

the japan times

Davos Special

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Davos, Switzerland, is Europe's highest town and where the World Economic Forum usually holds its annual meeting. GETTY IMAGES



Above: Prime Minister Fumio Kishida poses with Klaus Schwab, founder and executive chairman of the World Economic Forum, in Tokyo on April 25, 2022.



Left: A floating LNG terminal off Wilhelmshaven allows Germany to import liquefied natural gas via ship from other countries on Nov. 15 to help deal with the global energy crisis. KYODO, REUTERS VIA KYODO



Far left: Ukrainian President Volodymyr Zelenskyy addresses the World Economic Forum by video on May 23. Left: People wait for the Alameda County Community Food Bank's giveaway in Oakland, California, in July as record inflation sent food prices soaring. REUTERS VIA KYODO; GETTY IMAGES VIA KYODO

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Cooperation needed to tackle future global challenges

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The World Economic Forum's meeting in Davos is finally back in full swing in the snow-capped Swiss Alps after an almost three-year hiatus.

Though the meetings are famously held in winter, the COVID-19 pandemic forced the Davos conference to be held virtually in 2021. When the WEF managed to resume the in-person meeting in 2022, the timing was pushed back to May, when the ski resort was without its usual snow.

This year, the 53rd annual meeting, based on the theme of "Cooperation in a Fragmented World," will take place from Jan. 16 to 20, and WEF officials say there is extremely strong representation and engagement by global leaders from business, government and civil society who are eager to connect and discuss global responsibility and cooperation. And those leaders include people from Japan and other Asian nations.

The world is facing multiple uncertainties today with the energy crisis in Europe, record-high inflation, a looming economic slowdown, more war in Ukraine, and the ongoing fight against the COVID-19 pandemic.

"Most of the issues that we face are extremely challenging. They cut across geographical boundaries. They cut across industry boundaries. And they are not able to be addressed by any single organization or country on their own," said Jeremy Jurgens, managing director of the WEF, in a recent interview with The Japan Times.

At the meeting in May, much of the attention was on the war in Ukraine after Russia invaded the country just months earlier in late February. Ukraine President



Jeremy Jurgens, managing director of the World Economic Forum WEF

Volodymyr Zelenskyy delivered a speech online as many members of the Ukrainian parliament joined the WEF meeting in person.

But thanks to the pandemic, there were only a small number of delegates from the major players in Asia. China had strict travel restrictions in place, and Japan was holding back all high-ranking officials. As a result, the May meeting appeared to be more Eurocentric than usual.

This time, more leaders from Asia will join Davos, and of the more than 300 sessions scheduled some 70% will be streamed online, enabling participants to broadcast their messages to a wider audience.

People from different sectors are likely to participate virtually as they have already been actively discussing global issues for



The IEA reports that many governments are introducing longer-term measures to cope with the energy crisis that are expected to drive up global investment in clean energy. GETTY IMAGES

the future, including artificial intelligence, new workforce challenges and climate change, via the WEF's online platforms over the past year.

"They all require cooperation to solve. They require dialogue and shared understanding. And this is one of the reasons that we see so much demand for this year's annual meeting and for the opportunity to engage," said Jurgens, who is also head of the WEF's Centre for the Fourth Industrial Revolution.

Many experts expect the global economic slowdown to continue this year with inflation higher than in the past several decades.

"The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on

the outlook," said the World Economic Outlook Report issued in October by the International Monetary Fund.

The IMF projects that global growth will slow from 6.0% in 2021 and 3.2% in 2022 to 2.7% in 2023. According to the IMF, this is the weakest growth profile since 2001, not counting the 2008 global financial crisis and the acute phase of the COVID-19 pandemic in 2020.

Some may blame climate policies and commitments to net-zero for increasing energy prices and accelerating the crisis, but the International Energy Agency has found scant evidence of that.

"In the most affected regions, higher shares of renewables were correlated with lower electricity prices — and more efficient homes and electrified heat have provided an important buffer for some —

albeit far from enough — consumers," the IEA said in its World Energy Outlook 2022.

According to the IEA, many governments are introducing longer-term measures to cope with the energy crisis, which will help propel annual clean energy investment globally to more than \$2 trillion by 2030, up more than 50% from today.

Such policy measures, along with rising sales of electric vehicles, will enable total demand for fossil fuels to decline steadily from the mid-2020s to 2050 by an annual average roughly equivalent to the lifetime output of a large oil field, it said.

"It is essential to bring everyone on board, especially at a time when geopolitical fractures on energy and climate are all the more visible," said IEA Executive Director Fatih Birol. "The journey to a more secure and sustainable energy system may not be a smooth one. But today's crisis makes it crystal clear why we need to press ahead."

Despite the gloomy economic outlooks that international agencies put out, WEF's Jurgens said that when he talks to individual leaders, they still see a path forward for growth and development.

Large companies in Europe are managing to navigate the energy crisis and are shifting supply chains and making the investments necessary to diversify their energy supplies, he said.

