to seek opportunities in other countries. Staff explained the advantages of Hawaii to him, and recommended that he visit Hawaii in the very near future.

Promoting Hawaii's Visitor Industry

Staff worked closely with Marketing Director Jemy See of Hawaii Tourism Asia on the 2009 *Taipei International Travel Fair* (<http://www.taipeiitf.org.tw/en/2009/on-line/exhibitor.asp>) from October 30 to November 2. The event--the most important and popular travel fair in Taiwan—presented an ideal opportunity for the leading tourism nations to attract visitors. Attendance at the four-day fair totaled over 210,000 visitors. Staff took the opportunity to promote Hawaii education and products.



Executive Director Lei with hula performers. Promoting Hawaii's tourism industry is an important part of the Taipei Office's responsibilities. From October 30 to November 2, staff participated in the *Taipei International Travel Fair* (above photos).

Staff invited Yi-lan County Government officials to visit Hawaii to inspect tourism, and new-energy and deep-sea-ocean-technology initiatives, from December 9 to 16. While in the state, the group visited Honolulu; the Polynesian Cultural Center; the Hawaii Volcanoes National Park; the Natural Energy Laboratory of Hawaii Authority, and other places. The delegation included all major County department heads, including the heads of the Magistrate's Office, the Planning Department, the Secretariat, the Bureau of Culture, the Bureau of Agriculture and the Department of Business and Tourism, for a total of about 15 people.

Staff invited Dr. Julia Tsuei to consider Hawaii as the venue of the 7th *Bio-energetic Medicine International Seminar* from February 11 to February 18, 2010--a total 7 nights. According to Dr. Tsuei's estimate, the participants will come from Mainland China (which may include some officials from the Ministry of Science and Technology), Taiwan and the Mainland United States. Dr. William A. Tiller will be one of the keynote speakers and hold a one-day session on *Psycho Energetic Science: Experiments and Theory*.

Staff coordinated with Ms. Ann Fan, Director of Lehua's Hula Halau Taiwan, to promote Hawaii to Prudential Taiwan as an incentive tour destination. After observing Ms. Chan's halau perform hula at Prudential's rallies in Taipei, HsinChu, Taichun and Kaoshiung City, the company chose Hawaii as the incentive destination with the first group of 400 people set to arrive in February, 2010. In addition, staff invited Ms. Chan to participate in the annual *Merrie Monarch Festival* in Hilo.

Staff also assisted Ms. Chan in promoting Hawaii as an incentive tour destination to NanShan Life Taiwan. As with Prudential (above), the company chose Hawaii, with a group of 500 scheduled to arrive in June, 2010.

In addition, staff arranged for members of Ms. Chan's halau to perform on the *Azio Superstar* TV show to promote hula and Hawaii's tourism industry. The program reaches millions of viewers throughout the Greater China area. Staff also assisted Ms. Chan with an interview on International Community Radio Taipei.



Promoting Hawaiian culture: Ms. Ann Fan performs with her hula dancers on Taiwan television. Mr. Jacky Wu (with hat) is considered the best-known host in Taiwan.

Staff helped members of the American Hawaii Flower of the Volcano Dance Art Group who were invited to participate in the *2009 Taichung International Performing Arts Festival* from June 13 to 14 at the Wen Xin Forest Park's Fulfillment Amphitheatre in Taichung. Among the various groups' performing, Volcano was one of the most popular.



Hawaiian culture—and especially hula dancing--is popular in Taiwan. Hawaii dancers performed at the 2009 Taichung International Performing Arts Festival in June.

Promoting Educational Opportunities and Educational Exchanges

In May 2009, staff assisted Mr. Tom Lin, General Manager of Study without Borders Corporation. He visited Taipei office to ask for information about education in Hawaii. His company specializes in overseas study for higher education and summer camp programs, sending roughly 1,000 Taiwan students abroad each year during summer and winter vacations.

Ms. Amber Wang, Administration and Marketing Manager of the American International Education Foundation, visited the Office in May to introduce the Foundation and express her wish to work with the State to promote education study programs.

Staff met with Ms. Bettye Mayes, Program Officer at the U.S. Department of State, Bureau of Public Affairs/Public Liaison, who is in charge of the Hometown Diplomats Program. The Program assists employees who volunteer their time to schedule trips to their hometown to speak with local organizations, schools, government officials, and participate in media interviews. Ms. Mayes contacted the Office on behalf of Ms. Jaimee Neel, a Hawaii resident and Foreign Service Officer, who was assigned to the US. Consular Office in Shanghai, to gauge the degree of interest in hosting her in speaking engagements with students or community organizations in Hawaii. Ms. Neel welcomed the opportunity and visited the state for speaking engagements in July.

