

HKMA hosts the launch of the CBI Hong Kong Green Bond Market Briefing Report

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) hosted the launch of the Climate Bonds Initiative (CBI) Hong Kong Green Bond Market Briefing Report today (February 25).

This is the first time that the CBI publishes a market briefing report on the Hong Kong green bond market. The report shows that the Hong Kong market has been growing robustly and has become one of the largest green bond markets in the world. In 2018, green bonds arranged and issued in Hong Kong in the year totalled USD11 billion, an increase of 237 per cent from 2017, which was around USD3 billion. Apart from Hong Kong issuers, as an international financial centre, a substantial number of Mainland and overseas entities also chose to issue green bonds in Hong Kong. These non-Hong Kong entities arranged and issued a total of USD9 billion, or 83 per cent of green bonds in Hong Kong. Mainland Chinese entities were the largest issuer group by origin, with the issuance size totalling USD7 billion, or 64 per cent of the market.

At the launch event, representatives from CBI, the International Capital Market Association, bank, asset manager and professional services firm discussed the latest developments in the global and Hong Kong green finance markets and the role of Hong Kong as the green finance hub for the Guangdong-Hong Kong-Macao Greater Bay Area[1], and explored how Hong Kong could further grow its green finance businesses and tap into Mainland China opportunities. Over 100 representatives from investors, issuers, intermediaries, external reviewers and rating agencies attended the event.

The Executive Director (External) of the HKMA, Mr Vincent Lee, said in his opening remarks, "We are delighted to see CBI launching a market briefing report on Hong Kong. It is a recognition of Hong Kong's emergence as one of the world's leading green finance markets. The report shows that the Hong Kong market has been growing from strength to strength and is attracting companies from around the region to raise green financing. Hong Kong is also the designated green finance hub for the Greater Bay Area. We see strong potential in the Hong Kong market, and will continue to work with the Government and the industry to make Hong Kong a better place for green finance businesses."

The CEO of CBI, Mr Sean Kidney, said, "Hong Kong saw positive signs in green finance development in 2018, with the Government and private sector looking to channel capital to assets or projects that produce positive climate impacts. The HKD100 billion sovereign green bond programme announced by the Hong Kong Government, one of the world's largest by far, is expected to propel the market further with its phased implementation. Besides,

enhancing visibility of green debts, steering investment towards green projects and a green bond segment on the stock exchange are also crucial to the next stage of market growth. All these steps will help propel Hong Kong towards its ambition to become Asia's major hub of green finance."

[1] The "Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area" sets out the Central Government's goal of developing Hong Kong as the Greater Bay Area's green finance hub and building up Hong Kong's green review capacity.