"So, I am not as pessimistic as the financial press. I think it will be a challenging year, but I do think there will be pockets of growth," he said, citing China, which has just abandoned its COVID-zero lockdown policy, as an economy to watch as it heads for reopening in 2023.

He also said India will be the next economic engine of the world because it boasts a huge young population with a lot of strength in several areas of next-

generation technology. India's Generation Z — those born between 1997 and 2010 — reportedly numbers over 375 million.

India saw droves of tech talent leave for Silicon Valley and beyond in the early 2000s in what was dubbed the "great Indian brain drain," but now many are returning to India to build startups, according to some experts.

While the United States is only projected to grow 1% and the eurozone 0.5% this year, the IMF projects that China will grow 4.4%, India 6.1% and Japan 1.6%.

Jurgens says that Japan, which will host the summit of the Group of Seven leading industrial nations in Hiroshima in May, is well-positioned to play a pivotal role in solving global issues, especially in an increasingly divided world where many countries sometimes feel forced to choose between the United States and China. Public figures from the G7 and G20 countries will also be attending Davos.

"Japan is the third-largest economy with a deep foundation in technology and manufacturing, skills ... It is seen as a natural partner for many countries," he said, adding that Japan, with its graying population and technology, can be a role model in many areas that will also be discussed at the Davos conference.

Those areas include health care and "smart cities," Jurgens said.

"So, I would hope that G7 will provide an opportunity for Japan to demonstrate its leadership on the global stage, showcasing both potential solutions and approaches, as well as signaling that Japan could be a partner for other countries as we navigate these challenges," Jurgens said.

Sayuri Daimon is a contributing writer and former managing editor of The Japan Times.

Japan's transformation

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Racing toward a new tech-driven vision of capitalism

Investment push focuses on digitalization and energy to chart a sustainable future

This year's annual meeting of the World Economic Forum, known as Davos 2023, takes place from Jan. 16 to 20 in Davos, Switzerland, under the theme "Cooperation in a Fragmented World." Over 2,500 leaders across government, business and society will gather to discuss how to drive solutions that leverage public-private partnerships for some of the most pressing challenges the world faces today.

The global-scale challenges are increasingly complex and daunting. Along with the ongoing coronavirus pandemic, many countries are dealing with their highest inflation in decades and an energy crisis sparked by Russia's invasion of Ukraine. In addition to these recent challenges, the increasing frequency of extreme weather events and rising sea levels driven by climate change, as well as rapidly graying populations, remain long-term challenges that demand action.

With one of the world's highest proportions of senior citizens and a working-age population declining faster than any other advanced economy, Japan offers many developed nations a blueprint of the demographic challenges coming their way. And while the global economy today is facing the prospect of another recession, Japan has been grappling with economic stagnation for the past 30 years.

In response, the government of Japan is seeking to power economic growth while driving solutions to social and environmental issues under its vision for a "new form of capitalism." On a high level, the government's growth strategy targets increased investment in the areas of science, technology and innovation, startups, digital transformation (DX) and green transformation (GX) to overcome structural challenges and improve social well-being and the environment.

One pillar of the strategy is realizing GX with investment in 14 sectors, including wind and solar power, hydrogen, automobiles and batteries. This is tied to Japan's

Green Growth Strategy and its goals to "reduce its greenhouse gas emissions by 46% in fiscal 2030 from its fiscal 2013 levels" and achieve net-zero emissions by 2050.

DX is targeted for concentrated investment to drive new growth and includes deploying 5G (fifth-generation) cellular technology, digitally integrating rural areas and providing digitally based services to increase convenience and social inclusion.

Prime Minister Fumio Kishida has also declared 2022 to be "the first year for founding startups," and the government has created a five-year plan targeting a tenfold increase in investment in that area as a pillar of Japan's growth strategy.

Chatbot a boon for services

Startups in Japan span a range of industries, but one operating at the intersection of digital technology and social interconnection is Bespoke Inc., whose chatbot Bebot, which uses artificial intelligence, now provides service to millions of people around the world in 11 languages.

Founded in 2015 by Akemi Tsunagawa, who describes herself as driven to solve problems, Bespoke started with the idea of providing services that would connect travelers to local communities and create authentic experiences.

"I first set out to create a site that would be similar to TripAdvisor but with more local content. As we conducted user interviews, we started receiving more requests for different kinds of help, like making restaurant reservations and various arrangements, so we added a concierge service to the site," Tsunagawa explained. This service then evolved into a chat site to provide service in real time, which led to creation of the chatbot.

Bespoke's multilingual Bebot was launched in 2016 and became the first AI-powered chatbot in the world to be used by an international airport and a major train station — Narita Airport and Tokyo Station. Today, Bebot is also used by the Health, Labor and Welfare Ministry and other parts of the central government, the Japan National Tourism Organization, Japanese municipalities, Tampa International Airport in Florida, the Star Alliance and various hotels to answer frequently asked questions and offer customer support, as well as provide information during natural disasters and other emergencies.