Mr. Ching Yuan.Trai, the Board Chairman, and Dr. Yih Jin Tsai, the Dean of Academic Affairs of the Department of Leisure & Recreation Management of Diwan University, invited staff to explore a sister-school relationship and joint program with the University of Hawaii. Diwan is positioning itself to be one of the major leisure institutes in Taiwan. The University also owns and operates the five-star Garden Villa Hotel in Kaohsiung City. Mr. Trai also expressed interest in cooperating with UH to organize a symposium or training course.

Office Administrator James Lai met with Ms. Annie Wu, Consultant of Breakthrough Overseas Study Services, during the Taiwan International Green Industry Show. Ms. Wu wanted to learn if there were any sustainable energy-related programs offered by any university that she can recommend to her clients. Because her office is located in Hsin Chu City, near the Science & Technology Park, she was also interested in exploring what are other specialized programs she could recommend for international students pursuing higher education in Hawaii.

Taipei: 2009 RESULTS AT A GLANCE

ACTIVITY	DATE	HAWAII REVENUES GENERATED	NUMBER OF PERSONS OR AUDIENCE
INCREASING HAWAII EXPORTS			
Product Exported			
Lockheed Martin's Deep Ocean project with ITRI Taiwan		To be confirmed by Lockheed	
Bottled water and foods		\$2,200,000	
Big Island Bees' Honey		7,500	
Hawaii music CD and paintings		32,000	
Bottled beer & Maui Ocean Vodka		78,000	
Beauty products		92,485	
Hula supplies		30,000	
Seminars/Promotions/Trade Shows			
TWTC special sale and product promotion	4/9-4/13	12,500	over 2,000 visitors
2009 Taichung International Performing Arts Festival	6/13-6/14		over 20,000 visitors
2009 Food Taipei http://www.taipeitradeshows.com.tw/foodtaipei2009/index.shtml	6/23-6/26		825 exhibitors 29 potential buyers

“2009 World Game” in Kaohsiung http://www.worldgames2009.tw/wg2009/eng/index.php	7/15-7/26		Over 1,000,000 visitors
Bio Taiwan 2009 http://www.bioclub.com.tw/en/	7/23-7/26		31 nations 814 booths Over 81,500 visitors
TV Promotion at Azio Superstar	September		Over 2,000,000 household
TWTC special sale and product promotion	9/10-9/11	21,500	Over 1,200 visitors
2009 Taipei International Travel Fair http://www.taipeiitf.org.tw/en/index.asp	10/30-11/2		58 nations&1,206 booths Over 210,000 private & trade visitors
Radio Promotion at ICRT’s interview	November		Over 200,000 listener
TWTC special sale and product promotion	12/29-12/30		215,125 participants
Executive Director gave a speech at Rotary Club	Throughout the year		10 occasions
ATTRACTING INVESTMENT			
Power Co., Ltd PV Power Plant http://pcmups.com.tw/eindex.php			In progress
Poly Machinery Works Co., Ltd.			In progress
Green Security Corporation)			Plan to set up branch in Hawaii in the end of 2009

DEVELOPING & EXPANDING LINKAGES WITH GOVERNMENT & EDUCATION

Taiwan President Ma transist in Hawaii	7/5-7/6		participants
Honorable Speaker Mr. Calvin Say and Nine Representatives visit Taiwan	10/5-10/11		21 Meetings
Mr. Dennis Hwang, president of Chinese chamber of competence of Hawaii	11/14-11/17		Four meetings
ROC-USA Business Council visit Hawaii for Green Energy & Technology	12/5-12/7		30 high level delegation
Yi lan County Government visit Hawaii for tourism industry & deep ocean technology	12/9-12/16		20 delegation lead by Magistrate
Taiwan students and parents came to office to inquiry Hawaii Education	Through-out the year		Over 100

