

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.

Hawaii's imports from foreign nations increased from \$1.7 billion in 1982 to \$2.4 billion in 1992. Exports to foreign countries amounted to only \$219 million in 1982, but by 1992 reached \$604 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. Exports actually originating in Hawaii, first compiled for 1987, totaled only \$206 million in 1992.

Trade with the Mainland United States has similarly risen in the past decade. Merchandise received from the Mainland increased from \$4.8 billion in 1980 to \$8.8 billion in 1990. Estimates of the value of merchandise shipped to the Mainland are no longer available.

Among foreign nations, Hawaii's leading trading partner in 1989, both for imports and exports, was Japan. Imports for consumption from Japan amounted to \$452 million, or 23 percent of the total, while exports to Japan reached \$222 million or 41 percent of all foreign exports. Almost one-fourth of all imports for consumption were petroleum and other mineral fuels and products.

Honolulu Foreign Trade Zone No. 9 handled merchandise valued at \$65 million in fiscal 1992. Merchandise handled by Subzone No. 9A, the PRI refinery, was valued at \$1.1 billion, almost all of it in petroleum and petroleum products. The other four subzones accounted for a combined total of \$727 billion.

Foreign-owned businesses in Hawaii had property, plant, and equipment with a gross book value of \$10.7 billion in 1990 and employed 53,000 persons. Foreign investments in Hawaii between 1959 and 1992 totaled \$14 billion, over five-sixths of it Japanese.

Sources for statistics on interstate and foreign commerce and foreign investment include the U.S. Bureau of the Census and Bureau of Economic Analysis, Foreign Trade Zone No. 9 and its subzones, the DBEDT Business Development and Marketing Division, and Kenneth Leventhal & Co. Further information is found in waterborne cargo data 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: 1993*. Long-term Island trends are summarized in *Historical Statistics of Hawaii*, Section 21.

Table 24.1-- INTERSTATE AND FOREIGN TRADE: 1970 TO 1990

[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.....	6,552.3	4,796.0	4,506.9	289.1	1,756.3	1,314.3
1986.....	6,557.1	5,131.6	4,724.0	407.7	1,425.4	1,429.4
1987.....	7,468.9	5,910.3	4,465.4	445.0	1,558.6	1,452.9
1988.....	9,298.4	7,459.9	7,029.8	430.2	1,838.5	1,467.6
1989.....	10,062.3	8,076.1	7,606.5	469.6	2,393.7	1,509.2
1990.....	10,945.5	8,784.9	8,281.1	503.9	2,613.5	1,617.4

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* (June 1989), and records.

Table 24.2-- FOREIGN TRADE THROUGH THE HONOLULU CUSTOMS DISTRICT: 1982 TO 1992

[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]

Year	General imports <u>1/</u>	Imports for consumption <u>1/</u>	Exports of foreign and domestic merchandise <u>2/</u>
1982	1,732.7	1,509.4	219.0
1983	1,828.0	1,433.5	203.3
1984	1,614.2	1,397.9	316.9
1985	1,756.3	1,553.1	388.8
1986	1,556.9	1,425.4	231.1
1987	1,770.1	1,558.6	392.8
1988	1,839.6	1,559.1	572.6
1989	1,970.1	1,735.9	537.4
1990	2,260.6	2,100.3	512.2
1991	1,620.9	1,892.4	568.3
1992	2,395.8	2,119.8	604.2

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, 1982-1988; *U.S. Merchandise Trade: Selected Highlights*, FT920, December 1989 to 1992.