The many governments in Japan that



Bespoke's AI chatbot Bebot imitates human interaction with people. BESPOKE INC.

have adopted Bebot include the city of Sendai as well as Toyama and Yamanashi prefectures, which use the chatbot to provide tourism-related information. The town of Taketomi, Okinawa Prefecture, is using Bebot to answer questions frequently asked by residents, increasing their convenience by reducing the number of trips they need

Bebot is now used by airports, train stations, hotels and city governments to answer frequently asked questions and provide information during emergencies.

to make to government offices, which also increases efficiency and reduces the workload of civil servants. As such, the AI chatbot aligns with Japan's drive to digitalize the public and private sectors while also helping solve the social challenges of a shrinking labor force.

Tsunagawa described the functional design, saying, "We design the chatbot not simply to provide an answer to a question, but to engage in slightly longer conversation to make interactions more humanlike." She added: "Hotels overseas rarely provide more service than you ask for, whereas hotels in Japan often provide hospitality by doing things for you even when you don't ask. This is how we try to design Bebot to function as well."

Bebot's innovative design has even earned it some admirers, who continue chatting with it even after getting the information they need, something that surprised even Tsunagawa.

Having lived through a terrorist attack herself while in Vienna and been put in danger due to the lack of information she could access then, she knows the importance of providing real-time information in



Akemi Tsunagawa, the founder of Bespoke Inc., is interviewed by The Japan Times. YOSHIKI MIURA

an accessible language. A real-world example of this principle at work is a JNTO call center that is integrated with Bebot. During the typhoons Faxai and Hagibis in 2019, Bebot was able to successfully answer 96% of questions asked in multiple languages during the initial response.

Tsunagawa has been fielding inquiries from overseas governments, such as the state of California, to provide emergency alerts for wildfires and similar events. Although still in the concept stage, she envisions using geolocation data to warn people of imminent danger in real time based on their location. Bespoke's ambitions to build out digital services for municipal services and disaster response while also increasing efficiency and alleviating the labor shortage dovetail with the government's strategy of driving growth while solving social challenges.

Tsunagawa cited the government's J-Startup program as being particularly instrumental to Bebot's expansion. J-Startup grants exemptions on bidding requirements for public projects, without which many startups would not be able to compete due to their lack of experience and inability to meet the bidding qualifications. According to Tsunagawa, Bespoke has been able to triple its earnings thanks to this government support.

Integrating digital services

Regional depopulation and aging are problems that Japan has been grappling with for a long time, and ones that many other countries are experiencing to some degree. Kishida's proposed Vision for a Digital Garden City Nation aims to tackle these problems through rural-urban digital integration and transformation. The vision seeks to create a digital superhighway with submarine cables, optical fiber, regional data centers and 5G technology connecting regions throughout Japan. A skilled workforce will then be trained in digital technologies to drive digitalization in local communities.

The vision seeks to mobilize this technology and talent to deliver convenient services and realize cooperative business models for residents regardless of where they live or personal attributes, such as age or physical ability.

One such innovative project is underway in Maebashi, the capital of Gunma Prefecture. With a population of roughly 330,000, Maebashi has been engaging in urban development through public-private partnerships for the past 10 years, aiming to become a "digital green city." Osamu



Bebot is now capable of engaging people in 11 languages. GETTY IMAGES

Yachida, councilor of the Future Creation Department at Maebashi City Hall, applauds the Digital Garden City Nation framework. "We need to digitalize aspects of life from birth to death, and to do this we have to think about the big picture, not just pieces of it. That's why we need to be thinking about concepts like Mebuku ID and city infrastructure."

'For people with visual impairments, digital technology has the ability to change getting from point A to point B into an enjoyable walk.'

Part of the infrastructure for Maebashi's DX plan is Mebuku ID, an integrated identification number residents can use for both public and private services.

According to Yachida, to achieve DX over citizens' lives, "You can't have public and private services be partitioned from each other and achieve integration. This is why we need to have an integrated ID that can also be used for private services." Yachida said Mebuku ID is currently the only legally recognized ID in Japan that is available on a smartphone and offers digital signature capabilities, as well as data archiving and electronic payment services.

With user consent, Mebuku ID can be paired with a wide range of services offered by the private sector. Among them is the Eye Navi walking-support app for the visually impaired. In Japan, some 1.44 million people are said to have a visual impairment, while there are only 848 guide dogs. The Mebuku Eye system created by Maebashi, which received the top prize this year in the Idea category of the central government's Summer National Championship for Achieving a Digital Garden City Nation,

is based on combining the private Eye Navi technology with the digital infrastructure of the city's Mebuku ID.

To date, public infrastructure to support the visually impaired has included tactile paving — the bumpy yellow tiles found on train station platforms and sidewalks — and audio signals at street crossings. The Eye Navi app uses image recognition and an AI engine to "make scenery audible" by providing voice guidance on the surroundings viewed by the user's smartphone camera, such as where obstacles are and which shops are nearby. The app's integration with Mebuku ID will make it possible to ask for specific help and be matched with other residents able to help them in the Mebuku Eye system. This implementation is targeted for fiscal 2023.