Taipei Office Expenditures FY 2009

Description	Total
Director's contract	43,185.00
Assistant's salary	21,603.39
Office rent	19,600.48
Parking rental	1,222.55
Health insurance	2,072.63
Labor insurance	595.99
Newspaper subscription	110.98
Copy machine rental	744.73
Reimbursement for Health Insur.	(1,400.26)
Utilities	795.55
Phones/Fax/L-distance	2,980.04
ADSL	69.45
Mobile phone	1,220.86
Postage	405.59
Freight & delivery charge	132.87
Office supplies	1,429.14
Office equipment	710.79
Taxi fare	553.09
Lunch meetings	280.94
Miscellaneous exp.	1,656.95
Membership fees	153.85
Printing	229.89
Out/state travel exp.	2,084.62
Intrastate travel exp.	-
Travel per diem	-
Protocol/Gifts	-
Marketing/promotion/other	303.03
Seminar/missions	-
Advertisement	-
Chinese Website	1,569.23
Furniture rental	1,520.22
Column total	103,831.60

2. STATE OF HAWAII OFFICE IN BEIJING: 2009 ACTIVITIES

Goals and Strategy

The rapid economic development of China during the 1970's and 1980's signaled opportunities for Hawaii businesses. The successes and lessons learned from the Taipei Office paved the way for DBEDT's opening up a second overseas office—in Beijing, on August 1, 2001, which shared space with the Hawaii Visitor & Convention Bureau (HVCB). Not only would this office be able to take advantage of the Sister relationships that the State had formed with Guangdong Province in 1985 and Hainan Province in 1992, it could look forward to China's entering the World Trade Organization in November, 2001, and the substantial economic activity that was expected to develop in preparation for the Beijing Olympic Games in 2008 and the Shanghai World's Fair in 2010.

Since 2001, the Beijing Office has been called upon to provide substantial assistance to both Hawaii residents with an interest in China, and Chinese residents with an interest in Hawaii. Like the Taipei Office, the Beijing Office is now the “go to” place for help with business, education and government activities. These have ranged from support for high-level visits, such as those of Governor Lingle and Vice Premier Wu Yi; to locating investors for Hawaii projects; to providing information on the visa acquisition process; to answering questions from Chinese parents eager to have their child study in the state.

In 2007, Hawaii's office was only one of two U.S. State Offices to be officially designated by the Chinese Government as a trade & tourism office.

Highlights of the year included the Governor Lingle's October visit to Beijing and Guangzhou; discussions with the Beijing Municipal Tourism Administration on the status of U.S./China tourism initiatives; assistance with “Hawaii Houses”—a major marketing opportunity for Hawaii products; and the drafting of an education agreement between the State Department of Education and the Guangdong Provincial Board of Education. Of special note was the highly successful effort to attract participants to the *2009 Asia Pacific Clean Energy Summit & Expo*, which led to promises of increased Chinese participation at the 2010 event.



Mr. Li Guoliang, Vice Governor of Hainan Province, speaking at the *Summit*. Staff invited him—and other Chinese leaders—to the event.

It is important to note that the Taipei Office and the Beijing Office often work together as a team to benefit the Greater China Region. For example, in 2006, the two Offices worked closely together to present two investment seminars in Guangzhou and Beijing. In 2007, the two Executive Directors presented a seminar in Honolulu on business and education opportunities in Taiwan and China. In 2009, they teamed up to invite speakers and exhibitors to the September *Summit*. The two Directors regularly participate in conference calls hosted by the Honolulu office, where they discuss business strategies and mutual assistance.

The remainder of this chapter describes the activities of the Beijing Office in 2009.

Developing and Expanding Linkages

In July, staff attended a meeting held by the Beijing Municipal Tourism Administration, which called together ten of China's major tour operators; members of the US Embassy Visa section; members of the US Commercial Service tourism section; and the three China National Tourism Administration (CNTA) officials approved US representative offices, namely Los Angeles, Nevada and Hawaii. The purpose of the meeting was to discuss the current tourism situation between US and China after the passing of one-year since the US-China tourism agreement was signed. There were discussions in the areas of what more is needed and how to improve the current situation; the issuing of visas; the matter of China tour-guides leading the tours in the USA; and tourism licensing differences between the US and China. The question arose: "Which US Federal governmental agency is responsible for tourism?" The meeting resulted in more formal discussions between the U.S. Embassy and the China National Tourism Administration, hopefully leading to improvements of China & U.S. on tourism.

In October, staff assisted the Chinese People's Association for Friendship with Foreign Countries (CPAFFC) with their photo exhibition at the Neil Blaisdell Center, highlighting the 30-year anniversary of US-China diplomatic relations.

