

SFST promotes Hong Kong's strengths as green finance hub to Japanese business community (with photos)

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, addressed about 240 business leaders and executives from Japan and Hong Kong during a webinar organised by the Hong Kong Economic and Trade Office (Tokyo) and co-organised by Invest Hong Kong today (October 29), highlighting how Japanese businesses can benefit when tapping into Hong Kong's financial market, in particular the areas of green and sustainable finance.

During his presentation at the webinar titled "Hong Kong as the Green and Sustainable Finance Hub: Investments with Returns and Purpose", Mr Hui updated the audience on the latest developments of green and sustainable finance in Hong Kong and the key initiatives to consolidate Hong Kong as the green and sustainable finance hub in the region.

Mr Hui said that the National 14th Five-Year Plan endeavours to achieve carbon neutrality before 2060, while in Hong Kong, the Chief Executive announced in the 2020 Policy Address that the Hong Kong Special Administrative Region (HKSAR) would strive to achieve carbon neutrality before 2050.

"With a view to contributing to the achievement of the aforesaid goals, Hong Kong is enhancing our efforts to promote market development, align Hong Kong's regulatory standards with international best practices, and capitalise on the enormous green finance opportunities presented by the Guangdong-Hong Kong-Macao Greater Bay Area development and the Belt and Road Initiative," Mr Hui said.

Mr Hui gave a market overview of Hong Kong to businesspeople in Japan. In 2020, US\$12 billion of green debt (including bonds and loans) was arranged and issued in Hong Kong, with a cumulative green debt issuance amounting to over US\$38 billion by the end of 2020. Under the Government Green Bond Programme, two issuances raised US\$3.5 billion. He added that the HKSAR Government would issue green bonds totalling HK\$175.5 billion within the next five years having regard to the market situation.

To attract more green and sustainable bond issuers and borrowers to use Hong Kong's fundraising platform and professional service, HKSAR Government launched a Green and Sustainable Finance Grant Scheme in May 2021 to provide a subsidy for eligible bond issuers and loan borrowers to cover their expenses on bond issuance and external review services. The scheme also encourages more financial and professional service providers and external reviewers to set foot in Hong Kong as a regional hub.

On the regulatory front, Mr Hui said, "A technical study is being

conducted under the International Platform on Sustainable Finance (IPSF), and Hong Kong aims to adopt the Common Ground Taxonomy which was being developed by the IPSF. Potential areas for local adaptation and application across the financial sectors are being explored."

Looking ahead, Mr Hui added that the Chief Executive announced in the 2021 Policy Address the inclusion of professionals in Environmental, Social and Governance (ESG) in the Talent List of Hong Kong. He pointed out that professionals in ESG is important globally for a greener and more sustainable future, and he welcomed collaboration with partners like Japan for the growth of talent base of professionals in ESG.

Other speakers at the panel discussion of the webinar were the Head of Sustainable Finance, Greater China and North Asia, Standard Chartered, and Vice President and Deputy Secretary General of Hong Kong Green Finance Association, Ms Tracy Wong Harris; the Secretary General, the Green Finance Network Japan, Mr Hideki Takada; and the Head of Sustainability Strategy Development Office, Sustainability Promotion Department, Mizuho Securities Co Ltd, Ms Sachie Ii. They shared their views on the prospects of the development of green finance in Hong Kong and Japan, as well as the relevant collaboration opportunities in related areas between the two places.

Organised by the Hong Kong Economic and Trade Office (Tokyo) and co-organised by Invest Hong Kong, the webinar was supported by the Green Finance Network Japan, the Hong Kong Green Finance Association, the Japan External Trade Organization Hong Kong, the Japan Business Federation, the Japan Association of Corporate Executives, the Japan Chamber of Commerce and Industry, the Hong Kong Japanese Chamber of Commerce & Industry, the Japanese Bankers Association, the Japanese Security Dealers Association, the Japan Investment Advisors Association, and the Hong Kong Trade Development Council.