**Table 24.3-- FOREIGN TRADE THROUGH THE HAWAII CUSTOMS
DISTRICT, BY CLASSIFICATION: 1991 AND 1992**

[In millions of dollars]

Classification	1991	1992
General imports by district of entry:		
Customs value <u>1/</u>	1,620.91	2,395.77
C.i.f. value <u>2/</u>	1,698.33	2,510.07
General imports by district of unloading:		
Customs value <u>1/</u>	2,254.18	2,733.60
C.i.f. value <u>2/</u>	2,375.10	2,866.43
Imports for consumption by district of entry (customs value <u>1/</u>).....	1,892.43	2,119.77
Exports of domestic and foreign merchandise by district of export (f.a.s. value <u>3/</u>).....	568.32	604.23
Exports of merchandise by district of origination.....	147.7	206.2
Manufactured commodities	97.6	150.1
Non-manufactured commodities	50.1	56.1

1/ Prices paid by the buyer to the seller in accordance with the 1979 Trade Agreement Act amendments to the 1930 Tariff Act.

2/ Cost, insurance and freight.

3/ Free alongside ship value at the U.S. port of export, based on the transaction price, including inland freight, insurance, and other charges; excludes cost of loading merchandise aboard the exporting carrier and also excludes freight, insurance, etc., beyond the U.S. port of exportation.

Source: U.S. Bureau of the Census, *U.S. Merchandise Trade: Selected Highlights*, FT920, for December 1991 and 1992, tables 1, 4, 5 and 6, and *U.S. Merchandise Trade*, FT900 Supplement, for December 1991 and 1992, exhibit 2.

Table 24.4-- FOREIGN TRADE THROUGH THE HAWAII CUSTOMS DISTRICT, BY METHOD OF TRANSPORTATION: 1991 AND 1992

[Data may include imports intended for consumption on the Mainland and exports originated on the Mainland]

Category and year	Value (million dollars)			Shipping weight (mil. kgs.)	
	Total ^{1/}	Vessel	Air	Vessel	Air
General imports: ^{2/}					
1991.....	2,254.18	601.23	1,634.65	618.82	23.68
1992.....	2,733.60	1,117.26	1,439.90	4,604.17	15.26
Exports: ^{3/}					
1991.....	568.32	149.94	202.26	507.34	12.73
1992.....	604.23	153.67	184.64	677.98	12.54

^{1/} Includes categories not tabulated by method of transportation, not shown separately.

^{2/} By district of unloading. Value is on customs value basis.

^{3/} Exports of domestic and foreign merchandise, by district of export. Value is on f.a.s. (free alongside ship) basis.

Source: U.S. Bureau of the Census, *U.S. Merchandise Trade: Selected Highlights*, FT920, December 1991 and 1992, tables 1 and 6.

**Table 24.5-- FOREIGN-TRADE ZONE AND SUBZONE OPERATIONS:
1991 TO 1993**

[Years ended September 30, unless otherwise specified]

Subject	1991	1992	1993
Zone No. 9:			
Firms using zone.....	351	335	327
User employment at zone 1/.....	195	178	168
Value of merchandise (\$1,000):			
In/out.....	48,308	65,214	61,568
Exports.....	7,290	13,466	15,773
Revenue 2/ (\$1,000).....	1,821	1,984	1,935
Expenditures 2/ (\$1,000).....	1,387	1,431	1,534
Subzone No. 9-A:			
User employment at subzone.....	672	672	628
Quantity (1,000 metric tons):			
Merchandise, in/out.....	8,622.0	8,751.3	9,424.4
Exports.....	1,891.0	1,737.3	2,043.9
Value (million dollars):			
Merchandise, in/out.....	1,428.4	1,125.2	1,163.8
Exports.....	332.4	182.2	278.4
Subzone No. 9-B:			
User employment at subzone.....	19	19	14
Value (\$1,000):			
Merchandise, in/out.....	2,759	2,602	3,183
Exports.....	1,371	1,292	1,582
Subzone No. 9-C:			
User employment at subzone.....	925	455	225
Value (million dollars):			
Merchandise, in/out.....	199.9	68.0	17.6
Exports.....	12.6	.034	2.0
Subzone No. 9-D:			
User employment at subzone.....	910	963	785
Value (\$1,000):			
Merchandise, in/out.....	102,215	119,787	144,098
Exports.....	6,630	5,224	10,154

