

## Section 24

# FOREIGN AND INTERSTATE COMMERCE

This section includes data on the flow of goods, services, and capital between Hawaii and the rest of the world, with particular emphasis on trade and investment involving foreign countries.

Imports to Hawaii from foreign nations rose from \$1.2 billion in 1978 to \$1.8 billion in 1988. Exports to foreign countries amounted to only \$138 million in 1978, but by 1988 reached \$573 million. These figures, it should be noted, refer to merchandise imports and exports through the Honolulu Customs District. They do not necessarily represent exports of commodities originating in Hawaii, nor imports for direct consumption within the State. Adjusted for actual origin and destination, Hawaii imports in 1988 were \$1.1 billion; exports, \$131 million.

Trade with the Mainland United States has similarly risen in the past decade. Merchandise received from the Mainland increased from \$2.9 billion in 1977 to \$6.7 billion in 1987. Estimates of the value of merchandise shipped to the Mainland are no longer available.

Among the foreign nations, Hawaii's leading trading partner in 1987 was Japan for both imports and exports. Imports for consumption from Japan amounted to \$464 million, or 30 percent of the total, while exports to Japan reached \$105 million or 27 percent of all foreign exports. Almost half of all imports for consumption were petroleum and natural gas products and monolithic integrated circuits.

Honolulu Foreign Trade Zone No. 9 handled merchandise valued at \$57 million in fiscal 1988. Merchandise handled by Subzone No. 9A, the PRI refinery, was valued at \$866 million, almost all of it in petroleum and petroleum products. The other three subzones accounted for a combined total of \$371 million.

Foreign-owned businesses in Hawaii had property, plant, and equipment with a gross book value of \$3.2 billion in 1987, owned 57,000 acres, and employed 22,400 persons. Foreign investments in Hawaii between 1959 and 1987 totaled \$4.7 billion, four-fifths of it Japanese. During the 15-month period ended in March 1988, Japanese investors spent \$890 million on Hawaiian real estate.

Sources for statistics on interstate and foreign commerce include the U.S. Bureau of the Census and Bureau of Economic Analysis, Foreign Trade Zone No. 9 and its four subzones, and the DBED Trade and Industry Development Branch. Further information is found in waterborne cargo data by origin and destination, compiled by the Army Corps of Engineers and cited in Section 18.

Comparable data for the nation as a whole appear in Section 29 of Statistical Abstract of the United States: 1989. Long-term Island trends are summarized in Historical Statistics of Hawaii, Section 21.

Table 674.-- INTERSTATE AND FOREIGN TRADE: 1970 TO 1988

[Merchandise imports and exports, foreign and domestic, in millions of dollars. For 1958-1969, see Data Book 1987, table 713]

Year	Merchandise imports					Merchandise exports, total <u>1/</u>
	Total	Domestic			Foreign	
		Total	Waterborne	Air <u>1/</u>		
1970 .....	1,431.5	1,256.8	1,172.5	84.3	174.7	349.4
1971 .....	1,258.1	1,034.6	888.7	145.9	223.6	380.8
1972 .....	1,462.5	1,218.8	1,082.2	136.6	243.7	365.0
1973 .....	1,892.9	1,578.0	1,460.1	117.9	314.9	493.9
1974 .....	2,510.0	1,962.9	1,825.0	137.8	547.2	1,017.9
1975 .....	2,843.0	2,044.8	1,872.8	172.0	798.2	844.7
1976 .....	3,310.8	2,488.8	2,269.2	219.5	822.0	903.6
1977 .....	3,792.1	2,885.1	2,648.3	236.8	907.1	938.4
1978 .....	4,146.1	3,140.9	2,890.0	251.0	1,005.2	1,044.7
1979 .....	5,001.2	3,897.0	3,636.9	260.1	1,104.3	1,182.3
1980 .....	6,239.4	4,779.7	4,577.9	201.9	1,459.7	1,569.2
1981 .....	6,241.3	4,716.1	4,500.2	215.9	1,525.2	1,289.2
1982 .....	5,933.8	4,700.3	4,478.8	221.5	1,233.5	1,333.4
1983 .....	6,461.8	5,096.3	4,856.6	239.7	1,365.5	1,440.7
1984 .....	6,568.0	5,309.4	5,047.9	261.5	1,258.6	1,419.8
1985 .....	6,981.2	5,564.2	5,290.2	274.0	1,417.0	1,336.3
1986 .....	7,718.5	6,120.8	5,819.8	301.0	1,597.7	1,389.8
1987 .....	8,604.6	6,685.8	6,376.0	309.8	1,918.8	1,445.3
1988 .....	9,908.0	7,510.3	7,173.4	336.9	2,397.7	1,503.2

