

Media Release

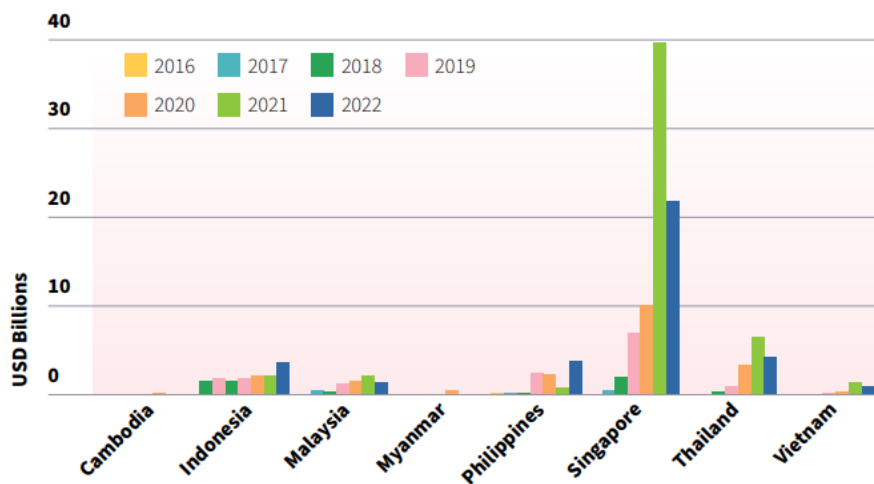
## ASEAN Green and other labelled bond market contracted 32% YOY in 2022, despite sovereign support

*Market contracts driven by drop in overall debt market, but many positives remain, including various policy and market development initiatives*

London/Singapore: 04/05/2023: 09:00 (GMT+1)/16:00 (GMT+8): Climate Bonds Initiative points a contraction of 32% YOY in the ASEAN GSS+ debt market in 2022, but many positives remain, including increased sovereign issuances and a range of policy and market development initiatives that has further strengthened the regulatory and technical landscape. Volumes also stayed robust at almost twice the level of 2020. Supported by the HSBC, the fifth iteration of the Climate Bonds' [ASEAN State of the Market report](#) series analyses key developments in ASEAN's green bond and broader sustainable finance market during 2022.

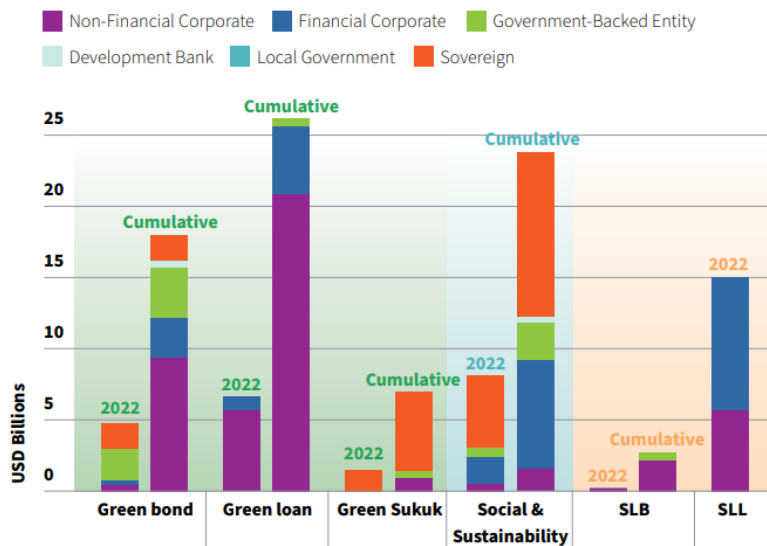
ASEAN saw an increase in deal sizes and tenors – a considerably higher share (71% in 2022 vs. 52% in 2021) of deals were benchmark-size (USD500m+), and the first sustainability bond with a tenor of over 20 years (excluding perpetual) was issued in 2022 in the Philippines[market]. Across the six markets covered (Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam), Singapore was top in most debt segments, representing 63% of the cumulative volume and 60% of 2022.

Singapore remains leader but several other countries saw increases in 2022



## Sovereigns stay strong

Low share of corporates in green bond issuance in 2022 versus cumulative level; S&S and green Sukuk dominated by sovereigns



Sovereign issuances play a key role in stimulating market activity and development as well as in allocating large amounts of capital to sustainable projects and activities. In 2022, Singapore and the Philippines joined the ASEAN's Sovereign club.

Sovereign issuance in the region is concentrated in sustainability bonds, which enable governments to raise funds for a combination of green and social projects.

### Active year for policy and market development initiatives

2022 was an active year for policy and market development initiatives in the region, with the release of a regional ASEAN Sustainability-Linked Bond Standards, as well as stakeholder consultation on the second version of ASEAN Taxonomy conducted throughout the year, alongside a range of national-level sustainable finance initiatives and measures by respective ASEAN Member States, including but not limited to the spheres of disclosures, transition finance and taxonomies.

### Climate Bonds' recommendations for scaling up ASEAN's GSS+ debt market

- The need for more innovative financial incentives and support initiatives to spur the demand and supply of sustainable finance instruments in the region;
- Corporates should develop long term credible transition plans to further tap into private investments and accelerate the bloc's transition journey;
- Further enhanced sustainability disclosure and reporting requirements, particularly for large corporates from hard-to-abate sectors;
- Policymakers to leverage recommendations from Climate Bonds' '[101 Sustainable Finance Policies for 1.5°C](#)' to facilitate the rapid, robust, and credible transition of ASEAN economies towards a net zero future.

**Sean Kidney – CEO, Climate Bonds Initiative**

*“Developed countries have now made strong commitments to emission reductions; the world economy is now in transition to becoming a low-carbon economy. This is creating major opportunities for ASEAN countries, from a new commodities boom to becoming a bigger source of sustainable food supplies. And improved access to green capital chasing future-fit investments.”*

**Kelvin Tan – Managing Director, Head of Sustainable Finance and Investments, ASEAN, HSBC**

*“The sustainable finance market in ASEAN is now at an inflection point. The frequent sovereign issuances, which have become the norm in ASEAN, indicate a high level of interest from governments in the region to develop the market. Additionally, with greater awareness and stronger business impetus as a result of recent developments in policies and taxonomies, this sets a very promising tone for the future of sustainable finance in the region. We must continue with this momentum and build on the strong private-public partnership in the region, such as the Just Energy Transition Partnerships in Indonesia and Vietnam, to allow for more financing to be deployed to support the transition to a net-zero future.”*

The full report is available for download on [Climate Bonds website](#) and [HSBC Centre of Sustainable Finance 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](http://www.climatebonds.net).

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