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**Table 24.5-- FOREIGN-TRADE ZONE AND SUBZONE OPERATIONS:
1991 TO 1993 -- Con.**

Subject	1991	1992	1993
Subzone No. 9-E:			
User employment at subzone	410	396	332
Quantity (1,000 metric tons):			
Merchandise, in/out	6,004.7	5,417.7	5,544.0
Exports.....	443.3	403.5	262.7
Value (million dollars):			
Merchandise, in/out	915.3	656.4	718.3
Exports.....	65.7	48.1	32.9

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

2/ Years ended June 30.

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

**Table 24.6-- EMPLOYMENT AND SHIPMENTS RELATED TO
MANUFACTURED EXPORTS: 1988 AND 1989**

Subject	1988	1989
Employment related to manufactured exports	6,300	9,900
Percent of civilian employment.....	1.2	1.9
Manufacturing industries	900	2,700
Direct export related	300	2,000
Supporting exports.....	600	700
Nonmanufacturing industries.....	5,400	7,200
Trade	4,300	5,200
Other	1,100	2,000
Value of export related manufacturers' shipments 1/	191.4	535.4
Percent of total manufacturers' shipments	5.7	14.0
Direct exports 1/.....	62.0	377.4
Supporting exports 1/	129.4	158.0

1/ Million dollars.

Source: U.S. Bureau of the Census, "Exports from Manufacturing Establishments: 1988 and 1989," *Manufacturing, Analytical Report Series*, AR89-1 (Nov. 1992), pp. 20-23.

Table 24.7-- EMPLOYMENT AND PROPERTY, PLANT AND EQUIPMENT OF HAWAII AFFILIATES OF FOREIGN-OWNED COMPANIES: 1989 TO 1991

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

Subject	1989	1990 <u>1/</u>	1991 <u>2/</u>
Employment by nonbank affiliates (1,000)	45.0	53.0	55.6
Percent of all nonbank businesses	10.5	11.8	12.1
Employment by country of ultimate beneficial owner (1,000)	45.0	53.0	55.6
Canada8	.7	.7
Europe	4.0	6.2	6.1
Latin America, other W. Hemisphere	3.7	3.6	4.0
Africa and Middle East	0	0	0
Asia and Pacific	36.1	42.3	44.4
Australia	2.6	2.7	3.2
Japan	30.3	36.0	38.1
United States4	.3	.3
Gross property, plant, and equipment (million dollars).....	8,224	10,658	(NA)
Commercial property <u>3/</u>	5,169	7,495	(NA)
Other	3,055	3,163	(NA)

NA Not available.

1/ Revised.

2/ Preliminary.

3/ The book value of commercial property owned by all U.S. affiliates is a measure of U.S. affiliates' ownership of U.S. real estate.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, "U.S. Affiliates of Foreign Companies: Operations in 1991," *Survey of Current Business*, May 1993, pp. 89-112, and earlier reports.

Table 24.8-- FOREIGN OWNERSHIP OF HOTELS, BY ISLANDS: 1991

Ownership	State total	Hawaii	Maui	Molokai, Lanai	Oahu	Kauai
Total hotel rooms	50,979	6,670	8,737	578	30,263	4,731
U.S. owned.....	17,389	2,024	1,645	401	11,824	1,495
Foreign owned.....	33,590	4,646	7,092	177	18,439	3,236
Percent foreign owned	65.89	69.65	81.17	30.62	60.93	68.40
Japanese.....	61.18	69.65	74.38	30.62	58.11	48.24
Other.....	4.71	-	6.79	-	2.82	20.16

Source: Pannell Kerr Forster survey cited in *Honolulu Star-Bulletin*, November 15, 1991, p. C-1.