1/ Not available separately for foreign and domestic exports.

Source: Hawaii State Department of Business and Economic Development, Hawaii Gross State Product Accounts: 1958 to 1985; Summary Estimates: 1986, 1987, and 1988 (1989).

Table 675.-- FOREIGN TRADE THROUGH THE HONOLULU CUSTOMS DISTRICT:  
1984 TO 1988

[Value, in millions of dollars, of U.S. imports and exports entered or exported through the Honolulu Customs District. The data may include imports intended for consumption on the Mainland and exports originated on the Mainland]

Subject	1984	1985	1986	1987	1988
General imports <u>1/</u> .....	1,614.2	1,756.3	1,556.9	1,770.1	1,839.6
Imports for consumption <u>1/</u> ..	1,397.9	1,553.1	1,425.4	1,558.6	1,559.1
Exports of foreign and domestic merchandise <u>2/</u> ...	316.9	388.8	231.1	392.8	572.6

1/ Customs value basis. Excludes vessels under their own power or afloat and shipments valued under \$251.

2/ Totals are on f.a.s. (free alongside ship) basis.

Source: U.S. Bureau of the Census, Highlights of U.S. Export and Import Trade, FT990, cumulative totals in December issues.

Table 676.-- FOREIGN TRADE THROUGH THE HONOLULU CUSTOMS DISTRICT, BY  
METHOD OF TRANSPORTATION: 1988

[See headnote to preceding table]

Category	Value <u>1/</u> (million dollars)			Shipping weight (million lb.)	
	Total <u>2/</u>	Vessel	Air	Vessel	Air
General imports ...	1,839.6	984.0	993.6	8,589.7	32.4
Exports .....	572.6	106.6	239.9	1,154.0	39.4

1/ Customs value basis for imports; f.a.s. (free alongside ship) value basis for exports. See source for definitions.

2/ Includes categories not tabulated by method of transportation, not shown separately.

Source: U.S. Bureau of the Census, Highlights of U.S. Export and Import Trade, FT 990, December 1988, tables A-5 and B-9.

Table 677.-- IMPORTS AND EXPORTS, BY CUSTOMS DISTRICT AND STATE OF ORIGIN AND DESTINATION: 1987 AND 1988

[In millions of dollars]

Subject	1987	1988
General imports (c.i.f. value basis):		
Entered through Honolulu Customs District .....	1,863.6	1,937.8
Destined for Hawaii <u>1/</u> .....	801.6	1,117.6
Exports (f.a.s. value basis):		
Cleared through Honolulu Customs District .....	392.8	572.6
Originated in Hawaii <u>1/</u> .....	151.7	130.7

1/ Includes commodities through customs districts other than Honolulu. Not available before 1987.

Source: U.S. Bureau of the Census, Highlights of U.S. Export and Import Trade, December 1987, FT 990 (June 1988), tables A-11, B-6, and C-10; Highlights of U.S. Export and Import Trade, December 1988, FT 990 (June 1989), tables A-5 and B-9; and records.