Staff assisted Governor Lingle's October/November visit to China by arranging meetings, creating itinerary to five Chinese cities and arranging other logistics. Staff worked closely with the Chinese People's Association for Friendship with Foreign Countries (sponsoring unit and host for the Governor and her delegation during this trip); the Hainan Foreign Affairs Office; and the Guangdong Foreign Affairs Office to coordinate the visit. One of the main purposes of the trip was to attend the Guangdong Sister-State Festival at the invitation of Guangdong Province Governor Huang Huahua. As a result of the visit, two MOU were produced between Hawaii and Hainan: 1. with Hainan Airlines for initiation of direct flights between Beijing/Honolulu; and 2. with Hainan Province for partnering of China-focused *2010 Asia Pacific Clean Energy Summit & Expo* in Honolulu in 2010. In addition, the trip brought to the table the MOU between Hawaii and MOFCOM (Chinese Ministry of Commerce) for possible projects involving the importation and distribution of Hawaii-made products and services in China. This was expected to be signed in early December of this year.

Throughout the year, staff attended meetings and other events at the invitation of such governmental entities as the U.S. Embassy Beijing; the U.S. Commercial Service, the China National Tourism Administration; the China Ministry of Commerce; the Counselor's Office of the State Council of the People's Republic of China; the China Friendship Association with Foreign Countries; the Chinese Council for Promotion of International Trade; and the China Ministry of Education to maintain and improve communication tracks for further cooperative relationships.

Increasing Hawaii's Exports of Goods and Services

Starting in May, staff worked with the Office of China Import Products Solicitation & Promotion System of the Ministry of Commerce (MOFCOM) to create Hawaii-product-themed stores throughout China. A tentative name for the promotion was "Hawaii Houses" which will display Hawaii-made products and provide information on Hawaii's services to China. An MOU was signed with a site inspection group on December 9. A buyers group from China is expected in the state in early 2010.

During the year, staff provided on-site, in-country support for the following businesses: Bank of Hawaii's International Division for marketing their services to potential Chinese customers; Simple Green for sales to the Beijing International Airport; the Hawaii Foreign Trade Zone for due-diligence reviews of Chinese companies, the Polynesian Cultural Center for marketing strategies; Cavanah Associates Inc. for the official joint-venture opening of their extended car warranty business; Hawaii High Technology Development Corporation for the closure of their Beijing branch office; Island Partners Hawaii for introducing potential Chinese partners in the tourism/events industry; former Hawaii Senator Jimmy Wong for his plastic-patent production in China; Diamond Bakery Co. Ltd. for due diligence on a potential Chinese customer; Dr. Hank Wuh of Hawaii regarding "mobile hospital" sales, strategies and guidelines in China, the US Alliance (headed by Gary Yee, former Director of Planning of City of Honolulu) for an

arbitration of a lost law suit in Haikou, Hainan Province; Sturdivant Publishing for translation and distribution services for its *Hawaii Guide*, etc.

Expanding Hawaii's Energy Sector

Staff met with representatives from Hawaii Everlasting Energy LLC regarding their China initiatives. While the company is not part of the DBEDT-formed Environmental Development Group (EDG), it focuses on generating energy based on ocean-wave technology. Company officials are interested in starting projects in Guangdong Province.

Starting in February, staff assisted Hawaii's Oceanit Corporation to find a suitable Chinese partner to complete the company's China Representative Office registration.

Staff coordinated the schedule of Guizhou Normal University President Wu Pengcheng and his group of six to Hawaii in June. The World Bank provided a loan to the Guizhou Provincial Government, which chose the University for sustainable tourism development projects. Staff worked with the Honolulu head office for meetings with Hawaii's Environmental Development Group members, a consortium of Hawaii companies that are involved with tourism-related environmental, energy and high-tech projects. University officials have indicated that they will focus on preserving the Provinces numerous ethnic minority cultures and sites.

Staff assisted Hawaii's Oceanit Corporation to find a suitable Chinese partner to complete Oceanit's China Representative Office registration.

Staff facilitated the first *Sino-U.S. Green Trade Forum* in May, 2009 in Honolulu by organizing 20 groups of officials and businesses for the Foreign Commercial Service of the U.S. Embassy in Beijing--the Hawaii organizer of the event.