Table 24.9-- AGRICULTURAL LANDHOLDINGS OF FOREIGN OWNERS: DECEMBER 31, 1991 AND 1992

Subject	1991	1992
Parcels owned by foreigners.....	78	86
Individuals.....	15	19
Organizations	63	67
Acres owned by foreigners.....	175,517	179,321
Percent of all privately owned agricultural land ^{1/}	8.8	9.0
Individuals.....	1,492	1,586
Organizations	174,025	177,735
Value of foreign-owned agricultural land (\$1,000):		
At time of acquisition	598,184	631,979
Adjusted current value.....	623,502	664,054

^{1/} The 1992 percent for Hawaii ranked second among the 50 States, exceeded only by Maine (14.1 percent), and well above the national percentage (1.1).

Source: U.S. Department of Agriculture, Economic Research Service, *Foreign Ownership of U.S. Agricultural and Land Through December 31, 1991* (Staff Report No. AGES 9211, [1992]), pp. 6, 9, and 13, and *Foreign Ownership of U.S. Agricultural Land Through December 31, 1992* (Statistical Bulletin No. 853, ND), pp. 6, 9, and 13.

**Table 24.10-- FOREIGN INVESTMENTS IN HAWAII, TOTAL AND JAPANESE:
PRE-1970 TO 1992**

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

Year	Total foreign investments	Investments by Japanese
Total completed.....	14,040,238	12,064,231
Before 1970	35,000	31,900
1970-1974.....	438,589	328,689
1975-1979.....	522,160	264,740
1980-1984.....	895,416	576,180
1985.....	140,224	121,154
1986.....	1,150,354	1,106,854
1987.....	1,306,025	1,107,025
1988.....	1,864,363	1,725,382
1989.....	2,638,450	2,137,150
1990.....	1,970,530	1,924,330
1991.....	2,407,175	2,107,375
1992.....	671,952	633,452
Future investments.....	5,727,595	5,395,595

Source: Hawaii State Department of Business, Economic Development & Tourism, Business Development & Marketing Branch, *A Listing of Foreign Investments in Hawaii*, Annual 1991 and 1992.

Table 24.11-- FOREIGN INVESTMENTS IN HAWAII, BY COUNTRY OF INVESTOR: PRE-1970 TO 1992

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

Country of investor	Pre-1970 through 1992	1990	1991	1992
All countries	14,040,238	1,970,530	2,407,175	671,952
Australia	857,431	14,250	206,800	-
Bermuda	500	-	-	-
British West Indies	575	-	-	-
Canada	222,570	(NA)	43,000	-
Cayman Islands	8,500	-	-	-
France	19,900	(NA)	-	-
Germany	(NA)	(NA)	-	-
Hong Kong	323,345	11,450	(NA)	20,000
Indonesia	151,100	-	-	2,500
Italy	(NA)	-	-	-
Japan	12,064,231	1,924,330	2,107,375	633,452
Korea, Republic of	12,550	-	-	1,000
Liechtenstein	(NA)	(NA)	-	-
Netherlands	19,600	-	-	-
Netherlands Antilles	70,735	-	50,000	3,000
New Zealand	58,900	20,500	-	(NA)
Singapore	(NA)	-	-	-
Spain	(NA)	(NA)	-	-
Switzerland	(NA)	-	(NA)	-
Taiwan	34,000	-	-	12,000
United Arab Emirates	(NA)	-	-	-
United Kingdom	193,801	(NA)	-	(NA)
Vanuatu	2,500	-	-	-

NA Not available.

Source: Hawaii State Department of Business, Economic Development & Tourism, Business Development & Marketing Branch, *A Listing of Foreign Investments in Hawaii*, Annual 1991 and 1992.