Table 678.-- IMPORTS AND EXPORTS THROUGH THE HONOLULU CUSTOMS DISTRICT,  
BY REGION OF ORIGIN OR DESTINATION: 1986 AND 1987

[In dollars. Includes all foreign trade through the Honolulu Customs District, and thus may include imports intended for consumption in other States or exports originated in other States. Excludes imports intended for consumption in Hawaii but entering through other customs districts, and exports originated in Hawaii but shipped through other customs districts]

Region	Imports for consumption		Exports of domestic merchandise	
	1986	1987	1986	1987
All regions .....	1,425,448,868	1,558,625,780	231,101,886	392,820,689
Africa .....	375,080	5,518,006	301,707	4,870
Asia .....	1,168,353,226	1,376,898,490	130,866,667	244,820,744
Australia and Oceania ...	169,165,412	91,661,864	75,424,684	115,769,567
Europe .....	58,231,214	50,938,574	7,482,684	7,377,732
Latin America <sup>1/</sup> .....	5,366,518	3,804,159	624,613	4,324,136
North America <sup>2/</sup> .....	23,957,418	29,804,687	16,401,531	20,523,640

<sup>1/</sup> Includes Central and South America, Bermuda, and the Caribbean.

<sup>2/</sup> Excluding Latin America.

Source: Hawaii State Department of Business and Economic Development, International Services Branch, Hawaii's Foreign Trade, A Statistical Digest (annual). Compiled from U.S. Bureau of the Census tapes.

Table 679.-- IMPORTS AND EXPORTS THROUGH THE HONOLULU CUSTOMS DISTRICT,  
TOTAL AND BY LEADING COUNTRIES OF ORIGIN OR DESTINATION: 1987

[See headnote to preceding table]

Country	Total	Imports for consumption	Exports of domestic merchandise
All countries .....	1,951,446,469	1,558,625,780	392,820,689
Japan .....	569,382,241	464,219,638	105,162,603
Singapore .....	283,654,671	279,225,628	4,429,043
Indonesia .....	231,593,376	228,051,979	3,541,397
Taiwan .....	168,680,862	157,969,962	10,710,900
Australia .....	140,349,623	66,087,927	74,261,696
Philippines .....	113,883,544	111,911,043	1,972,501
Korea, Republic of .....	112,898,509	52,395,301	60,503,208
China, People's Republic of .	53,589,911	16,655,072	36,934,839
Hong Kong .....	52,048,310	31,406,090	20,642,220
Canada .....	50,324,274	29,800,634	20,523,640
New Zealand .....	34,723,802	23,539,597	11,184,205
Malaysia .....	18,157,329	18,152,329	5,000
France .....	16,025,298	15,459,455	565,843
Marshall Islands .....	13,156,746	34,038	13,122,708
Papua New Guinea .....	8,997,470	125,671	8,871,799
Italy .....	8,641,005	8,375,609	265,396
Netherlands .....	7,549,952	2,828,609	4,721,343
Thailand .....	7,024,422	6,158,139	866,283
United Kingdom of Great Britain & Northern Ireland	6,496,921	5,708,508	788,413
Saudi Arabia .....	5,127,927	5,125,908	2,019
Denmark .....	4,999,807	4,999,807	-
Seychelles .....	4,968,989	4,968,989	-
Falkland Islands (Islas Malvinas) .....	4,176,978	-	4,176,978
Germany, Federal Republic of	3,868,698	3,707,497	161,201
Southern Pacific Islands ....	3,702,766	1,690	3,701,076

Source: Hawaii State Department of Business and Economic Development, International Services Branch, Hawaii's Foreign Trade 1987, A Statistical Digest, International Business Series No. 53 (July 1988), table 2. Compiled from U.S. Bureau of the Census tapes.

Table 680.-- IMPORTS AND EXPORTS THROUGH THE HONOLULU CUSTOMS DISTRICT,  
BY COMMODITY CLASSIFICATION: 1987

[See headnote to table 678]

Commodity	Imports for consumption	Exports of domestic mdse.
All commodities .....	1,558,625,780	392,820,689
Animal and vegetable products .....	94,195,329	44,177,795
Wood and paper; printed matter .....	25,791,308	10,151,877
Textile fibers and products .....	40,691,411	1,376,979
Chemicals and related products .....	363,278,114	50,850,059
Crude petroleum, fuel oils .....	326,864,454	40,033,443
Other chemicals and related products .....	36,413,660	10,816,616
Nonmetallic minerals and products .....	20,550,474	715,863
Metals and metal products .....	845,503,409	249,818,458
Integrated circuits .....	444,559,280	1,024,827
Motor vehicles .....	308,851,723	3,001,691
Aircraft and spacecraft .....	646,410	168,454,936
Other metals and metal products .....	91,445,996	77,337,004
Specified miscellaneous products .....	154,873,003	31,089,769
Special classification provisions .....	13,742,732	4,639,889

Source: Hawaii State Department of Business and Economic Development, International Services Branch, Hawaii's Foreign Trade 1987, A Statistical Digest (International Business Series No. 53, July 1988), tables 7, 10, 20, and 22.