Staff played a major role in recruiting participants for the *2009 Asia Pacific Clean Energy Summit & Expo* (APCESE). Staff worked the China market by inviting such organizations as the U.S. Commercial Service Beijing; the China Council for the Promotion of International Trade (CCPIT); the China Society of Science & Technology; the China Wind Energy & Equipment Association; the China Society for Future Studies; the Counselor's Office of the State Council, and the China Environmental Protection Foundation. Staff continued to spread promotional efforts to China's National Development and Reform Commission (NDRC); the Chinese People's Association for Friendship with Foreign Countries (CPAFFC); the 21st Century News Group; the International Data Group China; CITIC Travel; the Guangdong and Hainan Provincial Governments; the Committee of New Energy of CCPIT; the Council of American States in China (CASIC); the China Legal Society; the Beijing Municipal Government Energy Incubator; and the New Energy Section of the Poly Group of the Guangdong Provincial. These efforts resulted in recruiting 24 representatives, including Hainan Vice Governor Li Guoliang and his team of six people; the Chairman of the NDRC and his team of four, plus Keynote Speaker Zhou Fengqi, the Chairman of the China Academy of Energy under the NDRC, and private-sector participants from Beijing and Shanghai.

Attracting New Investment to Hawaii

Staff continued to work with Mr. Paul Yu, President of Kalakaua 1723 LLC, to locate six Chinese investors to each invest \$1 million into a multi-use condominium project. Due to the lack of financial support from its principal lender, Hawaii Central Bank, there was a change of in the focus of the project, from private condos to senior housing. Staff assisted Mr. Yu and his staff in Beijing to complete one investment from China in 2009 with \$1 million.

During the year, staff worked to conclude an agreement between Chinese investor Mr. Ji Shang Rong, Chairman of the Board of Qingdao Zhong Lian Ying Di Real Estate Development Corporation, and the University of Hawaii to build the Confucius Institute at a cost of approximately US\$ 20 million. In August, staff arranged a meeting between UH Center for Chinese Studies Director Rosita Chang and Former Dean of the School of Architecture Raymond Yeh with Shandong investor Shanrong Ji in Qingdao. However, Mr. Ji had to re-evaluate his plans after learning that the Institute's location would not be on the UH campus. Staff also helped Mr. Ji purchase the W (Lotus) Hotel in Hawaii through Ms. Liu Xin, a Hawaii realtor, but this failed due to the difference on pricing. Mr. Ji is still in searching for hotels in Honolulu and Staff will continue to assist Mr. Ji in purchasing a hotel in Honolulu.

Promoting Hawaii's Visitor Industry

In 2009, high-end tourist arrivals from China increased to roughly 60,000 persons. Staff met with Ms. Shen Huirong, General Manager of Beijing High-Wing International Travel, Ltd., who would like to cater to high-end, well-traveled, Chinese tourists interested in visiting Hawaii. Staff provided her with information on condominium rental, car rental, golf and water sport activities.

In addition, staff published articles and participated in other media-related events, including a 36-page spread on Hawaii in *Vision* magazine, a high-end magazine in China; a live radio broadcast interview of Executive Director Bo Wu on Radio Beijing International Channel to promote Hawaii as a state for business, tourism and education; a *REACH* article on Hawaii; a *Global Travel* magazine interview of Executive Director Wu; and a *Sight* magazine article on Hawaii. *Sight* is a publication of China's National Development and Reform Commission and reaches 1,500 mayors in China.

In October, staff assisted a group of Hawaii's top musicians, including Moanalani and Keola Beamer, Raiatea Helm, Jeff Peterson, Chino Montero, Capella Williams and Steve Jones for their performance at the Beijing China World Hotel. The successful high-end "Hawaii Night" event attracted an audience of 400 people.

Hawaii Night

China World Hotel, Beijing presents an elegant evening celebrating the joyous spirit of the beautiful islands of Hawaii, with a gourmet gala dinner, fine wines and exciting performances from Hawaii's most celebrated musical artists.

北京中国大饭店为您呈现一场庆祝夏威夷群岛美好精神之盛大晚宴，美酒佳肴，精彩纷呈，更有夏威夷最著名音乐家为您献上精彩表演。

Private Circle tables are available at \$450 \$1,000 per table, good for 10 guests. Deluxe tables are available at \$350 \$400 per table, good for 10 guests. Individual seats also available.

For Hawaii Night table reservations and individual seat bookings, please contact China World Hotel, Beijing at telephone 100 8000 8000 or email Reservations.us@chinald.com

预订晚宴座位及团体预订，请致电北京中国大饭店，电话：100 8000 8000 或发送邮件至 Reservations.us@chinald.com

For information on Care for Children, please visit www.careforchildren.com.cn

如需更多资讯，请访问网站 www.careforchildren.com.cn

Care for Children
关爱儿童

While celebrating "Hawaii Night" at China World Hotel, Beijing, you will also be supporting the dedicated efforts of a charity which focuses on foster care for abandoned and orphaned children in China, as part of the evening's proceeds will be donated through Care for Children.

