

FSDC releases report on Hong Kong as regional green finance hub

The Financial Services Development Council (FSDC) today (May 24) released a report entitled “Hong Kong as a regional green finance hub”, which makes recommendations to help Hong Kong position itself as a leading centre for green finance in the region.

The Chairman of the FSDC, Mrs Laura M Cha, said, “To meet global commitments in achieving low emissions, billions of US dollars are needed annually to fund low-carbon assets. China is now playing a leadership role in green finance and the 13th Five-Year Plan makes a number of references to green finance priorities. All of these signify that there are huge opportunities for Hong Kong to position itself as a leading hub for the provision of green finance and investment. Hong Kong should act and seize these opportunities without any delay.

“A flourishing green finance business can assist Hong Kong in promoting the development of its bond and project finance markets, as well as providing numerous benefits ranging from increased employment opportunities to boosting growth in the investment management, derivative, insurance and private equity industries.”

“The Financial Secretary also made reference to green finance in his Budget Speech 2016-17 which states that the government will strengthen efforts to publicise its competitive capital markets and highlight Hong Kong’s edge in developing green financial products.”

In general, green finance is a broad term that refers to capital raising and financial investments flowing into projects, products and companies that support the development of a more sustainable, low-carbon and climate-resilient economy. Examples of such projects and objectives include clean energy, pollution control, green buildings, transportation and infrastructure, energy efficiency and sustainable resource management as well as environmental services, such as waste management and sustainable forestry.

The report makes a number of recommendations for Hong Kong to consolidate its leading position in green finance, including (i) issuing benchmark “green bonds” by Government and public-sector controlled issuers; (ii) establishing a Green Finance Advisory Council or similar body to provide on-going focus and assistance; (iii)

hosting a global conference on green finance and investment, followed by a seminar series; (iv) building a cohort of green finance professionals via universities and professional institutions and (v) establishing a Green Labelling Scheme covering projects and securities, thus attracting issuers and new investors to Hong Kong.

The full report can be downloaded from the FSDC website: www.fsd.org.hk.

About the FSDC

The Hong Kong Special Administrative Region Government established the FSDC in 2013 as a high-level, cross-sectoral advisory body to engage the industry in formulating proposals to promote the further development of Hong Kong's financial services industry and to map out the strategic direction for development.

The FSDC has set up five committees, namely the Policy Research Committee, the Mainland Opportunities Committee, the New Business Committee, the Market Development Committee and the Human Capital Committee.

Ends/Tuesday, May 24, 2016