

SFST's speech at Unlocking Capital for Sustainability 2025 – Hong Kong forum (English only)

Following is the speech by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, at the Unlocking Capital for Sustainability 2025 – Hong Kong forum today (March 27):

Distinguished guests, ladies and gentlemen,

Good morning. It is a great honour of mine to address you all at this Unlocking Capital for Sustainability 2025 – Hong Kong forum. I must say, you come at the right time, because this is a rather eventful week for Hong Kong, in a positive sense. This week, we have called it the Wealth and Investment Mega Event Week. Apart from this forum, there are also a number of key forums, including our Wealth for Good in Hong Kong Summit, the World Economic Forum event for green sustainability in finance, and also HSBC Global Investment Summit. And of course, not to mention those hosted by Eco-Business, as mentioned by Junice (Managing Partner, Head of China, Eco-Business, Ms Junice Yeo) just now.

Welcome, and at the same time, we are more than happy to see all of you. Because in my role, normally I go to these forums where people talk about competition of other cities in the region or regionally and globally. But green and sustainability is a topic where I see more collaboration than competition, and everyone coming here with smiling faces, despite on an early morning. So it's good that we all come together and discuss an issue that is so pertinent to all of us, not just for now, but for future generations.

So as highlighted by the video just now, the urgency of advancing sustainable finance really demands collective action, and today's discussions will undoubtedly contribute meaningfully to this global imperative. As we convene, we are reminded of the profound responsibility we all share in accelerating the global transition to a sustainable future. The stakes have never been higher, nor has the opportunity been greater for financial services and also financial centres like Hong Kong. As a premier international financial centre, Hong Kong occupies a unique position in mobilising cross-border investments to address climate and sustainability challenges. Our markets, regulatory frameworks, and connectivity with global capital flows position us uniquely and also not merely as a gateway, but as a catalyst for scaling green and transition finance across Asia and beyond.

Hong Kong's leadership in sustainable finance

In the coming few minutes, I would like to highlight in terms of what we are doing in Hong Kong and what we plan to do to contribute to this leadership role in sustainable finance. We stand at the forefront of Asia's

sustainable finance movement. Our financial ecosystem has evolved significantly in recent years and become a beacon for green and sustainable investments. As an international financial centre like Hong Kong, we are positioned to contribute significantly on this regard. As of end-December last year, there are more than 220 ESG (environmental, social and governance) funds in Hong Kong authorised by our regulator, with AUM (assets under management) of around HK\$1.2 trillion. This represents a remarkable increase of 136 per cent in the number of funds and a 15 per cent rise in assets from just three years ago.

Our stance as a strategic nexus for green finance in Asia is central to advancing global sustainability objectives. Last year, the total green and sustainable debt (including both bonds and loans) issued in Hong Kong exceeded US\$84 billion. Among which, the volume of green and sustainable bonds arranged in Hong Kong amounted to around US\$43 billion, ranking first in the Asian market for seven consecutive years, and also capturing around 45 per cent of the regional total. This accomplishment solidifies our position as the region's premier platform, to scale climate-positive investments and also underscore our dedication to foster a robust green finance ecosystem.

Strategic development of green finance infrastructure

The financial market functions as a dynamic channel to direct cross-border investments into impactful climate-aligned projects, accelerating worldwide efforts to achieve net-zero transitions. The Government has been instrumental in driving this momentum. Since 2019, we have successfully issued government green bonds totalling HK\$220 billion equivalent under our Government Green Bond Programme, including retail, institutional, and tokenised bonds of multiple currencies (Hong Kong dollar, Renminbi, US dollar and Euro) and tenors. This initiative has not only funded our local green projects, but also established critical benchmarks for the market. We have expanded the scope of the programme to cover sustainable projects since May last year, and the programme has been renamed as the Government Sustainable Bond Programme. This expansion demonstrates our enhanced commitment to support green and also sustainable initiatives locally.

To further catalyse green financing activities, we launched the Green and Sustainable Finance Grant Scheme three years ago. As of early March this year, this initiative has already supported over 540 debt instruments with grants exceeding HK\$320 million, facilitating a total underlying debt issuance of around HK\$1.2 trillion. It now has been extended by three years again to 2027 and the scope of subsidies is expanded to cover transition bonds and loans, supporting industries in their decarbonisation efforts.

Building robust market infrastructure is critical to aligning global capital with climate solutions. In October 2022, Hong Kong took a pioneering step to launch Core Climate, an international carbon marketplace developed by the HKEX (Hong Kong Exchanges and Clearing Limited), which is a stock exchange group, offering quality carbon credits from internationally certified projects in Asia, South America and West Africa, covering forestry, solar, wind, and also biomass initiatives. It is currently the only carbon

marketplace in Hong Kong that offers both Hong Kong dollar and Renminbi settlement, and of course it is regarded as unique in the world that offers these dual currencies for the trading of international voluntary carbon credits. This platform is designed to facilitate transparent, efficient trading of carbon credits and instruments, directly supporting the world's transition to net zero.

In August last year, our Stock Exchange announced the inclusion of Gold Standard's Verified Emission Reductions on the Core Climate platform, complementing the existing Verified Carbon Standard by Verra. As at the end of last year, the platform had attracted 100 registered participants, which is a testament to our growing influence as a trusted hub for climate finance.

