



Media Release

Green debt soars in Hong-Kong as other thematic labels fast emerge

Climate Bonds Initiative releases Hong Kong Green and Sustainable Debt Market Briefing 2021 in partnership with HSBC, supported by HKMA and HKGFA

London/Hong Kong: 03/07/2022: 09:00 (GMT+8): The Climate Bonds Initiative (Climate Bonds) published the [Hong Kong Green and Sustainable Debt Market Briefing 2021](#) today. The briefing offers leading analysis of green, social, sustainability, transition bonds, and sustainability-linked debt instruments (GSS+) in the region.

Green debt quadrupled volumes aligned with Climate Bonds' Green Bond Database (GBDB) reaching USD10.4bn. This represented the highest annual volume on record with four times year-on-year growth. Green debt aligned with the GBDB accounted for three quarters of Hong Kong's USD14bn total of GSS+ volume in 2021 (see **Figure 1**) and was the largest theme globally with USD523bn last year.

Elsewhere, other thematic labels fast emerged in Hong Kong with debut issuance of sustainability bonds, and burgeoning growth in transition finance products. (See **Figure 1**). Climate Bonds expects the expansion to continue, backed by growing investor demand and Hong Kong's strong commitment to building a supportive green and sustainable finance ecosystem.

Other Highlights:

- Hong Kong's cumulative green debt offering aligned with GBDB had reached USD20bn by the end of 2021.
- The HKSAR Government issued close to USD6.5bn of multi-currency multi-tranche green bonds in 2021, contributing to a diversified supply of Use-of-Proceeds categories.
- HKEX remained the most popular listing venue for China's offshore green bonds
- A total of USD57bn GSS+ instruments originated from Hong Kong in 2021, based on HKMA's approach to measure market size.

Outlook:

- Hong Kong's early adoption of the GGT and its unique position as the financial gateway between mainland China and the rest of the world will help accelerate cross-border green and sustainable financial investments. More collaboration in the Greater Bay Area to capitalise on green investment opportunities is expected.
- The HKSAR Government will continue to regularly issue green bonds. Such endeavor sends a strong signal of the city's commitment to a low-carbon economy. It also helps diversify project categories and attract a diversified investor base, setting best practice and standards in the market.
- Transition finance will gain more traction in Hong Kong. Newly developed instruments, such as transition bonds, SLBs and SLLs, will be further explored by more sectors in the region to fund the transition to a low-carbon economy.

Sean Kidney, CEO, Climate Bonds Initiative:

"Time is running out in the race to save the climate from irreversible damage and everywhere there should be urgency. Hong Kong's spike in green and other thematic debt inspires huge optimism in the fight to combat climate change by mobilising capital markets but efforts must continue to rally."



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

"Hong Kong is one of the largest and most vibrant green and sustainable finance markets in Asia. In 2021, around a third of the region's international green and sustainable bond issuances were arranged in Hong Kong, making Hong Kong the top issuance centre of such bonds. Meanwhile, the product universe is also becoming more diverse, with over USD25 bn of green and sustainable loans issued in Hong Kong in 2021. We will continue to work with the industry to promote market growth, with a focus on developing infrastructure and catalysts especially on financial incentive, talent and data."

Jonathan Drew, Managing Director, Head of Global Banking Sustainability, Asia Pacific, HSBC.

"It is encouraging to see that Hong Kong's green and sustainable debt market has been expanding in breadth and depth over the past few years. Driven by favourable policy initiatives and further integration within the Greater Bay Area, Hong Kong is poised to play an increasing role in facilitating cross-border green and sustainable investments. At HSBC, we will continue to support the city's low carbon transition with our market-leading green finance expertise and capabilities."

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

"The latest briefing is a testimony on Hong Kong playing a leading role in raising urgently needed capital to support the regional transition to a net zero and sustainable future, with the total green and sustainable finance market quadrupled YoY. As mainland entities continued to drive the market growth, the GBA Green Finance Alliance, of which HKGFA is one of the founding members, will further strengthen connectivity between GBA cities' green financing needs and Hong Kong's fund-raising capacity."

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

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Notes for journalists:

About the 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.

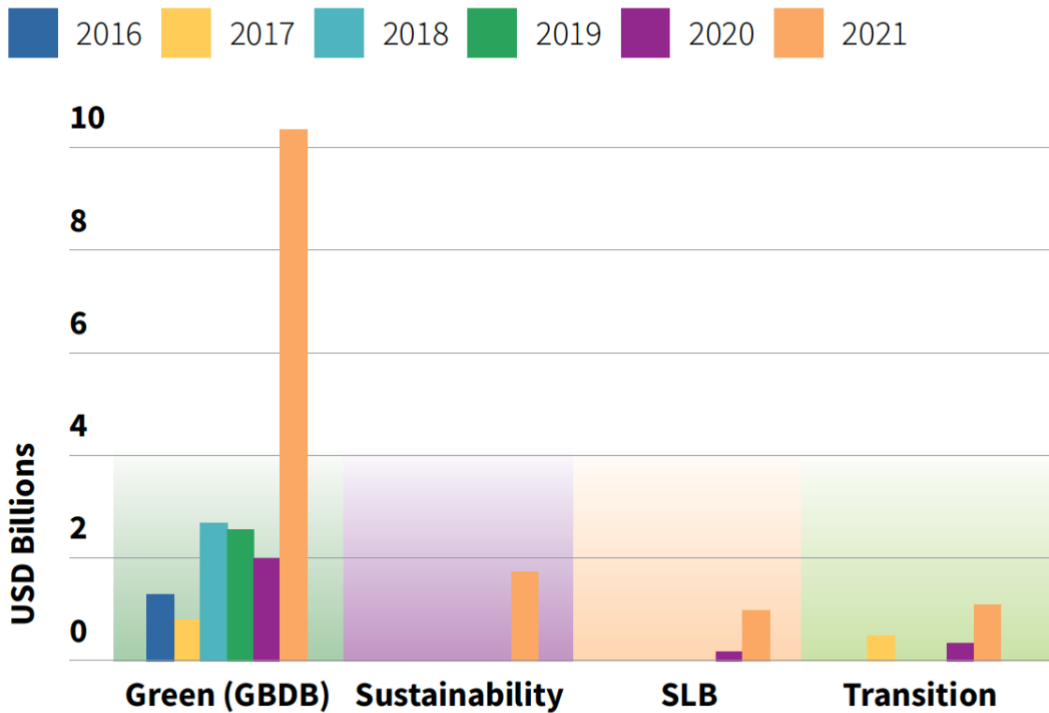
Global Thematic (GSS+) Markets: In 2021, Climate Bonds captured [USD1.1tn of new GSS+ volumes](#), 46% more than the USD730.5bn in 2020. The green theme is still the largest source of debt, with 49% of the total, (USD523bn), and SLBs demonstrated the fastest growth, expanding by ten times year-on-year (YOY).



Figures:

1.

Green is the largest thematic label in Hong Kong



Source: Climate Bonds Initiative

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