

Government to introduce resolutions to raise borrowing limits under Government Bond Programme and Government Green Bond Programme

The Government served notices to the Legislative Council (LegCo) today (May 26) announcing its intention to introduce two resolutions under the Loans Ordinance to raise the borrowing limits of the Government Bond Programme (GBP) and the Government Green Bond Programme (GGBP), with a view to promoting the sustainable development of the local bond market.

One resolution seeks to raise the maximum amount of borrowings under the GBP from the current \$200 billion to \$300 billion, and the other resolution seeks to raise the maximum amount of borrowings under the GGBP from the current \$100 billion to \$200 billion.

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "The GBP and the GGBP have been serving the important function of promoting bond market development in Hong Kong through regular issuances of institutional, retail and green bonds. The two programmes have been well received by the market as evident in the oversubscription recorded for past issuances. We hope that, with the enlarged scale, they can cater for the increasing demand of local and international investors for high-quality government bonds. This will reinforce Hong Kong's position as a leading bond market in Asia and strengthen our competitiveness as an international financial centre.

"A total of US\$3.5 billion of green bonds has been successfully launched through two issuances under the GGBP so far. We will expand the scope of the GGBP so that the green bond proceeds can be used to fund a wider variety of green projects, allowing the Government to further tap into the green bond market to support the low-carbon transformation in Hong Kong, thereby consolidating Hong Kong's position as a green finance hub in the region.

"Through regular issuances of retail bonds, citizens are provided with a safe investment choice of steady return. Apart from issuing inflation-linked retail bonds, the Government will also lower the eligible age for subscribing Silver Bond from 65 to 60 and issue retail green bonds in this financial year. We hope that the borrowing limits of the two programmes can be raised as soon as possible, thereby allowing more flexibility for the issuance arrangements in future."

The GBP was established in 2009 with the policy objective of promoting the sustainable development of the local bond market through systematic issuances of government bonds. The GGBP was established in 2018 with the policy objective of promoting the development of green finance in Hong Kong.

Subject to the necessary legislative process, the Government will move the resolutions in LegCo on June 16.