### ASEAN+3 Sustainable Bonds Highlights

**April 2023**

**Sustainable bonds outstanding in ASEAN+3 markets reached USD633.9 billion at the end of March 2023 on a q-o-q growth of 5.9%, down from 12.4% q-o-q in Q4 2022.** ASEAN+3 markets accounted for 17.7% of the global sustainable bond total at the end of Q1 2023, while the EU—20 market, the world’s largest sustainable bond market, accounted for 38.6%.

**ASEAN+3 sustainable bond issuance totaled USD47.7 billion in Q1 2023 on a contraction of 13.8% q-o-q after posting 27.2% q-o-q growth in Q4 2022. Uncertainty generated by the monetary policy path of the US Federal Reserve and turmoil in the US and European banking systems contributed to a decline in ASEAN+3 sustainable bond issuance during the quarter. Accordingly, the region’s share of global sustainable bond issuance declined to 19.6% in Q1 2023 from 29.8% in Q4 2022.

The private sector accounted for 67.9% of sustainable bond issuance in ASEAN+3 in Q1 2023. This was lower than the corresponding share of 76.2% in Q4 2022. The private sector’s dominance in ASEAN+3 sustainable bond issuance in Q1 2023 contrasted with its 28.0% share of ASEAN+3’s conventional bond issuance. In ASEAN, as a whole, the share of private sector sustainable bond issuance in Q1 2023 was 54.6%. Among ASEAN+3 markets, the Philippines (100.0%) and Hong Kong, China (93.6%) had the largest shares of public sector sustainable bond issuance in Q1 2023.

Tenors of 5 years or less, accounted for 75.0% of ASEAN+3 sustainable bond issuance in Q1 2023. The size-weighted average tenor of ASEAN+3 sustainable bond issuance in Q1 2023 was 5.8 years, which was much lower than the corresponding average tenor of 9.1 years for ASEAN+3 conventional bond issuances during the quarter. In ASEAN markets, however, 55.3% of sustainable bond issuance in Q1 2023 comprised tenors of 10 years or more.

**LCY issuance accounted for 61.7% of ASEAN+3 sustainable bond issuance in Q1 2023.** This was much lower than the corresponding share of 91.6% in the EU—20’s sustainable bond market. This also contrasted with the LCY issuance share of 94.6% in ASEAN+3’s conventional bond market, which was higher than the corresponding share of 89.8% in the EU—20’s conventional bond market. This suggests there is further opportunity for ASEAN+3 to develop its LCY sustainable bond market.

**Global Sustainable Bonds Outstanding**

**ASEAN+3 Sustainable Bond Issuance and Share of Global Sustainable Bond Issuance**

**Maturity Profile of ASEAN+3 Sustainable Bond Issuance by Economy in the First Quarter of 2023**

**Share of Local Currency Bond Issuance in ASEAN+3 Sustainable Bond and Conventional Bond Markets in the First Quarter of 2023**

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**Notes:**

1. Data for green, social, sustainability—linked, and transition bonds include both local currency and foreign currency issues.

2. ASEAN includes the members of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

Source: AsianBondsOnline.com based on Bloomberg LP data.