在庆祝夏威夷之夜的同时，您还将支持中国的一项慈善事业，为被遗弃和孤儿提供寄养服务。作为晚宴收入的一部分，将通过关爱儿童慈善机构进行捐赠。

Programme
节目单

Date: 19 October 2009 (Monday)

Programme:
6:00 pm Cocktail Reception
7:00 pm Welcome
7:15 pm Gala Dinner
8:30 pm Performance
9:00 pm Christiana Ballet
10:00 pm End of Dinner

Venue: Conference Hall, Level 1 at China World Hotel

Dress Code: Ladies and gentlemen - Aloha Attire or Ladies - Long Dress
Gentlemen - Black, Tie or Dark Suit

日期: 2009年10月19日 (周一)
时间: 6:00 鸡尾酒会
7:00 迎宾
7:15 晚宴
8:30 表演
9:00 芭蕾舞
10:00 晚宴结束

地点: 中国大饭店一楼大宴会厅

着装: 女士及男士: 夏威夷风格或 女士: 长礼服 男士: 晚礼服或深色西服

Hawaii Night in October Program.

Staff continued to facilitate the in-flow of visitors from China to Hawaii for meetings, conventions, exhibitions and other state-level or international-level events. These included an incentive group of 475 from Chinese Taikang Life Insurance Company organized by China Youth Travel Head Office in April; a 50-person incentive group from BMW China Co. in August; and a wedding group of Tianjin TV of 18 couples in November. These groups required staff to assist in visa support with the U.S. Embassy and U.S. Consulates in China.



In November, staff facilitated the visit of 18 couples who were married at the Sheraton Waikiki Resort. Tianjin TV taped the event.

In August, staff assisted the Kauai Visitors Bureau after an unfortunate death of a Chinese tourist occurred on the island. Staff worked with the US Embassy Beijing and the Consulate General Shanghai to facilitate an expedited visa interview for the tourist's son for an emergency trip to Hawaii.

Promoting Educational Opportunities and Educational Exchanges

In 2009, staff assisted nearly 100 Chinese officials and business executives for short-term training programs in Hawaii. This year, training programs were hindered by several factors, including tighter restrictions from the Chinese Government for official travel; the impact of the economic crisis; and the H1N1 virus. Staff continued to meet with, and attend, events hosted by different organizations to promote Hawaii's short-term training programs. These included the Shanghai Zhujiajiao Economy and Development Company Ltd.; and the China Council for the Promotion of International Trade's (CCPIT) *China International Professional Training Forum*.

In September, staff assisted Ms. Diane Perushek of the University of Hawaii Manoa Office of International Programs and Exchange, with requests for revisions and an additional copy of their training partner certificate issued from China's State Administration of Foreign Experts Affairs (SAFEA). This certificate is given to designated training partners of SAFEA.

In February, staff met with several Chinese agencies, including the China Council for the Promotion of International Trade (CCPIT), to introduce the different programs that are available at the East West Center to their member companies and CCPIT staff. Staff met with Professor Hou Junjun of Hunan University, who was a visiting scholar at the East-West Center at the end of 2009, to advise him on his visa application and Hawaii insurance policies.

Throughout the year, staff worked to create and utilize opportunities for Hawaii high school students and teachers to visit cities in China for educational study tours, utilizing resources from the China Hawaii Education Exchange Consortium. Beijing UNESCO gave staff information about their study/cultural-tours in China for foreign students, and these were passed on to the Consortium. CITIC Travel Guangdong also provided itineraries for Hawaii students to do home-stay programs in Guangdong.



Education & Training Coordinator Niki Shishido (left) participated in numerous fairs and exhibitions to attract Chinese students to Hawaii’s educational institutions. *Study Hawaii* (right) listed various study opportunities in the state.

Staff promoted the Study Hawaii Group at various education exhibitions throughout China to attract more students to study in Hawaii and inform the people of China about Hawaii’s educational capabilities. Staff assisted such Hawaii participants as the University of Hawaii Manoa, the University of Hawaii Shidler College of Business, and Leeward Community College. Staff visited with the Western Academy of Beijing, a private high school for foreign students in Beijing, to promote the Group. Staff was also approached by CITIC Travel Hunan for Hawaii’s undergraduate program information for distribution to “key-high schools” in Hunan.