Table 24.12-- FOREIGN INVESTMENTS IN HAWAII, BY TYPE OF INVESTMENT: PRE-1970 TO 1992

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

Type of investment	Pre-1970 through 1992		All countries		
	All countries	Japanese investments	1990	1991	1992
All types	14,040,238	12,064,231	1,970,530	2,407,175	671,952
Agriculture	84,100	22,400	27,500	(NA)	-
Financial institutions	34,301	22,501	3,000	(NA)	2,500
Condominiums	998,950	564,350	79,900	228,000	-
Golf courses & club houses	305,650	305,650	-	212,100	-
Hotels, resorts	7,596,983	7,318,802	1,395,600	837,900	529,182
Manufacturing	497,155	71,405	41,550	-	-
Other real estate	2,828,855	2,329,100	331,500	458,900	20,000
Residential property	439,300	427,300	55,980	30,600	12,270
Restaurants	614,345	609,620	1,000	558,600	5,000
Retailing, wholesaling	317,879	254,654	(NA)	63,500	103,000
Science, education	94,001	7,500	(NA)	6,800	(NA)
Miscellaneous	228,719	130,949	34,500	10,775	(NA)

NA Not available.

Source: Hawaii State Department of Business, Economic Development & Tourism, Business Development & Marketing Branch, *A Listing of Foreign Investments in Hawaii*, Annual 1991 and 1992.

Table 24.13-- REAL PROPERTY HOLDINGS OF FOREIGN PERSONS ON OAHU: 1991 AND 1992

[Foreign investments in real property on Oahu, reported in accordance with Honolulu Ordinance No. 90-68, requiring all foreign persons to report their real property holdings to the City and County Director of Finance. Reporting is thought to be seriously incomplete]

Subject	Parcels		Assessed value (millions of dollars)	
	1991	1992	1991	1992
All property	227,449	231,893	<u>1/</u> 72,542	<u>1/</u> 84,520
Foreign holdings	3,160	4,642	2,766	5,828
Percent	1.4	2.0	3.8	6.9
Foreign holdings by land class:				
Improved residential	362	753	333	702
Apartment	2,487	3,489	952	1,447
Commercial	162	209	1,157	1,661
Industrial	13	23	106	141
Agricultural	35	42	9	15
Conservation	20	26	25	122
Hotel and resort	66	89	151	1,716
Unimproved residential	15	11	33	25
Foreign holdings by country:				
Canada	294	330	87	112
Hong Kong	115	128	52	58
Japan	2,553	3,763	2,547	5,413
Korea	13	42	5	87
Other countries	185	379	75	158

1/ Net taxable valuation.

Source: City and County of Honolulu, Department of Finance, *Foreign Investments in Real Property Within Honolulu* for 1991 (January 16, 1992) and 1992 (December 1, 1992), submitted to Honolulu City Council.

Table 24.14-- JAPANESE INVESTMENT IN REAL ESTATE, FOR THE UNITED STATES, HAWAII AND HONOLULU METROPOLITAN STATISTICAL AREA: 1992 AND EARLIER YEARS

Period	United States (mil. dol.)	Hawaii		Honolulu MSA	
		Amount (mil. dol.)	Rank	Amount (mil. dol.)	Rank
1988.....	16,544	1,825	4	1,325	4
1989.....	14,775	4,437	2	1,064	4
1990.....	13,059	2,860	2	1,325	2
1991.....	5,060	1,656	1	662	2
1992.....	807	328	1	(NA)	(NA)
Cumulative:					
Through 1987.....	26,340	7,240	1	4,420	3
Through 1988.....	42,884	9,065	2	5,745	(NA)
Through 1989.....	57,658	13,502	2	6,809	(NA)
Through 1990.....	70,717	16,362	2	8,134	(NA)
Through 1991.....	75,776	18,018	2	8,796	(NA)
Through 1992.....	76,583	18,346	2	(NA)	(NA)

NA Not available.

Source: Kenneth Leventhal & Company, *1990 Japanese Investment in United States Real Estate* (1991), pp. 15, 16, and 23; and *1991 Japanese Investment in United States Real Estate* (1992), pp. 16, 17, and 24; and *1992 Japanese Investment in United States Real Estate* (1993), pp. 15 and 17.