

Government to introduce resolution to set borrowing limit at \$500 billion for expanded Government Green Bond Programme and new Infrastructure Bond Programme

The Government served a notice to the Legislative Council (LegCo) today (February 29) to introduce a resolution under the Loans Ordinance to set a borrowing ceiling of a total of \$500 billion for the Government Green Bond Programme (GGBP), the scope of which will be expanded to cover sustainable projects, and the Infrastructure Bond Programme (IBP) to be established.

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "The GGBP is instrumental in promoting the development of green finance in Hong Kong, signifying the Government's commitment to supporting sustainable development and combatting climate change. The programme has been successful in establishing important benchmarks for green bond issuance in the region and won considerable acclaim from international investors. To further consolidate Hong Kong's position as a green and sustainable finance hub, we will expand the scope of the GGBP to cover sustainable projects and rename it as the Government Sustainable Bond Programme (GSBP).

"Another major initiative is the establishment of the IBP to enable better management of the cashflow needs of infrastructure projects and facilitate their early completion for the good of the economy and people's livelihood. Both the GSBP and IBP will include retail issuances to cater for public participation and priority investment by funds of the Mandatory Provident Fund. Setting a borrowing ceiling of a total of \$500 billion for these two programmes can allow more flexibility in quota re-allocation. We hope that this can be effected as soon as possible," Mr Hui added.

The GGBP was established in 2018. The expansion of the GGBP to cover sustainable projects and the establishment of the IBP were announced in the 2023-24 Budget. The 2024-25 Budget further announced setting a borrowing ceiling of a total of \$500 billion for these two programmes. The sums borrowed will be credited to the Capital Works Reserve Fund for investment in projects conducive to long-term development.

Subject to the legislative process, the Government will move the resolution in LegCo on March 27.