"For people with visual impairments, digital technology has the ability to change getting from point A to point B into an enjoyable walk," Yachida explained. "Up to now, able-bodied people may not have been able to tell whether people with visual impairments wanted help or not, or how to help even if they wanted to. With the use of Mebuku ID, it is now possible to know this. This is the mutually assisting, future city we are aiming to create."

Yachida said initiatives like Mebuku ID and Mebuku Eye, which are being considered for adoption by other governments, need to be expanded. "In addition to public and private initiatives, public bodies also need to engage with each other on initiatives," he said. "We have an opportunity now to drive transformation from the viewpoint of total optimization instead of partial optimization, and the national government and local governments need to explore realistic ways to make sure this transformation happens."

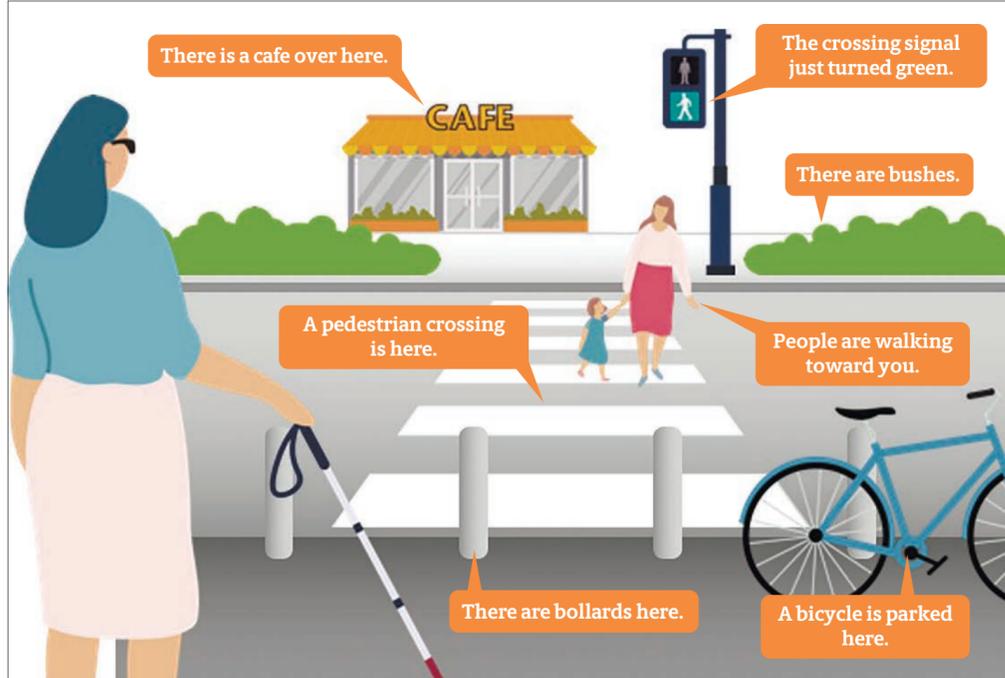
From aluminum to hydrogen

Japan has publicly pledged to "reduce its greenhouse gas emissions by 46% in fiscal 2030 from its fiscal 2013 levels" and achieve net-zero by 2050. Key to this is the government's Green Growth Strategy and its concentrated investment in 14 sectors, including hydrogen, through the ¥2 trillion Green Innovation Fund. Hydrogen is attracting attention and investment as an alternative fuel because it can be produced from diverse energy sources and emits no carbon dioxide when burned.

Toyama-based startup Alhytec Inc., one of the winners of Minister of the Environment Awards for Climate Action in 2021, has created an innovative method to use



Osamu Yachida, councilor of the Future Creation Department at Maebashi City Hall, speaks with The Japan Times during an online interview.



The Eye Navi app uses image recognition and an AI engine to provide voice guidance on the surroundings of people with impaired vision as viewed through their smartphones. MAEBASHI MUNICIPAL GOVERNMENT



Yachida hopes Mebuku ID helps connect people in need of help with those who want to help. GETTY IMAGES

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Japan's transformation

(Sponsored content)

Developing sustainability through aluminum waste

→ **Continued from page B2**
aluminum waste to produce hydrogen. Various kinds of aluminum waste can be used in this process, even cans. According to Alhytec, their system is able to produce a kilogram of hydrogen and 26 kilograms of aluminum hydroxide from 9 kilograms of aluminum. Currently Alhytec is the only company to successfully commercialize this process.

Alhytec has developed a portable hydrogen generator for residential and other applications. One simply adds aluminum to the unit to generate hydrogen, with no electricity required. The unit can generate enough electricity per day to power an electric vehicle for 440 kilometers while reducing carbon dioxide emissions by 96% compared to simply incinerating aluminum waste without making electricity. This green technology calls to mind the "Mr. Fusion Home Energy Reactor" that powered Doc's flying DeLorean in "Back to the Future" using a banana peel, a beer can and the beer. Maybe the future isn't so far off after all.