Table 681.-- FOREIGN-TRADE ZONE AND SUBZONE OPERATIONS: 1985 TO 1988

[Years ended September 30]

Subject	1985	1986	1987	1988
Zone No. 9:				
Firms using zone .....	229	302	400	386
User employment at zone 1/ ...	218	200	299	216
Value of merchandise (\$1,000):				
In/out .....	39,376	53,890	72,951	57,241
Exports .....	6,196	6,416	10,070	12,026
Revenue (\$1,000) .....	1,123	1,283	1,220	1,247
Expenditures (\$1,000) .....	1,059	1,102	1,052	1,119
Subzone No. 9-A:				
User employment at subzone 1/	212	210	213	233
Merchandise, in/out:				
Quantity (1,000 short tons)	7,680.5	7,717.5	8,107.9	8,581.0
Value (million dollars) ....	1,450.5	922.3	861.0	865.9
Exports:				
Quantity (1,000 short tons)	2,075.3	1,560.0	1,825.0	1,782.7
Value (million dollars) ....	402.6	198.4	196.2	186.0
Subzone No. 9-B:				
User employment at subzone 1/	...	6	7	17
Value (\$1,000):				
Merchandise, in/out .....	...	448	1,556	4,724
Exports .....	...	220	778	2,372
Subzone No. 9-C:				
User employment at subzone 1/	...	2,400	2,000	2,071
Value (million dollars):				
Merchandise, in/out .....	...	300.8	267.3	273.7
Exports .....	...	16.2	16.0	16.5
Subzone No. 9-D:				
User employment at subzone ...	...	1,000	1,250	1,250
Value (\$1,000):				
Merchandise, in/out .....	...	23,646	73,988	92,444
Exports .....	...	124	1,756	3,149

1/ For firms occupying facilities on a continuing basis only.

Source: Hawaii State Department of Business and Economic Development, Foreign-Trade Zone No. 9, annual reports and records.



Table 682.-- EMPLOYMENT AND PROPERTY, PLANT AND EQUIPMENT OF HAWAII  
AFFILIATES OF FOREIGN COMPANIES: 1986 AND 1987

[Data for Hawaii nonbank affiliates of U.S. business enterprises owned  
10 percent or more, directly or indirectly, by a foreign person]

Subject	1986	1987
Employment, by country of ultimate beneficial owner (1,000) ..	18.4	22.4
Canada .....	.7	.7
United Kingdom .....	1.3	.4
Other Europe .....	.5	.6
Latin America, Africa, Middle East .....	2.1	1.5
Asia and Pacific .....	13.7	19.2
Australia .....	1.1	1.4
Japan .....	10.9	15.8
Property, plant, and equipment (million dollars) .....	2,013	3,203
Manufacturing .....	...	92
Commercial .....	...	2,744
Used or operated by affiliate .....	...	1,913
Leased or rented to others .....	...	831
Other .....	...	366
Commercial property, by country of ultimate beneficial owner (million dollars) .....	...	2,744
Canada .....	...	31
United Kingdom .....	...	60
Other Europe .....	...	8
Latin America, Africa, Middle East .....	...	10
Asia and Pacific .....	...	2,636
Australia .....	...	60
Japan .....	...	2,467
Land owned (1,000 acres) .....	52	57

Source: U.S. Department of Commerce, Bureau of Economic Analysis, "U.S. Affiliates of Foreign Companies: 1987 Benchmark Survey Results," Survey of Current Business, July 1989, pp. 116-139.

