

Media Release

Hong Kong's sustainable debt market leads in Asia, with significant growth of 236% in 2023

Hong Kong Government becoming the largest source of aligned government bonds in Asia, now fifth largest cumulative government green bond issuer in the world.

Hong Kong, 24 June 2024 - The **Climate Bonds Initiative's** (Climate Bonds) latest report finds that Hong Kong's sustainable debt market has achieved its largest growth yet, driven by government issuance, leading its peers in the Asian region and entering the global top ten jurisdictions in green bonds issuance for the first time.

Climate Bonds released the sixth iteration of its [Hong Kong Sustainable Debt Market Briefing 2023](#), a comprehensive overview of Hong Kong's sustainable debt market using Climate Bonds' green, social, sustainability, (GSS) and sustainability-linked bond (SLB) (collectively GSS+) datasets, in alignment with Climate Bonds Database methodologies. It is produced in association with the **Hong Kong Monetary Authority** (HKMA) and **Hong Kong Green Finance Association** (HKGFA), and with support from **Standard Chartered**.

Hong Kong's debt market experienced the largest growth relative to its historical performance. In 2023, aligned volume of GSS+ debt originating from Hong Kong reached USD18.2bn, representing a year-on-year (YOY) increase of 236%.

Most of this debt (USD15.6bn) was issued under the green theme, while the social theme accumulated USD2.6bn. Social and sustainability (S&S) issuance volumes from Hong Kong issuers grew for a third consecutive year in 2023 to USD2.56bn, compared to 2022 (USD1.98bn).

Sustainable finance leader in Asia

Hong Kong's included green bonds volume in 2023 reached the global top ten for the first time with impressive YOY growth of 173.3%.

This was driven by the record single year growth of USD1.4bn of government issuance from Hong Kong. Ninety-two percent (92%) of the green bond volume (USD14.4bn) came from the HKSAR Government and the rest came from financial corporates. HKSAR Government was the fourth largest source of aligned government green bonds (behind the United Kingdom, Germany, and Italy) in 2023, and is the fifth largest cumulative government green bond issuer.

Historically more diverse, Hong Kong's issuer base saw a less significant share of non-government volumes in 2023 amid the economic downturn during and easing of pandemic restrictions. However, as conditions improve, there's an opportunity for the Hong Kong market to boost the volume and quality of its sustainable debt markets, revitalising the breadth of the issuer base and restoring private sector issuance to historical levels.

Further scale and ambition to meet local and global goals

By the end of 2023, Climate Bonds reached USD2.8tn in global green bond volume, surpassing USD3tn by mid-2024. Meeting Climate Bonds' target of USD5tn annually by 2025 requires a significant increase in



large deals. Hong Kong's crucial role in capital mobilisation can aid its own and Mainland China's shift toward a green, sustainable future, benefiting future generations.

As part of its 2024-25 budget, the HKSAR government announced its intention to issue approximately HK\$95 billion to HK\$135 billion worth of bonds each year from 2024-25 to 2028-29, including green/sustainable bond, and Sustainable Finance Grant Scheme until 2027 – demonstrating its commitment to achieve its climate goals of halving emissions by 2035 and reaching net zero by 2050, and position as a GSF hub in the region.

With Climate Bonds' support, HKMA proposed its green classification system which aims to harmonise with both the mainland Chinese and European Union Taxonomies and become the first jurisdiction to adopt the Common Ground Taxonomy (CGT), a joint initiative of the People's Bank of China (PBOC) and the European Commission. Promisingly, all but one of the CGT-compliant green bonds issued in 2023 listed by CFEC are considered aligned in Climate Bonds' GBDB.

Hong Kong's strategic location in the region and prominence in global finance positions itself to effectively facilitate Mainland China's decarbonisation and transition financing. Initiatives like a local CGT-compliant taxonomy, the Government Sustainable Bond Programme, and the continued development of its green finance infrastructure could strengthen this and further scale access to international finance for Mainland China.

Sean Kidney – CEO, Climate Bonds Initiative, said:

"Hong Kong is now one of the top ten green bond issuers in the world! I am so excited - this is incredibly important leadership in growing the region's GSS+ bond market! - This reflects the HKSAR government's initiatives to support decarbonisation and to connect global capital to green investments in China. Bravo!"

Dr. Ma Jun – Chairman and President, Hong Kong Green Finance Association, said:

"Transition finance is a significant trend in global sustainable finance development, offering tremendous growth opportunities in financing the transition of high carbon-emitting industries in Asia. Hong Kong can capture this opportunity by expanding its local CGT-compliant taxonomy to include transition activities, to mitigate greenwashing and facilitate capital flows across jurisdictions. As the leading Asian government issuer of green debt, Hong Kong can further pioneer transition products linked to decarbonization performance and incentives, develop transition-related disclosures, and foster a science-based transition approach, solidifying its position as a leading sustainable financing hub for Asia."

Helen Hui – Head of Client Coverage, Corporate and Investment Banking, Hong Kong, Taiwan & Macau, Standard Chartered, said:

"As a leading international bank in Hong Kong fully committed to promoting sustainable finance, Standard Chartered is very pleased to continue supporting CBI on the Hong Kong Sustainable Debt Market report, which has once again demonstrated the strengths of the green and sustainable bond market in Hong Kong with a lot of growth areas. With our innovative sustainable finance solutions and dedicated sustainable finance expert team, we will continue to help our clients to pursue their sustainability goals and accelerate their transition to net zero, while promoting Hong Kong as an international sustainable financing hub in Asia."

The full report is available for [download](#) on the Climate Bonds website.

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Notes for journalists:**About Climate Bonds Initiative**

Climate Bonds Initiative is an international not-for-profit working to mobilise global capital for climate action. Climate Bonds undertakes advocacy and outreach to inform and stimulate the market, provides policy models and government advice, market data and analysis, and administers an international Standard & Certification Scheme for best practice in green bonds issuance. For more information, please visit www.climatebonds.net

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About Hong Kong Green Finance Association

Founded in September 2018, Hong Kong Green Finance Association (HKGFA) provides a unique platform that supports the development of green finance and sustainable investments in Hong Kong and beyond. It aims to mobilise both public and private sector resources and talents in developing green finance policies, to promote green finance business and product innovation within financial institutions. HKGFA's main goal is to position Hong Kong as a leading international green tech and green finance hub by providing greater access and opportunities for Hong Kong's financial institutions and corporates to participate in green financing transactions locally, in mainland China, and in markets along the Belt & Road. This is in line with the global path to implementing the UN Sustainable Development Goals and the Paris Agreement.

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