

The global green bond market has been growing at a significant rate in recent years. Total global issuance increased from around US\$85 billion in 2016 to almost doubling to US\$160 billion in 2017. 2018 issuance is expected to grow to US\$250 billion, a 56% increase compared to 2017.

Green bonds are globally recognised financial instruments that are used to finance green projects, and with the growth rate as stated previously, it would be wise for Hong Kong to stay close to the trends of their developments. Municipal and sovereign issues have also been a trend in the past years, including Indonesia issuing their sovereign green bond recently.

Hong Kong government's intention of its HK\$100 billion green bond issuance programme is a timely announcement as it aims not only to raise funds for the planned green projects in the pipeline, but also to catalyse the development of the market in Hong Kong. Hong Kong is currently considered a significant global financial market and it is critical for our markets to continue to innovate to stay ahead of the game as competing markets, including local markets in Tokyo and Singapore, are also innovating in this green and sustainable investment space, amongst others.

There is a good opportunity for Hong Kong to capture the leadership position in the green finance space, to not only attract local issuers, but also from China and sovereign and corporate issuers along the belt and road countries. With the HK government taking the lead and catalysing the market in Hong Kong, this will bode well for the future competitiveness of our capital market and to strengthen our status as a leading international capital market.

I strongly support the government's initiative and this proposed green bond programme will benefit the community as well as the economic standing of our city state.

Mr Pat WOO