Alhytec is working with gas companies in Japan to investigate using the portable unit to generate hydrogen from household aluminum waste for mixing with municipal gas used in homes. Just mixing a ratio of 25% to 30% hydrogen generated using Alhytec's technology with municipal gas has the potential to achieve net-zero greenhouse gas emissions, according to the company.

The hydrogen is created with the addition of a reusable reaction solution that Alhytec developed over a period of more than 10 years. A byproduct of this reac-

tion is aluminum hydroxide. Aluminum hydroxide is typically generated from bauxite in an energy-intensive process that generates large amounts of carbon dioxide and is used in a range of industrial and medical applications from surface coatings and flame retardant fillers for plastics to toothpaste fillers and antacids. In contrast,

One simply adds aluminum to the unit to generate hydrogen and no electricity is required. It can generate enough electricity per day to power an electric vehicle for 440 km.

Alhytec's technology "can generate green aluminum hydroxide while generating green hydrogen," according to company President Nobuaki Mizuki. He added: "Japan imports 700,000 tons of aluminum hydroxide created from bauxite. Not having to create this aluminum hydroxide would contribute to decarbonization worldwide."

As part of a New Energy and Industrial Technology Development Organization project, Alhytec built a verification plant for generating power using aluminum waste to extract hydrogen from water in 2016. Alhytec then launched a pilot project with Toyota in 2020 to generate hydrogen using aluminum alloy chips left over from manufacturing processes.

Meanwhile, a project undertaken in 2022 has an Alhytec system generating hydrogen to power a boiler for a hot spring facility in Takaoka, Toyama Prefecture, that heats the



Above: Alhytec created an innovative method to tap the nation's growing piles of aluminum waste as a source of hydrogen. Right: Alhytec's hydrogen generator GETTY IMAGES; ALHYTEC INC.



water to bathing temperature. Slated for operation in 2023, the hydrogen-powered boiler will be able to reduce carbon dioxide emissions by 738 tons annually compared with a conventional gas or oil boiler, according to Alhytec.

Alhytec aims to inspire local production and consumption of energy produced using waste, and is conducting a demonstration project for this in the Hokuriku region. "We need to create an independent, decentralized energy system segmented into areas so that energy creation does not stop when something happens. I want to build a community model where industry and citizens create this together. A number of cities have shown interest in this. Our world is overflowing with aluminum waste, which could be used in this," Mizuki said.

Alhytec's aspirations for this model go beyond Japan. "Japanese technology needs to be delivered on a global scale," Mizuki noted. For example, some low-lying island nations threatened by rising sea levels due

to climate change burn diesel to generate electricity while producing large amounts of aluminum waste. Alhytec's green technology could help these nations generate carbon-neutral energy. Mizuki wants "to contribute to carbon zero around the world," and has discussed possible overseas ventures with organizations such as the Japan International Cooperation Agency.

The coronavirus pandemic has made clear the need for digitalization in the public and private sectors and how technology can drive solutions to social and environmental issues. No one person, company or public body will be able to realize an inclusive, interconnected and sustainable future alone. The government of Japan is executing targeted investment and regulatory reforms based on its growth strategy and vision for a new form of capitalism, aiming to mobilize public-private cooperation and tap the passion and technologies driving startups and innovation to usher in this future.



Nobuaki Mizuki, president of Alhytec, speaks with The Japan Times. YOSHIKAKI MIURA

Hiroshima's rebound from atomic bomb to prosperous regional hub

The G7 summit will take place from May 19 to 21 in Hiroshima — the first city in the world to have suffered the catastrophic consequences of a nuclear bomb during war.

Forty-three seconds after the atomic bomb detonated over Hiroshima on an early August morning in 1945, the shockwaves from the explosion rolled through the city.

Tens of thousands died instantly, some vaporized in temperatures reaching 3,000 to 4,000 degrees Celsius. The blast ignited houses in the city center, followed by fires all over the city. Flames engulfed the area within 2 kilometers of ground zero, essentially melting everything and covering the area like lava. Trees were set afire, and utility poles and wood within about 3 kilometers were charred black. Hiroshima was instantly transformed into a hellscape for every living soul.

By the end of December, an estimated 140,000 of the approximately 350,000 people in the city had perished, including many visitors and commuters. Others not directly exposed to the blast later entered the city and were exposed to residual radiation, significantly amplifying the cruel effects of the bombing.

Miraculously, an *agiri* (phoenix) tree in the courtyard of what was then the Hiroshima Communications Bureau building about 1.3 kilometers from ground zero still stood. Despite being directly exposed to the heat rays and the blast and apparently dead, it sprouted leaves the following spring, giving hope and courage to those in a state of collapse after their defeat in World War II.