Table 683.-- EMPLOYMENT AND SHIPMENTS RELATED TO MANUFACTURED EXPORTS: 1985 AND 1986

Subject	1985	1986
Employment related to manufactured exports .....	5,300	5,300
Percent of civilian employment .....	1.1	1.1
Manufacturing industries .....	800	700
Direct export related .....	300	200
Supporting exports .....	500	500
Nonmanufacturing industries .....	4,500	4,600
Trade .....	3,500	3,600
Other .....	1,000	1,000
Value of export related manufacturers' shipments <u>1/</u> .....	469.9	317.9
Percent of total manufacturers' shipments .....	13.5	10.3
Direct exports <u>1/</u> .....	352.4	214.3
Supporting exports <u>1/</u> .....	117.5	103.6

1/ Million dollars.

Source: U.S. Bureau of the Census, "Exports from Manufacturing Establishments: 1985 and 1986," Manufacturing Analytical Report Series, AR86-1 (1989), pp. 20-23.

Table 684.-- JAPANESE OWNERSHIP OF HOTELS, BY ISLANDS: MARCH 1988

Subject	State total	Ha-waii	Maui	Lanai	Molo-kai	Oahu	Kauai
Number of hotels ...	43	8	4	-	1	28	2
Number of units ....	19,276	2,384	2,338	-	292	13,453	809
Percent <u>1/</u> .....	28.7	31.4	17.4	0	51.4	34.0	13.6

1/ Percent of all units, including condominium accommodations in rental pools for transient use.

Source: Hawaii Visitors Bureau, "List of Japanese Owned Hotels in Hawaii (March, 1988)," unpublished tables.

Table 685.-- AGRICULTURAL LANDHOLDINGS OF FOREIGN OWNERS:  
DECEMBER 31, 1987 AND 1988

Subject	1987	1988
Parcels owned by foreigners .....	46	50
Individuals .....	14	15
Organizations .....	32	35
Acres owned by foreigners .....	52,860	53,895
Percent of all privately owned agricultural land <u>1/</u> ...	2.7	2.7
Individuals .....	543	548
Organizations .....	52,317	53,347
Value of foreign-owned agricultural land (\$1,000):		
At time of acquisition .....	53,212	71,162
Adjusted current value .....	38,704	57,702

1/ The 1988 percent for Hawaii ranked third among the 50 States, exceeded only by Maine (9.6 percent) and Oregon (3.1), and well above the national percentage (1.0).

Source: U.S. Department of Agriculture, Economic Research Service, Foreign Ownership of U.S. Agricultural Land Through December 31, 1988 (Staff Report No. AGES 880314, April 1988), pp. 5, 8, and 11, and Foreign Ownership of U.S. Agricultural Land Through December 31, 1988 (Staff Report No. AGES 89-14, April 1989), pp. 5, 8, and 11.

Table 686.-- FOREIGN INVESTMENTS IN HAWAII, TOTAL AND  
 JAPANESE: ANNUALLY, PRE-1970 TO JUNE 1989

[In thousands of dollars. Data are estimates based on incomplete reporting, and do not include undisclosed amounts]

Year	Total foreign investments	Investments by Japanese
Total completed .....	7,521,231	6,008,824
1970 and earlier years .....	48,770	44,970
1971-1975 .....	452,069	327,869
1976 .....	120,740	55,940
1977 .....	32,200	17,800
1978 .....	44,500	13,500
1979 .....	297,470	165,250
1980 .....	124,485	80,100
1981 .....	108,775	70,800
1982 .....	629,880	489,880
1983 .....	141,176	134,900
1984 .....	206,600	116,000
1985 .....	139,724	120,654
1986 .....	1,151,354	1,107,854
1987 .....	1,238,225	1,039,225
1988 .....	1,766,563	1,627,582
1989, January-June .....	1,018,700	596,500
Future investments .....	1,604,800	1,265,800

Source follows table 688.