In the video I saw just now, we have a counterpart in Indonesia which is doing something similar and it is exactly something we want to do, try to foster regional collaboration in the context of the carbon credit market. And this infrastructure not only strengthens our role as a regional carbon trading hub, but also bridges capital with transformative climate projects worldwide. By connecting investors to certified initiatives across continents, Core Climate exemplifies our commitment to scalable, accountable solutions for a sustainable future.

Pioneering transparency and accountability

In that regard, a recent transaction, which is major, is the purchase by Cathay Pacific of around 50 000 tonnes of carbon credits on our Core Climate. So hopefully when you travel, you are also contributing to that despite creating a carbon footprint. Transparency is a key topic, and also at the same time is the bedrock of market integrity. With increasing global awareness of sustainable development, it is essential that our investors have access to accurate and also relevant information. I am sure on that regard, companies like AIA are well aware of that. We in Hong Kong are very much committed to aligning our international best practices in our sustainability reporting and we issued the roadmap on sustainability disclosure in Hong Kong in December last year which charts a clear path for our large publicly accountable entities to adopt the International Financial Reporting Standards (IFRS) – Sustainability Disclosure Standards by 2028. This roadmap not only demonstrates our firm commitment to the global green transformation but also provides transparent and also clear guidance for market participants and enables Hong Kong to align with international standards in the field of sustainable finance.

Actually I went to the UN (United Nations) Geneva headquarters to share our commitment in that regard and I must say it's something very well received among many of the delegates over there. Furthermore, we recognise the need for a clear taxonomy to classify green activities, which is essential to promote understanding and also facilitate green finance flows. The Hong Kong Taxonomy for Sustainable Finance, which was published in May last year, aligns with the two mainstream taxonomies of the Mainland and the European Union and provides a clear framework for defining green activities. It currently encompasses 12 economic activities under four sectors, namely

power generation, transportation, construction, and also water and waste management, ensuring a wide coverage in the net-zero transition.

Accelerating innovation and green fintech

This document is rather a living document, just with its constant review in terms of whether and how we should extend it to other economic activities as appropriate. To better integrate fintech with green finance, and accelerate the green transformation of the economy, we will actively expand the green fintech ecosystem and develop Hong Kong as a green fintech hub. Launched in March last year, the Prototype Hong Kong Green Fintech Map provides one-stop information on the current status of green fintech companies in Hong Kong and their related services, and is targeted to raise the companies' profile in such a way that for investors and people like all of you from afar, if you're looking for collaboration in the green fintech space in Hong Kong, you know which companies to reach out and also to discuss. The official map, to be published in the first half of this year, is being developed with the industry and will further elevate Hong Kong's profile as a green fintech hub.

In addition to these initiatives, we are committed to further harnessing technology to bridge finance and also sustainability. In June last year, we launched the Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme to provide early-stage funding to support technology companies or research institutes. We are offering support to conduct green fintech activities and also collaborate with local enterprises to co-develop new projects addressing industry pain points. The scheme has already approved support for 60 innovative projects, demonstrating our commitment to facilitating development of technological solutions and tackling industry challenges. And for the companies here, they are definitely welcome to participate in this subsidy programme where we provide money, so long as you come up with meaningful projects with our fintech companies.

Cultivating a future-ready workforce

Last but not least, about technology and also finance, it's about talent. It's about all of you. And that indeed is a fundamental role that has been in our plan to advance Hong Kong's leadership in sustainable finance. To this end, the Government launched the Pilot Green and Sustainable Finance Capacity Building Support Scheme in December 2022. This three-year initiative was designed to empower professionals, market practitioners, students, and graduates in relevant disciplines to deepen their expertise in this critical field.

Under the scheme, individuals who complete eligible programmes or attain relevant qualifications can apply for a subsidy of up to HK\$10,000. As of mid-March 2025, there are 87 eligible programmes, which are provided by the professional and continuing education schools of our local universities, professional institutions, international training providers, etc, and a list of eligible programmes will continue to be updated.

The response has been overwhelmingly positive. To date, we have approved over 6 400 applications, disbursing reimbursements totalling approximately HK\$35.8 million. This reflects not only the growing demand for green finance expertise but also our community's commitment to upskill for the sustainable future. Recognising the long-term importance of talent development, in the recent Budget announced, we extended the scheme to the year through 2028. And this extension underscores our commitment to cultivate a world-class workforce capable of driving innovation and also maintain Hong Kong's competitive edge as Asia's green finance hub.

Concluding remarks

Before I conclude, I am just wondering if any of you have taken advantage of that programme and also get our subsidy? Oh, we have someone here. So do share your experience with the people at the table and also in this forum. Last but not least, just to conclude, the path to sustainability requires unwavering commitment, innovation and collaboration. Hong Kong is proud to stand with all of you as a partner in this critical journey, and we pledge to remain the bridge connecting global ambition with actionable solutions.

Through partnership, we can unlock the capital needed to build a greener future for Hong Kong and also beyond, and a more resilient future for generations to come. I look forward to hearing your inside experiences, and more importantly, apart from talking about green finance, do experience Hong Kong in terms of our art scene, our natural landscape and others, and carry these stories with you when you go back to wherever you are from. Thank you.