ASEAN+3 sustainable bonds outstanding grew 23.5% y-o-y in 2022 to reach USD 5 trillion, marking the best year-end result to date. While ASEAN+3’s sustainable bond market growth slowed from 30.5% y-o-y in the previous year, the 23.5% y-o-y expansion in 2022 was faster than growth in the global sustainable bond market (22.5% y-o-y) and the EU-20 sustainable bond market (21.0% y-o-y). As a result, ASEAN+3’s sustainable bond outstanding as a share of the global total climbed to 20.7% at the end of 2022 from 18.8% a year earlier. The EU-20’s sustainable bond market remained the world’s largest at a size of USD 11 trillion, accounting for 37.7% of the global total.

In the ASEAN+3 sustainable bond market, green bonds were the most prevalent type, making up 75.1% of the outstanding amount, according to ADB data. Total green bond issuance in ASEAN+3 reached USD 3.7 trillion in 2022, accounting for 62.2% of the region’s total sustainable bond issuance, followed by social bonds with an issuance of USD 1.5 trillion (26.0% of the total) and sustainability- and transition-linked bonds with USD 0.8 trillion (13.7%). The public sector contributed 28.3% of ASEAN+3’s total green bond issuance in 2022, of which Hong Kong, China was the largest issuer, accounting for 42.7% of public sector green bond issuance during the year through its Government Green Bond Programme.

On average, sustainable bond issuances in ASEAN markets in 2022 had tenors of more than 5 years, which was much lower than the corresponding number of 6.6% in the EU-20. The size-weighted average tenor of ASEAN+3 sustainable bond issuances in 2022 was 6.2 years, topping the EU-20’s 5.8 years and the ASEAN+3 general bond market’s 5.4 years. However, nearly 85% of ASEAN sustainable bonds issued in 2022 had tenors of more than 5 years, which was largely supported by public sector issuance and exceeded the corresponding level in the EU-20 market. In ASEAN markets, the weighted-average tenure of public sector issuances was 19.2 years in 2022, more than double the weighted-average tenure of private sector issuances at 7.7 years.

The share of LCY issuance in the ASEAN+3 sustainable bond market in 2022 remained lower than the LCY issuance share in the region’s general bond market. LCY issuance accounted for 74.3% of ASEAN+3’s sustainable bond issuance in 2022, which was much lower than the corresponding share of 96.4% in the region’s general bond market. In contrast, LCY issuance shares were largely similar in the EU-20 sustainable bond market (85.9%) and generate bond market (90.6%) in 2022. Nonetheless, ASEAN+3 members had more than 50% of their sustainable bond issuances denominated in local currencies in 2022, largely similar with the corresponding 62.3% share in their general bond markets.