

Media Release

China Green Bond Market 2018
Climate Bonds Initiative and CCDC jointly publish the third annual China Green Bond Market
Report, supported by HSBC
China cements position as a leading green bond market with US\$42.8bn issued in 2018

London/Beijing/Hong Kong: 26 February 2019: 11:00 GMT+8: Climate Bonds Initiative and China Central Depository & Clearing Co. Ltd (CCDC), with the support of HSBC, have today launched the China Green Bond Market 2018 [report](#), analyzing the key developments in the world's second largest market, focusing on green bond issuance, policy development and wider market growth. Available in English and Chinese this is the third annual report in an ongoing series from Climate Bonds.

Total green bond issuance from China reached USD42.8bn (CNY282.6bn), representing a 12% increase year-on-year, cementing the country's position as the second largest green bond market in the world.

The year saw improving quality of green bonds with fewer of them financing non-aligned projects and a significant improvement in the transparency of Chinese green bonds. Major Chinese banks including the world's largest, ICBC, issued certified green bonds reflecting a commitment to international best practice in green investment markets.

2018 report highlights:

- USD42.8bn (CNY 282.6bn) green bonds were issued in 2018, of which USD31.2bn (CNY210.3bn) aligned with international definitions
- Internationally-aligned green bonds from Chinese issuers account for 18% of global issuance
- At USD9.6bn Industrial Bank Co. Ltd. was the second largest green issuer in 2018 globally, behind US based Fannie May at USD20.1bn
- 86% of green bonds benefited from at least one external review
- Low-carbon transport was the single largest theme
- 11% of 2018 issuance was Climate Bonds Certified, including benchmark size issuance from ICBC London Branch, Bank of China, London and Tokyo Branches, China Construction Bank and Industrial Bank Co. Ltd.

Catalysts for scaling up China's green bond market

China is expected to accelerate growth in green finance market through ramping up policy support and further regulatory development.

The [report](#) outlines three broad catalysts for growth including:

- Deepening of the green securitisation market
- Growing green bond issuance at the local level
- Further opening up of China's green bond market

Sean Kidney, CEO of Climate Bonds Initiative:

“China has been the global leader in regulatory measures to support green finance. The rest of the world has a lot to learn; Europe is catching up as are ASEAN and Latin American nations.”

“The nations that are leading on green finance now have an opportunity to work together-to drive capital on a global basis to achieve Paris climate goals and other urgent environmental objectives.”

“Institutional investors in Europe, North America, Japan and even Australia have also indicated an enthusiasm to work with governments and regulators on sustainable finance and addressing environmental challenges.”

“Taken together these directions can help funnel green investment in the 2020s to where the climate and low carbon growth priorities lay. China, with its green finance leadership have created an enormous opportunities for investment both domestically and along the Belt and Road. This report reflects the scale of that opportunity. “

Liu Fan, Vice President, China Central Depository & Clearing Co. Ltd:

“In 2018, with the green development concept taking root and becoming a common practice, as well as the market-related institutional arrangements continued to improve, China's green bond market advanced steadily in the direction of standardisation. China is still the second largest green bond market globally in 2018. ”

“CCDC, as the core financial infrastructure of the China bond market, and the executive committee member of the China Green Finance Committee, has contributed to the China green bond market in terms of laying foundations and innovation. This included establishing the ChinaBond Green Bond Index Series, and collaborating with CECEP to build a green bond environmental impact disclosure benchmark system. All these steps have played a positive role in improving the transparency of the China green bond market and promoting the development of green economy. We will continue to implement the green development concept, and to safeguard the development of the China green bond market through the enhancement of financial infrastructure services.”

Download the English version of the report [here](#).

Download the Chinese version of the report [点击下载中文报告](#).

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Climate Bonds Initiative Contacts:

Andrew Whiley
Head of Communications & Media
(London)
+44 (0)7506 270 943
andrew.whiley@climatebonds.net

Ivy Lau
General Manager China Office
(Beijing/ Hong Kong)
+86 147 1565 1275/+852 6431 1275
ivy.lau@climatebonds.net

Central Depository & Clearing Co. Ltd Contact:

Jin Shang
Senior Manager, Research and Development Department
+8610 8817 0698
shangjin@chinabond.com.cn

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. Previous annual China reports can be [found here](#).

About CCDC: China Central Depository & Clearing Co. Ltd. (CCDC) is the first central securities depository (CSD) approved by the State Council in China. It is a state-owned financial institution, which bears the national wills and represents market demands. CCDC is part of China's financial market infrastructure and is characterised by neutrality, independence and public interest.

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