The only structure still standing in that zone, the Hiroshima Prefectural Industrial Promotion Hall, became colloquially known as the Atomic Bomb Dome in what is now known as Hiroshima Peace Memorial Park.

On Aug. 6, 1949 — four years to the day of the bombing — the Hiroshima Peace Memorial City Construction Law was promulgated to develop the area as a symbol of permanent peace. Construction on Hiroshima Peace Memorial Park began in 1950 and was finished in 1955. The park and its structures were designed by Kenzo Tange, who won the 1987 Pritzker Architecture Prize.

The park is situated at the uppermost part of the delta where the former Ota River splits off from the Motoyasu River. The area was Hiroshima's central shopping district from the Edo Period (1603 to 1868) until the early Showa Era (1926 to 1989). The park includes the Atomic Bomb Dome, Hiroshima Peace Memorial Museum and numerous other monuments erected with fervent wishes for peace.

In May 1973, the phoenix tree was transplanted to the park. While some feared that it might die from being uprooted and moved, even now this symbol of survival against the odds flourishes and produces seeds. The latter are donated both domestically and inter-

nationally, and many second-generation trees are growing all over the world. It serves as a living metaphor for the regrowth and resilience of Hiroshima itself.

Vital regional hub

Nearly eight decades later, Hiroshima and its namesake prefecture have evolved into a prosperous manufacturing hub with a well-balanced group of industries ranging from heavy industries, such as shipbuilding steel and automobiles, to cutting-edge sectors, such as electrical machinery and electronic parts. The city also boasts a concentration of government branch offices and corporate branch offices with jurisdiction over the Chugoku and Shikoku regions. Hiroshima has nearly 1.2 million residents now — around 3 1/2 times the population it had in 1945.

Tourism is a major facet of Hiroshima's appeal. The number of visitors to the city exceeded 10 million for 15 consecutive years after 2005. From 2015 to 2019 — just before the pandemic hit — the annual number of foreign tourists exceeded 1 million, with 1.8 million overseas visitors in 2019.

The Atomic Bomb Dome, part of Hiroshima Peace Memorial Park, was designated a UNESCO World Heritage Site in 1996. The dome has remained virtually untouched since the blast, and serves as a sobering symbol of both destruction and the determination to bring peace to the world.

Naturally, Peace Memorial Park and other monuments to the past are some of the main draws here — as they should be — but they represent just one facet of the city's identity. There is so much more to Hiroshima.

Crisscrossed by six rivers, Hiroshima's nickname is the City of Water. Although the city has changed much over the years, it still maintains its personality and purpose. For example, streetcars from eight lines trundle through central Hiroshima. Remarkably, just three days after the bombing, some of the streetcars and sections of track had been restored. Three trams that survived the blast still run through the city. Two are in regular operation, while the third is used to help people learn about peace.

The prefecture and city also have diverse cultural and artistic resources that include multiple professional sports teams, the Hiroshima Symphony Orchestra, *kagura* (a traditional performing art that celebrates and expresses gratitude for the bounties of nature) and Itsukushima Shrine, a UNESCO World Heritage Site on the island of Itsukushima in Hiroshima Bay.

Hiroshima Prefecture also takes advantage of its diverse geography, from the cold northern highlands to the coastal islands, to grow a variety of agriculture products, including rice, vegetables and fruits. Hiroshima lemons are especially famous, and the prefecture is the No. 1 producer in Japan, growing well over half of the nation's supply.

Hiroshima is also prime territory for raising livestock, and the prefecture is intent on beefing up its production base for prime wagyu and creating a brand name for itself to compete head to head with other regions producing the prized meat. That includes promoting the entry of more companies into the market, improving meat quality and fostering community corporations.

Nowhere better for peace

While Hiroshima is the centerpiece locale for the upcoming summit, ministerial meetings will take place throughout Japan. These venues will allow officials from the Group of Seven to confer on topics ranging from trade, science and technology, finance, gender equality, education, labor and employment to climate, energy and the environment (see map).

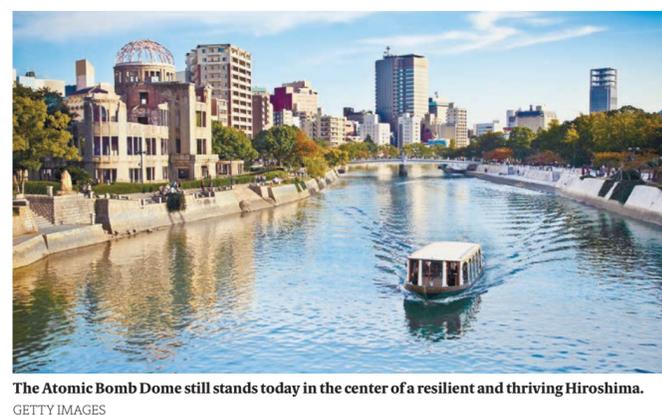
With roots in Hiroshima, Prime Minister Fumio Kishida began representing a constituency in the prefecture as a member of the House of Representatives in 1993. Thoroughly steeped in the city's ethos of peace, he has been quoted as telling his G7 counterparts that "Hiroshima is best suited for the G7 to demonstrate its commitment to peace."

