



## Press Release

# Standard Chartered forecasts multi-fold growth of green, social, sustainable and sustainability-linked bond issuance to USD4.2 trillion in 2025

## Hong Kong reported fourfold growth of sustainable debt issuance in 2021

**12 April 2022, Hong Kong** – A Standard Chartered research report forecasts that the global issuance of green, social, sustainable and sustainability-linked (“GSSS”) bond will grow 52% year on year to USD1.7 trillion in 2022, accounting for 18% of global bond issuance, up from approximately 11% in 2021 and 7% in 2020. It expects GSSS bond issuance to continue surging over the next few years and reach USD 4.2 trillion in 2025.

According to the report titled “**Sustainable debt market – Up, up and away**”, 2021 was a watershed year for the sustainable debt market. Issuance of sustainable bonds and loans more than doubled to USD1.6 trillion, well ahead of the average annual 53% growth rate recorded from 2017-20. During the year, USD1.1 trillion of sustainable bonds were issued, more than the cumulative issuance in the three preceding years. The sustainable loan market also saw robust growth, with issuance of USD517 billion, up from USD214 billion in 2020.

From a regional perspective, EMEA (including Western Europe) continued to dominate supply, although its share of total issuance dropped to 46% as supply from Asia (21%) and the Americas (24%) increased strongly. China led growth in Asia Pacific volumes as it deepened its policy focus on the carbon transition, after announcing in September 2020 that it would target carbon neutrality by 2060. China’s USD110 billion of sustainable debt issuance in 2021 was a fivefold year on year increase (2020: USD22.45 billion). Hong Kong’s sustainable debt issuance also reported an exponential growth to USD20.56 billion in 2021 from USD4.86 billion in 2020.

Table 1: Sustainable Debt Issuance in Hong Kong

Year	Sustainable Debt Issuance in HK (USD billion)
2017	0.77
2018	2.52
2019	4.81
2020	4.86
2021	20.56

Source: Bloomberg, Standard Chartered Research

**Simrin Sandhu, Executive Director, Credit Research, Standard Chartered**, said: “The strongest rate of growth in the GSSS category has been in sustainability-linked instruments. Sustainability-linked bond issuance ballooned to USD109 billion in 2021 from a low base of USD11 billion in 2020. This was mirrored in the loan market, where issuance of sustainability-linked loans rose to USD428 billion, from USD125 billion in 2020.”

According to another report titled “Just in Time” published by Standard Chartered, emerging markets would need to invest an additional USD94.8 trillion to transition to net zero by 2060. Among these, China would need an additional transition finance of USD35.1 trillion.

**Tracy Wong Harris, Head of Sustainable Finance, Asia, Standard Chartered**, added: “With the vision to be the world’s most sustainable and responsible bank, Standard Chartered is committed to helping our clients to transition, and plan to mobilise USD300 billion in green and transition finance between 2021 and 2030. The sustainable debt issuance in Hong Kong surged from USD770 million in 2017 to USD20.56 billion last year, demonstrating the huge opportunity of sustainable finance market in the city.”

Sustainable finance is a strategic priority of Standard Chartered. Standard Chartered currently tops Bloomberg’s bookrunner league table of Green, Social and Sustainability G3 Bonds in Asia, and ranked No.1 in Dealogic’s bookrunner league tables of global and Asia Pacific green loans in 2021. For more information about Standard Chartered’s sustainable finance capabilities, visit: <https://www.sc.com/en/about/hereforgood/through-different-eyes/>

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