

Keynote Speech by H.E. Mr. HAYASHI Hajime,  
Ambassador of Japan to the UK,  
For the World Coffee Summit London 2023  
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Distinguished Guests,

I would like to start by expressing my sincere appreciation to the World Coffee Alliance for inviting me to the World Coffee Summit London 2023 and to be with you today.

Even though you may not be well aware or you may see Japan as the home of green tea, Japan is the 4<sup>th</sup> largest importer of coffee in the world, sitting just a little behind only the US, Germany and Italy.

Coffee was first introduced to Japan toward the end of the 18<sup>th</sup> century via Dutch traders. At first it was not very popular, and it was not until 1888 that the first coffee shop opened in Japan. After 135 years since then, today there are many home-grown Japanese chains and countless numbers of independent cafes and coffee shops, which are always packed with citizens, students, workers and families. In addition to these Japanese establishments, you can walk down any street in Tokyo and see large American chains such as Starbucks and Italian chains like Illy, while last month the UK chain Costa opened their first shop in the heart of Tokyo. The way that coffee has moved across the globe over such a long period is a testament to how global connections and trade flows have been instrumental in moulding the way we function as a society.

While coffee grew in popularity during the 1970s in Japan, traditional green tea was still the drink of choice for many Japanese, and this remained the case until the introduction of canned hot and cold coffee in 1969 in vending machines across the country. The accessibility of these products was particularly attractive to the younger generations, and domestic consumption during the 1970s and the '80s doubled. Despite this boom in popularity, coffee and green tea were consumed in roughly equal volumes until the 1990s. Now coffee consumption has overtaken that of traditional green tea, and in a survey conducted just last year, coffee was voted as the most consumed beverage in Japan, significantly favoured over green tea.

Last year, Japan imported 386,000 tonnes of green coffee beans from countries such as Guatemala, Costa Rica, and Brazil. This is a figure that has more than doubled since 1980, when imports stood at 174,000 tonnes. While per capita consumption of coffee is not as high as in Europe, Japan saw peak per capita demand during 2020 perhaps due to the Covid-19 crisis. During the pandemic, people were unable to go to their favourite coffee shops but still wanted to make their beloved beverage at home, thus causing a significant increase in consumption. With more people making coffee for themselves, consumer awareness of sustainability and fair labour conditions have increased greatly in parallel, and the percentage of people who are now aware of the Fair Trade Federation and their logo has tripled in the past decade.

Distinguished Guests,

However, today the daily delight of waking up to a cup of coffee is under threat as extreme droughts and unpredictable weather caused by climate change have damaged coffee producing areas. As we live in a time where, in addition to the climate crisis, the international economy is facing various challenges including high inflation, rising interest rates and fertiliser shortages due to Russia's invasion of Ukraine, disruption to the international coffee industry might be more common in the future.

Japan, as a country with strengths in technological innovation and creativity, and as a responsible major consumer country, has been working on this issue through government initiatives and private sector projects.

The Japan International Cooperation Agency (JICA) has been supporting the sustainable development of the coffee industry in many countries in Africa and other parts of the world. A forest conservation project was recently conducted as a collaborative venture with the Ethiopian government. This project was based in Oromia, a key coffee producing region, which also accounts for 70% of Ethiopia's forest cover. Due to increasing demand for coffee, farmers were clearing forest in their pursuit of income through coffee production. Starting in 2014, JICA dispatched agricultural and coffee industry experts from Japan to support the introduction of production technology, quality improvement and international certification for the coffee to be branded as premium, thereby improving the farmers' income without deforestation. This project turned out so successful thanks to strong local engagement in the region, and the fostering of effective networks among the coffee-related organisations of the country. Today, the coffee products thus grown are

sold as premium items in Japan, and their high quality and the sustainable ethos behind their production is appreciated by many Japanese consumers.

The Government of Japan is also promoting the development of creative technology solutions to forge a more sustainable domestic food and coffee industry. Recently, the government invested in coffee roasting technology that is powered entirely by hydrogen. As most coffee roasters run on gas, the roasting process produces a lot of CO<sub>2</sub> emissions. The hydrogen flame coffee roaster is a great carbon-neutral method of coffee production as the beans are roasted by a 100% hydrogen flame. These roasters and the innovative technology behind them were demonstrated at the G7 Hiroshima Summit in May this year and garnered wide-ranging admiration from observers.

The Japanese private coffee sector has also been playing an important role in achieving the Sustainable Development Goals and raising awareness about how to operate a sustainable coffee industry.

The Japan Coffee Association, the organisation representing the key stakeholders in the coffee industry in Japan, has worked with its member companies since 2007 to reduce carbon emissions by 25% by 2030 through encouraging them to introduce energy-saving facilities and improve their production efficiency.

On top of the Japanese Coffee Association goals, to cite one example, Ueshima Coffee Company, known as UCC, a leading Japanese coffee business with international coffee sourcing and manufacturing operations,

has announced that they will be carbon neutral by 2040 and that by 2030 they plan to sustainably source 100% of their coffee by creating a code of conduct for suppliers.

In Japan, the same company has also been working to create a Sustainability Education series of seminars. This education programme has a target of reaching 300,000 students and is focused on teaching participants how to be responsible future consumers, and on the importance of sustainable coffee supply chains to combat the effects of climate change.

Last June, the International Coffee Council adopted the 2022 International Coffee Agreement. In February of this year, I had the honour of signing the agreement on behalf of the Government of Japan, after which the Diet, the Japanese legislative, approved the agreement. Then, I deposited the instrument of acceptance in July, and Japan became the second country to ratify the new agreement. This agreement calls for greater support for technical innovation in developing countries and encourages international cooperation with the private sector for a more sustainable coffee industry. Japan shares the Agreement's approach to promoting Sustainable Development Goals in the industry as supporting government and private sector collaboration is the only way to ensure the industry grows into a fair and climate resilient one. I would like to strongly urge that the 2022 International Coffee Agreement be swiftly ratified by more nations to make it enter into force as soon as possible.

I would like to conclude by expressing my deep respect and gratitude to the founders of the World Coffee Alliance for holding such an important

event. Today, as we stand at the crossroads of the coffee sector's future, this summit is more important than ever for the development of a fair and sustainable global coffee supply chain. I wish all the coffee industry representatives and the stakeholders great success, and I believe that, despite the huge challenges that the industry is facing, together we can overcome them.

Thank you very much indeed.