

Opening remarks by SFST at HKQAA International Symposium – Sustainable Finance, ESG and Climate Resilience – Hong Kong 2023 (English only)

Following is the opening remarks by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, at the HKQAA International Symposium – Sustainable Finance, ESG and Climate Resilience – Hong Kong 2023 today (November 30):

Ir C S Ho (Chairman of the Hong Kong Quality Assurance Agency (HKQAA), Mr Ho Chi-shing), Simon (Deputy Chairman of the HKQAA, Mr Wong Ka-wo), Eddie (Deputy Chairman of the HKQAA, Sr Lam Kin-wing), Michael (Chief Executive Officer of the HKQAA, Dr P H Lam), 梁國雄 (Deputy Director-general of the Department of Finance of Guangdong Province, Mr Chen Guohuang), 李力 (Deputy Director-general of the Department of Finance of Hainan Province, Ms Li Lei), 張淑芬 (Level 2 Inspector of Shenzhen Finance Bureau, Ms Zhang Sufen), distinguished guests, ladies and gentlemen,

Good afternoon. I am pleased to join you for the Hong Kong Quality Assurance Agency's International Symposium, a platform focusing on sustainable finance and climate resilience as its core theme. Today's symposium gathers a remarkable lineup of speakers representing international organisations, government bodies, and both local and global businesses. We are here to exchange ideas on advancing green and sustainable finance, not just in Hong Kong and the Greater Bay Area, but across our country and at the same time around the world.

Climate change is more than a global challenge; it is a global call for action and innovative solution. Just two weeks ago, during the APEC (Asia-Pacific Economic Cooperation) Economic Leaders' Meeting, amidst an informal dialogue and working lunch, President Xi Jinping spotlighted sustainable development as the "golden key" to the world's pressing problems. To accelerate the implementation of the United Nations (UN) 2030 Agenda for Sustainable Development, President Xi stressed the critical need to forge a new path of transformation for green development and build global synergy on climate change.

In line with our motherland's objectives, Hong Kong is pursuing these sustainability goals. To align with the country's commitment to peak carbon emission before 2030 and achieve carbon neutrality before 2060, the Hong Kong Government will devote about HK\$240 billion to take forward various measures on climate change mitigation and adaptation in the next 15 to 20 years, with a view to achieving carbon neutrality before 2050. By 2035, we aim to reduce our total carbon emissions to half of our 2005 levels.

We are also striving to accelerate the development of Hong Kong into an

international centre for green technology and finance. The Financial Secretary has set up the Green Technology and Finance Development Committee, serving as an important platform to foster the growth of green technology and finance.

Reflecting on our progress, the green and sustainable finance market in Hong Kong has seen tremendous growth. The total green and sustainable debt, comprising both bonds and loans, rose by over 40 per cent from 2021, hitting more than US\$80 billion in 2022. Remarkably, the green and sustainable bonds arranged in Hong Kong constituted 35 per cent of the Asian market, underscoring our influential role in this domain.

Building on this momentum, we continue to harness the robust financial infrastructure of Hong Kong, utilising it as a springboard for green investment and financing. One such strategy involves the issuance of government green bonds. Since 2019, the Hong Kong Government has issued some US\$24 billion worth of government green bonds, including two mega-scale triple-currency offerings denominated in RMB (Renminbi), Euro and US dollars in January and June this year, marking the largest ESG (environmental, social and governance) bond issuance in Asia.

Echoing the global trend, businesses across all sectors are recognising the critical importance of sustainable development. Investors are seeking accurate, consistent, and relevant information to comprehend how climate change impacts the operations, assets, and financial status of businesses they invest in.

In response to this global shift towards sustainable practices and to meet the evolving needs of investors, we are steadfast in our commitment to establishing world-class regulation in line with international standards. As outlined in "The Chief Executive's 2023 Policy Address", we are collaborating with relevant financial regulators and stakeholders to create a roadmap for adopting the IFRS (International Financial Reporting Standards) Sustainability Disclosure Standards in Hong Kong's financial services. To achieve this, a working group led by the Financial Services and the Treasury Bureau and the Securities and Futures Commission, with the participation of relevant financial regulators and major stakeholders, has been set up. The prime focus of the working group is to identify the key elements to be covered by this roadmap.

Stepping forward from regulation to innovation, we look to actively foster the green fintech ecosystem. With a goal to transform Hong Kong into a leading hub for green fintech, we are paving the way for substantial development in this field. In this pursuit, we will launch a dedicated proof-of-concept subsidy scheme for green fintech in the first half of 2024. The new scheme will promote the development of technological solutions and provide early-stage funding support for pre-commercialised green fintech, thus nurturing the growth of the green fintech ecosystem.

In a separate but related initiative, we are working with relevant stakeholders on developing a Hong Kong green fintech map to provide one-stop information on the current status of green fintech companies in Hong Kong and

related services. The objective is to raise the profile of these companies and further enhance the green fintech landscape.

On the global front, the UN Climate Change Conference (COP28) is taking place in Dubai, and is scheduled to conclude on December 12. Recently, a report from the UN Climate Change once again highlighted the urgency of our task, stating that the current national climate action plans are insufficient to limit global temperature rise to 1.5 degrees Celsius, a target set by the Paris Agreement. In another recent report, also released by the UN Climate Change, which examined various countries' plans to transition to net-zero emissions by or around mid-century, it was indicated that these countries' greenhouse gas emissions could be roughly 63 per cent lower in 2050 than in 2019, if all the long-term strategies are fully implemented on time.

These reports underscore the urgent need for concerted global action and the potential for significant progress if these strategies are fully realised. The UN Climate Change, therefore, advocates for a definitive turning point at COP28, where governments should not only agree on stronger climate actions but also begin to demonstrate concrete plans to deliver them. This stance is in harmony with President Xi's perspective, emphasising the essential need to foster global synergy in our collective battle against climate change.

Embracing this global call for decisive action, we must acknowledge that the journey towards combating climate change is a shared responsibility. It requires the involvement, commitment, and participation of all sectors – the government, businesses, and indeed, the community.

Therefore, we earnestly call for your continued support in our endeavour. In this regard, we gratefully recognise the HKQAA for its unwavering support in our ongoing transformation towards a low-carbon, climate-resilient city. Your technical expertise, your active participation in the development of national and international standards, and your comprehensive role in our progress as a regional hub for green and sustainable finance are not only welcome but absolutely essential.

Moreover, I would like to extend my gratitude to the many green and sustainable finance professionals who are present at today's symposium. Your continuing support and efforts to bolster Hong Kong's rise as a regional green and sustainable finance hub will play a significant role in our ultimate success.

Ladies and gentlemen, let's continue our work together to achieve our shared visions. As we transition into the discussions in today's symposium, I hope that the discussions will inspire us all towards creating a future that is not only prosperous but also sustainable and resilient. Thank you.