During the year, staff increased the quality and quantity of special projects between educational institutions in Hawaii and China to build and maintain relationships in education between Hawaii and China. These included internship placement programs, joint-school ventures, meetings in China, etc. Specifically, staff organized a Hawaii education institution presentation and site visits for a group of education agents organized by the U.S. Commercial Service Shanghai; and coordinated a visit from representatives from Guizhou Normal University to the University of Hawaii Manoa and Brigham Young University Hawaii to develop joint programs in tourism and student and faculty exchange.

In addition, staff met with representatives from Hawaii’s educational institutions to discuss individual goals for the China market; assistance with meeting arrangements; networking; and recruitment for programs. These included University of Hawaii International Recruitment Coordinator Wendy Chen; East-West Center President Charles Morrison, Director of Education Program Terrance Bigalke, Director of Strategic Planning & Partnerships Carol Fox, ; Leeward Community College Director of International Programs Becky George; Pacific Forum CSIS Program Officer Victoria Hart, and others.

In January, staff met with representatives of Champion Dance School Beijing, who were interested in traveling to Hawaii to learn hula. They were also interested in bringing *kumu hula* from Hawaii to Beijing for workshops. Later in the year, staff met with School officials to discuss opportunities, and in November, introduced *kumu hula* Hoku Nihipali to Champion for potential cooperative programs.

In October, staff assisted Beijing Fitbank Surf Club to arrange meetings with surf schools in Hawaii for long-term cooperation in training.

Staff helped promote Brigham Young University/Hawaii Campus' English-as-a-Second Language Summer and Winter camps to several travel agents in Beijing. In addition, staff assisted a new Hawaii Pacific University initiative for a new joint program with HPU and Beijing Jiaotong University by facilitating six students, plus one teacher from Beijing, to attend the University for one year.

Staff created summer internship placements in Beijing for Freeman Scholarship students, but due to their visa expiration date, they were asked to leave the country earlier than originally planned and they were not able to participate in the internships. Staff attempted to assist Kapiolani Community College Freeman Scholarship Program Director Joe Overton with extending visas for the students; however, because of increased visa regulations due to the expiration dates coinciding with the Beijing Olympics, the visas could not be extended. Instead, staff arranged for a site visit to a Beijing multi-media/graphics studio--Xing Xing Digital Corporation--and organized meetings with Hawaii entrepreneur Michael Chan, who now resides in Beijing.

Staff also created two-week internships positions at the Office for two Freeman Scholarship students who did not have visa issues. They assisted staff with a Shanghai company interested in bringing water-emulsified diesel technology to Hawaii.

Staff helped with the drafting of an education agreement between the State of Hawaii Department of Education and the Guangdong Provincial Board of Education, and coordinated the signing ceremony which was witnessed by Lieutenant Governor Aiona and Guangdong Province Vice-Governor Wang Qingliang. Since then, staff has met with such Guangdong-based companies as CITIC Travel Guangdong and 21st Century Media, to discuss efforts to send Guangdong students to Hawaii or create programs to receive Hawaii students in Guangdong.

Beijing: 2009 RESULTS AT A GLANCE

ACTIVITY	DATE	HAWAII REVENUES GENERATED	NUMBER OF PERSONS OR AUDIENCE
INCREASING HAWAII EXPORTS			
Product/Service Exported			
Engagement of “Hawaii House” project led by China’s Ministry of Commerce to export Hawaii-made products/services in China.	5/2009 – present	N/A	
Pan Pacific Enterprises Group, Hawaii: Sale of Simple Green product to Beijing International Airport		US\$60,000.00	
US Alliance: legal advice and assistance to former Director of Planning of City and County of Honolulu Mr. Gary Yee	7/2009	Over \$100,000.00	
ATTRACTING TOURISM			
BMW China Incentive Group: 50 person incentive group stayed in Hawaii for one week	3/2009	US\$61,250.00	50 employees
Taikang Life Insurance Incentive Group: Organized by China Youth Travel Service group of 475 employees visited Hawaii for five days to attend the annual Taikang Life Insurance Gala and Award Ceremony.	4/2009	US\$581,875.00	475 employees
Tianjin TV Wedding Group: 36 person delegation to Hawaii for group wedding ceremony; stay of 5 days; publicizing Hawaii’s wedding service to mainland China	11/2009	US\$44,100.00	36 people