Hiroshima's people — together with the people of Nagasaki, which was also hit by an atomic bomb only three days later — embody the resilience of those who survived and eventually thrived again despite the devastation to their lives and land. The people of Hiroshima are following an initiative that began in 1995 on the tragedy's 50th anniversary called Hiroshima 2045: City of Peace and Creativity, to create social infrastructures with superior design as the city moves through its next 50 years. They are also dedicated to creating an attractive urban environment that welcomes people from all over.

"I want to demonstrate to the world from there in Hiroshima the powerful commitment of the G7 leaders that the horror of nuclear weapons will never be repeated and that we resolutely reject armed aggression," the prime minister said at a news conference in June.

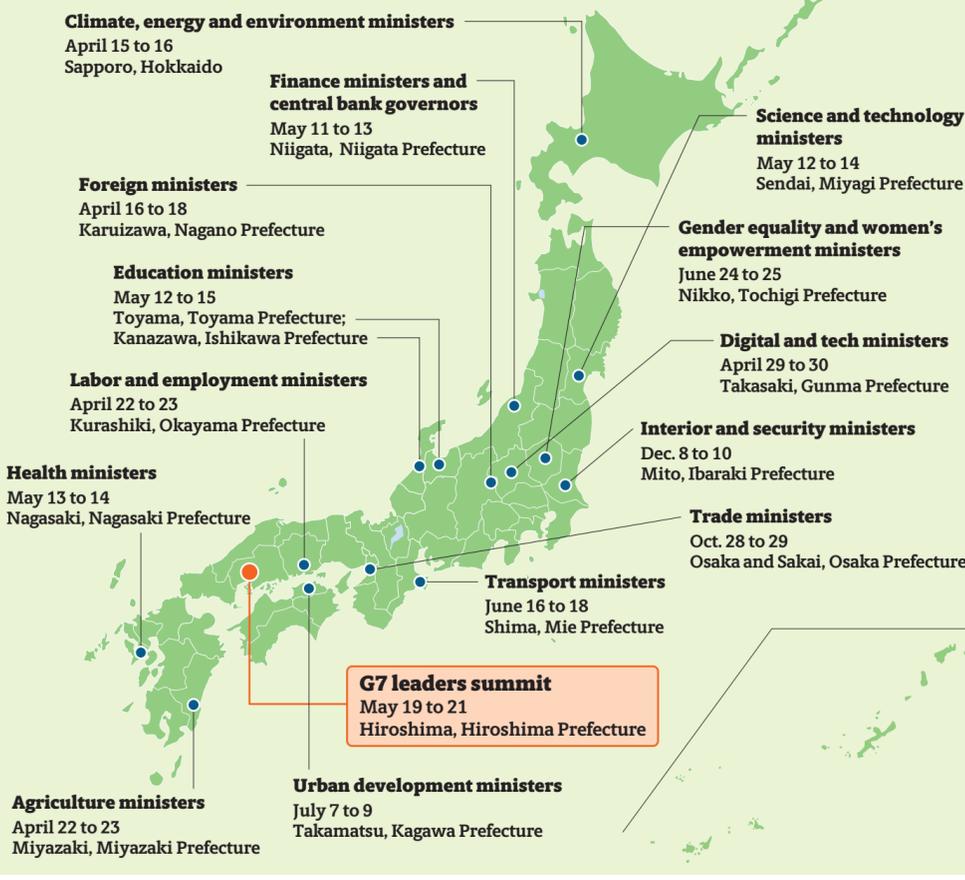
Russia's thinly veiled threats to use nuclear weapons since its invasion of Ukraine began have made such a commitment even more imperative. In his speech at the 10th Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons in August 2022, the prime minister noted: "I cannot but admit that the path to a world without nuclear weapons has become even harder. Nevertheless, giving up is not an option. As a prime minister from Hiroshima, I believe that we must take every realistic measure towards a world without nuclear weapons step by step, however difficult the path may be."

"Japan's Transformation" is sponsored by the government of Japan.



The Atomic Bomb Dome still stands today in the center of a resilient and thriving Hiroshima. GETTY IMAGES

Group of Seven meeting venues for 2023



Davos Special

Japan's greatest export today: Stability

MAKIKO EDA
CHIEF REPRESENTATIVE OFFICER, JAPAN,
WORLD ECONOMIC FORUM



As nations navigate chaotic global affairs, Japan stands out for its economic and social stability. As a reliable trading partner with a steady political system, its value as a dependable player will

increase as fragmentation intensifies. Today, we've come to realize that we have taken for granted the shared value of placing societal good above all. Fundamental principles such as following through on commitments and placing value in long-term relationships, instead of simple transactions, hold more importance today than ever. We're also reminded that these values bear fruit beyond immediate economic gains.