Table 687.-- FOREIGN INVESTMENTS IN HAWAII, BY COUNTRY OF INVESTOR:  
PRE-1970 TO JUNE 1989

[In thousands of dollars. Data are estimates based on incomplete reporting, and do not include undisclosed amounts]

Country of investor	Pre-1970 through June 1989	1987	1988	1989: Jan.- June
All countries .....	7,521,231	1,238,225	1,776,563	1,018,700
Australia .....	636,381	57,900	68,581	400,000
Bermuda .....	500	-	-	-
British West Indies ...	575	-	-	-
Canada .....	179,570	2,700	(NA)	22,200
Cayman Islands .....	8,500	(NA)	(NA)	-
France .....	15,900	-	-	(NA)
Hong Kong .....	291,895	(NA)	60,000	(NA)
Indonesia .....	82,000	82,000	-	-
Japan .....	6,008,824	1,039,225	1,627,582	596,500
Korea, Republic of ....	11,550	(NA)	-	-
Netherlands .....	19,600	3,400	-	-
Netherlands Antilles ..	17,735	-	-	-
New Zealand .....	38,400	23,000	10,400	-
Taiwan .....	13,500	-	-	-
United Kingdom .....	193,801	30,000	(NA)	-
Vanuatu .....	2,500	-	-	-

NA Not available.  
Source follows table 688.

Table 688.-- FOREIGN INVESTMENTS IN HAWAII, BY TYPE OF INVESTMENT:  
PRE-1970 TO JUNE 1989

[In thousands of dollars. Data are estimates based on incomplete reporting, and do not include undisclosed amounts]

Type of investment	Pre-1970 through June 1989		All countries		
	All countries	Japanese investments	1987	1988	1989: Jan.-June
All types .....	7,521,231	6,008,824	1,238,225	1,776,563	1,018,700
Agriculture.....	43,700	4,900	1,600	11,000	(NA)
Banks .....	28,801	17,001	-	382	2,900
Condominiums .....	751,550	501,450	90,800	136,550	23,750
Golf courses .....	114,550	114,550	-	5,250	-
Hotels .....	3,274,501	3,029,320	659,370	921,031	110,200
Manufacturing .....	444,330	32,830	23,500	(NA)	400,000
Other real estate ....	2,470,680	2,103,075	419,785	636,800	476,850
Restaurants .....	44,245	40,520	5,770	4,200	-
Retailing, wholesaling	70,029	63,804	(NA)	4,350	(NA)
Science, education ...	87,201	7,500	33,400	-	(NA)
Miscellaneous .....	191,644	93,874	4,000	47,000	5,000

NA Not available.

Source: Hawaii State Department of Business and Economic Development,  
Trade and Industry Development Branch, A Listing of Foreign Investments in  
Hawaii, Mid-Year Report, June 30, 1989, pp. 87-89.

Table 689.-- JAPANESE INVESTMENT IN HAWAII REAL ESTATE, BY LOCATION  
AND PROPERTY USE: JANUARY 1987 TO MARCH 1988

[Million dollars]

Location	Amount	Property use	Amount
State total .....	890	Improved residential .....	288
		Apartment, hotel .....	266
Oahu .....	742	Commercial .....	131
Honolulu .....	668	Industrial .....	20
Waikiki .....	293	Agricultural .....	38
Waialae, Kahala ....	135	Conservation .....	28
Other .....	241	Resort/hotel .....	114
Rest of island .....	73	Unimproved residential .....	3
Other islands .....	148	Unknown .....	3

Source: University of Hawaii, Hawaii Real Estate Research and Education Center, A Preliminary Statistical Evaluation of Japanese Investment in Hawaii Real Estate: January 1987 to March 1988 (June 8, 1988).

Table 690.-- JAPANESE INVESTMENT IN REAL ESTATE, FOR THE UNITED STATES, HAWAII  
AND HONOLULU METROPOLITAN STATISTICAL AREA: 1988 AND EARLIER YEARS

Period	United States (bil. dol.)	Hawaii		Honolulu MSA	
		Amount (bil. dol.)	Rank	Amount (mil. dol.)	Rank
1987 .....	12.77	3.33	1	(NA)	(NA)
1988 .....	16.54	1.83	4	1,325	4
Cumulative:					
Through 1987 ...	26.34	7.24	1	4,420	3
Through 1988 ...	42.88	9.07	(NA)	5,745	(NA)

NA Not available.

Source: Kenneth Leventhal & Company, 1988 Japanese Investment in United States Real Estate (1989), pp. 1, 7, and 10.