<i>Sight</i> magazine: 2 page editorial on Hawaii highlighting the Asia Pacific Clean Energy Summit and Expo, business, education and tourism; publication by China's National Development and Reform Commission and distributed to 1,500 mayors throughout China.	3/2009	US\$8,000.00	1,500+ readers
<i>Global Travel</i> magazine: interview of Executive Director highlighting the Asia Pacific Clean Energy Summit and Expo, business, education and tourism;	7/2009	US\$5,000.00	Audience of 500,000+
<i>Hawaii Night</i> at China World Hotel Beijing: Hawaii-theme night showcasing six of Hawaii's most famous musicians/performers.	10/2009		400 attendees
Hainan Television Broadcast Station: 30-minutes of film showcasing Hawaii's tourism locations and clean energy initiatives	10/2009	US\$15,000.00	2,500,000 estimated viewers
ATTRACTING INVESTMENT			
Mr. Paul Yu: senior housing project investment	2009	\$1,000,000.00	
DEVELOPING & EXPANDING LINKAGES WITH GOVERNMENT & EDUCATION			
Tsinghua University CEO Club training program at UH Shidler College of Business	3/2009	US\$35,600.00 training fees plus travel expense	40 trainees; 2 days of training
US Commercial Service Shanghai organized education agents to Hawaii for presentation on Hawaii educational institutes and site visits to Leeward Community College and UH Manoa	6/2009	US\$7,500.00	10 member delegation

Guizhou Normal University delegation led by President Wu Pengcheng to UH Manoa and BYUH for discussions on cooperation and training on sustainable tourism development and protecting and utilizing indigenous cultures for tourism	6/2009	US\$7,350.00	6 member delegation
Dr. Kate Zhou's two high school students to attend Kaiser High School 2009-2010 school year; assisted with visa support	8/2009	US\$40,000.00	2 students
<i>China International Professional Training Forum</i> : organized by China Council for the Promotion of International Trade (CCPIT); distribution of "Hawaii: Your Training Partner" brochures	9/2009		Over 50 organizations present
Tsinghua University CEO Club training program at UH Shidler College of Business	11/2009	US\$26,700.00 training fees plus travel expense	30 trainees, 2 days (10 hours)
Shanghai Municipal Tourism Administration Bureau training program at UH TIM School	12/2009	US\$42,125.00 training fees plus travel expenses	25 trainees, 5 days (12.5 hours)

Beijing Office Expenditures FY 2009

Description	Paid from General Funds	Paid from Funds in MDCP Account	ROW TOTAL
Director's contract	31,200.00	21,893.88	53,093.88
Assistant's salary	8489.22	7088.91	15578.13
Office rent	13898.99	9893.87	23792.86
Off. Management fee	2770.22	1971.96	4742.18
Off. storage	415.38	295.68	711.06
Internet line fee	703.87	584.06	1287.93
Office janitorial ser.	1054.15		1054.15
Lunch coupon	834.98		834.98
Bank transfer fee	6.26	5.72	11.98
Utilities	476.67	485.19	961.86
Phones/Fax/Long dist.	4088.78	2135.88	6224.66
Mobile phone	864.72		864.72
Postage	633.44		633.44
Freight & delivery chrg			0
Office supplies	452.53		452.53
Office equipment			0
Taxi fare	140.98		140.98
Lunch meetings	2792.36	1792.09	4584.45
Miscellaneous exp.	1819.68	374.9	2194.58
Membership fees	733.54	294.61	1028.15
Printing	2002.05	4074.32	6076.37
Out/state travel exp.	682.44		682.44
Intrastate travel exp.			0
Protocol/Gifts			0
Marketing			0
Promotion/others			0
Seminar/others			0
Advertisement			0
Translation fee	124.81		124.81
Reimb: out-of-pocket exp.		249	249
Reimb: health ins.		948	948
Office related rental		118.49	118.49
Column total	74,185.07	52,206.56	126,391.63

3. CONTACT INFORMATION



Alex Lei



Bo Wu

<u>Taipei</u>	<u>Beijing</u>
<p>Mr. Alex Lei Executive Director</p> <p>Mr. James Lai Office Manager</p> <p>Address:</p> <p>Taipei World Trade Center Exhibition Hall 5 Hsin Yi Road, Section 5 Suite 7G-07 Taipei, Taiwan</p> <p>Phone: 886-2-2723-0017 Fax: 886-2-2723-0229 Email: alexlei_taiwan@dbedt.hawaii.gov</p>	<p>Mr. Bo Wu Executive Director</p> <p>Ms. Niki Shishido Education & Training Coordinator</p> <p>Address:</p> <p>COFCO Plaza, Suite 606, Tower A 8 Jianguomennei Avenue Beijing 100005 People's Republic of China</p> <p>Phone: 861-0 6527 7530 X 15 Fax: 861-0-6527-7531 Email: bowu@263.net</p>

