

Media Release

HK green bond issuance at USD2.1bn in 2020 with record number of deals Sustainable finance products begin to bloom

Climate Bonds Initiative releases Hong Kong Green Bond Market Briefing 2020 In partnership with HSBC, supported by HKMA and HKGFA

London/Hong Kong: 14 May 2021: 15:00 GMT+8: Climate Bonds Initiative today [launches](#) the [Hong Kong Green Bond Market Briefing 2020](#), which provides an overview of a diversifying market for green and sustainable investment.

This is our third Hong Kong Briefing Paper which examines a range of green bond and loan deals from domestic issuers and the growing suite of sustainable finance product offerings. The Briefing also analyses market dynamics from a broader perspective including green debt arranged and issued in Hong Kong, reflecting its increasing role as a green and sustainable finance hub for the region.

2020 highlights:

- Market saw the highest number of deals from Hong Kong issuers so far, with 15 internationally aligned green bonds and one green loan in 2020
- Cumulative green bond issuance has reached USD9.2bn overall
- Green bonds from Hong Kong issuers in 2020 totalled USD2.09bn, down 18% from 2019 volume
- Green debt arranged and issued in HK as a financial centre comprised USD12bn in 2020, cumulative green debt issuance amounted to over USD38bn by the end of 2020¹
- Low-carbon buildings dominated use of proceeds (36%); low-carbon transport came in at a close second (26%)
- 100% of the 2020 green bond and loan volume benefited from external review in the form of SPOs
- HKEX remained the most popular listing venue in the Asian region

The way forward in 2021/22

Amid the global green recovery and the latest climate pledges from countries in the Asian region, the [Briefing](#) identifies the following major focus areas in green and sustainable finance for Hong Kong:

- **Closer collaboration with the Greater Bay Area**
Capitalising on green investment opportunities and coordinating efforts on strategic planning for deep decarbonisation through the Greater Bay Area Green Finance Alliance (GBA-GFA).
- **Working towards Hong Kong's net zero carbon future**
The government, regulators, banks, investors and private sector to join hands in devising decarbonisation strategies and action plans at sectoral level, with the support of an extensive policy toolkit.
- **Boosting Transition Finance in support of Asia's carbon neutrality goals**
Hong Kong to lead the collaborative effort with key stakeholders in reinforcing the idea of an ambitious and robust model for growing transition finance as an effective tool, to speed up the decarbonisation journey of the high-emitting, hard-to-abate industries in Asia.

¹ According to HKMA methodology

Continuing Hong Kong's Green Bond Programme

The HKSAR government has issued USD3.5bn worth green bonds thus far (including the inaugural USD1bn in [2019](#) and USD2.5bn in [February 2021](#)), leading the sovereign green bond space in Asia. In early 2021, the HKSAR [announced](#) it would issue about USD23bn (HKD175.5bn) in green bonds during the next five years, having regard to the market situation, aiming to cover a larger variety of project types and bond features.

The report can be downloaded [here](#).

Darryl Chan, Executive Director (External) of The Hong Kong Monetary Authority:

"Hong Kong's green and sustainable finance market grew robustly in terms of volume and diversity in 2020. Despite the disruptive effect of COVID-19, we are seeing new issuers from around the world and alternative financing instruments coming to the market."

"With the launch of the new Green and Sustainable Finance Grant Scheme and further issuance of Government green bonds, we aim to attract more issuers, investors and service providers to Hong Kong, further enriching our green and sustainable finance ecosystem."

Sean McNelis, Managing Director, Global Co-Head of Debt Capital Markets, Global Banking, HSBC:

"HSBC's commitment to sustainable finance continued throughout 2020, as we achieved progress with both our own product creation and success with clients in the structuring of green project financings. We were a leading adviser in the area, including acting as the Joint Global Coordinator, Joint Lead Manager and Joint Bookrunner on the HKSAR Government's second green bond as well as issuing the inaugural green institutional certificates of deposit."

"Given our leading role in the bond markets in Asia, and seeing the increasing demand for green financings, HSBC will continue to support Hong Kong's development as a hub for this market. We will focus on driving sustainable investment initiatives as the city strives towards its net zero carbon future and leveraging the many opportunities in green finance for Hong Kong within the Greater Bay Area."

Ma Jun, Chairman and President of the Hong Kong Green Finance Association:

"With mainland China and Hong Kong S.A.R.'s carbon neutrality commitments in place, we are confident that Hong Kong's green and sustainable finance market will play a more important role in raising urgently needed capital to support the regional transition to a net zero and sustainable future."

"The latest briefing has shown encouraging signs in terms of connectivity to Greater Bay Area and mainland China broadly, and diversification of various issuances. The GBA Green Finance Alliance, of which HKGFA is one of the founding members, will continue to explore opportunities for connecting green financing needs from GBA and Hong Kong's fund-raising capacity."

Sean Kidney, CEO, Climate Bonds Initiative:

"This latest Briefing reveals Hong Kong is ramping up efforts to serve as an Asian hub for green and sustainable finance, from demonstrated green issuance, to being a regional centre for green deals and forming climate capital."

"The green revolution is underway with an increasing number of countries joining the race to net-zero. Hong Kong has also announced its net zero carbon goal by 2050 accompanied by encouraging policy measures to build resilience into the city's financial system and promote green growth in the region."

"New financing tools including transition bonds and loans will have a vital role in new green growth and sustainable development. Hong Kong's leadership in aligning to robust frameworks and international best practice remains crucial to meeting the climate finance challenge we all face."

<Ends>

Climate Bonds Contacts:

Leena Fatin
Senior Communications & Digital Manager
London
+(44) 07593320198
leena.fatin@climatebonds.net

Ivy Lau
General Manager East Asia, Client Services
Hong Kong
+852 6431 1275
ivy.lau@climatebonds.net

HSBC Contact:

Agnes Tin
Senior Communications Manager
+852 2822 4958
agnestin@hsbc.com.hk

Acknowledgement: Hong Kong Green Bond Market Briefing 2020 is produced in partnership with HSBC and supported by [HKMA](#) and [HKGFA](#).

Notes for Journalists

About Climate Bonds Initiative: The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy. It undertakes advocacy and outreach to inform and stimulate green bond markets, provides policy models and government advice, international development programs, market data and analysis and administers the Standards & Certification Scheme. For more information, please visit www.climatebonds.net.

About The Hongkong and Shanghai Banking Corporation Limited: The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,959bn at 31 March 2021, HSBC is one of the world's largest banking and financial services organisations.

<Ends>

Disclaimer: The information contained in this communication does not constitute investment advice in any form and the Climate Bonds Initiative is not an investment adviser. Any reference to a financial organisation or debt instrument or investment product is for information purposes only. Links to external websites are for information purposes only. The Climate Bonds Initiative accepts no responsibility for content on external websites.

The Climate Bonds Initiative is not endorsing, recommending or advising on the financial merits or otherwise of any debt instrument or investment product and no information within this communication should be taken as such, nor should any information in this communication be relied upon in making any investment decision.

Certification under the Climate Bond Standard only reflects the climate attributes of the use of proceeds of a designated debt instrument. It does not reflect the credit worthiness of the designated debt instrument, nor its compliance with national or international laws.

A decision to invest in anything is solely yours. The Climate Bonds Initiative accepts no liability of any kind, for any investment an individual or organisation makes, nor for any investment made by third parties on behalf of an individual or organisation, based in whole or in part on any information contained within this, or any other Climate Bonds Initiative public communication.