The sustainable bond market in ASEAN+3 saw solid expansion in Q1 2022, with total issuance reaching USD 9.2 billion, up USD 7.7 billion for an 8.6% increase compared to Q1 2021. Green bonds attracted more investor interest, with the share of green bond issuance to total issuance rising to 80.6% in Q2 2022 from 65.1% in full-year 2021.

ASEAN+3 accounted for a significant share of global sustainable bond issuance in Q2 2022, comprising 25.9% of total global issuance of USD228.4 billion. Europe continued to lead all regions, accounting for 41.8% of the global total in Q2 2022 on aggregate issuance of USD 95.6 billion.

The average tenor of sustainable bond issuances in ASEAN+3 in Q2 2022 stood at around 5 years. Bonds issued with maturities of 5 years or less accounted for 57.6% of total issuances during the quarter, up from 54.2% in Q4 2021 and 46.5% in Q1 2021. The average value-weighted tenor of new issuances in Q2 2022 was similar to the quarterly average in Q1 2021, but lower than the quarterly average of 5.8 years in 2020.

The People’s Republic of China remained the most active sustainable bond market in ASEAN+3 in Q2 2022 in terms of new issuance. ASEAN members’ share of the region’s total sustainable bond issuance increased to 5.7% in Q2 2022 from 3.7% in Q4 2021.

The issuer profiles of sustainable bonds vary significantly. While green bonds have the most diversified issuer profile, other bond classes are still dominated by issuers from certain sectors. In Q1 2022, industrials, financials, materials, and utilities were the dominant sectors for the issuance of social, sustainability, sustainability-linked, and transition bonds, respectively.

ASEAN+3 Sustainable Bond Highlights

Sustainable Bond Issuance in ASEAN+3 Markets in Q1 2022 by Bond Type

Sustainable Bond Issuance in ASEAN+3 Markets by Quarter

Sustainable Bond Issuance in ASEAN+3 by Market (share of total)

Maturity Profile of Sustainable Bond Issuances

Local Currency Bonds as Share of Total Sustainable Bond Issuance in ASEAN+3 Markets by Quarter

Local currency issuances dominate ASEAN+3 sustainable bond markets, accounting for around 66% of total sustainable bond issuances in Q2 2022. Issuance by industry and bond type is highly concentrated, with utilities being the most active sector for green bonds and finance for social bonds. In the past three years, the share of social bonds has grown significantly.