ASEAN+3 Sustainability Bonds Highlights

January 2023

The amount of sustainable bonds outstanding in ASEAN+3 markets reached USD293.3 billion at the end of 2022 on growth of 34.0% year-on-year (y-o-y). Growth slowed from 37.7% y-o-y in 2021, amid weakening financial conditions globally and in the region. ASEAN+3’s sustainable bonds accounted for only 1.2% of the region’s total bonds outstanding at the end of 2022. However, ASEAN+3 represents the second-largest sustainable bond market in the world after the EU-25, accounting for 16.0% of total global sustainable bonds outstanding.

ASEAN+3 Sustainability Bonds Issuance and Share of Global Sustainable Bond issuance

ASEAN markets accounted for 7.9% of the regional sustainable bond market at the end of 2022, exceeding ASEAN+3’s share of 5.5% in the region’s overall bond market. Asian economies have a relatively significant presence in the sustainability bond and sustainability-linked bond market segments, with respective regional shares of 21.8% and 14.9% for each bond type at the end of 2022. Meanwhile, the People’s Republic of China (PRC) remained the largest sustainable bond market among ASEAN+3 peers with a share of 46.5%, which was slightly higher than PRC’s 43.2% share of the region’s overall bond market. The PRC dominates the green and sustainability-linked bond market segments in ASEAN+3, comprising 64.3% and 65.0%, respectively, of the region’s outstanding for each bond type at the end of 2022. The Republic of Korea accounted for a significant 62.4% share of social bonds outstanding at the end of the review period, while Japan and Hong Kong, China had substantial shares of transition bonds at 42.9% and 31.3%, respectively.

ASEAN+3 Sustainable Bonds Outstanding in 2022 by Bond Type and Economy

In 2022, the average size-weighted toner of an ASEAN+3 sustainable bond issuance was 5.3 years, with 81.1% of issuances having tenors of less than 5 years. Green bonds carried the shortest tenors, with 64.2% of issuances having tenors of 3 years or less. In 2022, 74.7% of ASEAN+3 sustainable bond issuances were denominated in a local currency.

Maturity and Currency Profiles of ASEAN+3 Sustainable Bond Issuance in 2022

Notes:
1. Data for green, social, sustainability-linked, and transition bonds include both local currency and foreign currency issues.
2. ASEAN includes the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.
3. ASEAN+3 includes ASEAN member plus the People’s Republic of China, Hong Kong, China, Japan, and the Republic of Korea.

Source: AsianBondsOnline calculations based on Bloomberg LP data.