Despite having lived abroad for more than 10 years, Japan is my home. And while it is perhaps not a hotbed of innovation or social change, I find the stability of this country remarkable. Moreover, I believe that the stability is a result of Japanese society putting priority on collective well-being rather than on individual success.

Japan's stability is widely recognized worldwide. According to the Japan National Tourism Organization, the number of foreign visitors in October 2022 was estimated at 498,600, a major spike from the month prior, when the government first relaxed COVID-19 entry restrictions. Japan also ranked at the top in the World Economic Forum's latest Travel and Tourism Development Index. People are attracted to Japan for many reasons, including the fact that it is safe, clean and modern. The 125 million people living and working in the island nation are also cordial and behave in ways that largely promote stability.

Mask-wearing is one example of Japan's collective mentality. The custom does not

necessarily come from selfishness but rather an effort to maintain the health of the country. It is about being conscientious of others and acknowledging a shared responsibility.

This communal quality extends beyond Japan, too. At the recent World Cup in Qatar, Japanese fans and players garnered praise for staying behind to help clean the stadium and locker room. The players even left origami cranes on the table to show respect to the host. Here again, the tournament was not for an individual but rather an event for all.

Japan's collective nature also helped it weather the COVID-19 pandemic over the past three years. The country saw limited large-scale layoffs and to maintain employment, companies including All Nippon Airways and the Imperial Hotel took steps to get their workers employment elsewhere until their businesses were back on track. ANA also let its employees sign contracts for side businesses to supplement their incomes. Such actions were taken as Japanese society realized that even as salaries and growth fell, maintaining stable employment was vital in a time of crisis.

Still, Japan was impacted by the global economic downturn, which was induced by the pandemic and exacerbated by inflation, the war in Ukraine and subsequent societal concerns like deteriorating mental health. Yet Japan did not see widespread homelessness on the streets. The country's safety net may not be perfect, but a concerted effort to

keep people afloat is in place. Furthermore, as a result of economic policies in recent decades, the working population has broadened, and more elderly people are working. This helped keep job opportunities available, although average wages have stayed stagnant.

Of course, Japan does have challenges. For example, one report found that Japanese people do not necessarily have a high level of satisfaction due to fewer life choices and other factors. This could well be a result of prioritizing collective stability and should be examined. Ensuring a proper balance of individual benefit and societal good is especially important for young people and minority groups for which existing structures may not work as effectively.

Nevertheless, I believe placing more value on collective and long-term well-being will better serve Japan as it navigates the chaotic changes currently happening in the world. Here, Japan can play a role as an exporter of stability, demonstrating how societies can invest in the well-being of all people.

As Japan takes the chair of the Group of Seven leading industrial nations in 2023, we look forward to Japan's leadership in shaping a new form of international cooperation. Indeed, the world needs a renewed sense of common goals and collective prosperity to ensure long-term and shared stability.

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Japan's collective mentality, while posing its own issues, is viewed by some as a benefit at a time when the world is becoming increasingly fragmented. GETTY IMAGES

Young Japanese at the vanguard of technology, sustainability

Every year, the World Economic Forum designates around 100 individuals from all different sectors and nations as Young Global Leaders to become the world's next generation of leaders. This year, three Japanese were selected as YGLs.

Miku Hirano
Co-Chief Executive Officer, Cinnamon AI

Master of Science in Artificial Intelligence from University of Tokyo. Started her first business to create "middleware," which enables the simultaneous development of the iOS, Android and Feature Phone operating systems. Founded Cinnamon in 2012. She has been a member of the Council on Economic and Fiscal Policy at the Cabinet Office; a member of the New Economic and Industrial Policy Subcommittee at the Ministry of Economy, Trade and Industry; and a member of the Council for Realizing New Capitalism in the Cabinet Secretariat. She is also a member of the Advisory Board at the University of Tokyo's Faculty of Engineering.



Yoichi Ochiai
Associate Professor, University of Tsukuba, Ibaraki Prefecture

An award-winning digital media artist, recognized scholar, entrepreneur and media influencer. Ochiai is an associate professor at the University of Tsukuba specializing in media art, human-computer interactions and their application, as well as head of the Digital Nature Laboratory. He is also founder of Pixie Dust Technologies, a company developing digital fabrication through artificial intelligence-based solutions. He is the author of "The Century of Enchantment (Planets)" and "Digital Nature (Planets)." Ochiai received his doctorate in Applied Computer Science from the University of Tokyo.



YOSHIKUNI NAKAGAWA / KADOKAWA

Yuito Yamada
Partner, McKinsey & Company

A partner at McKinsey & Company serving as Asia co-leader and Japan leader for McKinsey Sustainability, a global client service platform designed to help all industry sectors achieve net-zero emissions by 2050. His influence and activities span topics as broad as sustainability transformation, portfolio decarbonization and green business globalization, particularly in support of the global energy and materials practice, the financial and banking practice and the public sector practice. He earned his master's degree in Sustainability Leadership from the Cambridge Institute of Sustainability Leadership at the University of Cambridge.



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