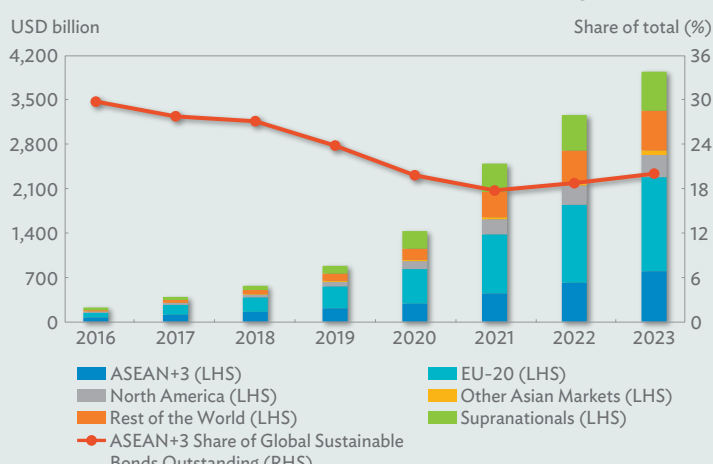
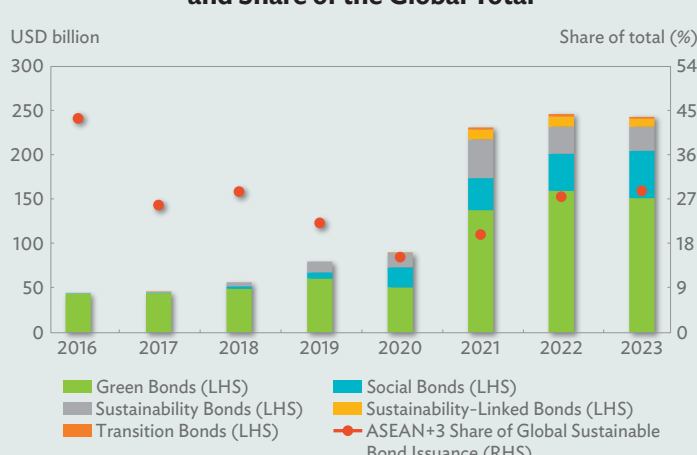


ASEAN+3 sustainable bonds outstanding grew 29.3% y-o-y in 2023 to reach USD798.7 billion at the end of December. While ASEAN+3's sustainable bond market growth slowed from 38.0% y-o-y in the previous year, the 29.3% y-o-y expansion in 2023 was faster than growth in the global sustainable bond market (21.0% y-o-y) and the EU-20 sustainable bond market (21.0% y-o-y). As a result, ASEAN+3's sustainable bonds outstanding as a share of the global total climbed to 20.1% at the end of 2023 from 18.8% a year earlier. The EU-20's sustainable bond market remained the world's largest at a size of USD1.5 trillion, accounting for 37.7% of the global total.

Global Sustainable Bonds Outstanding



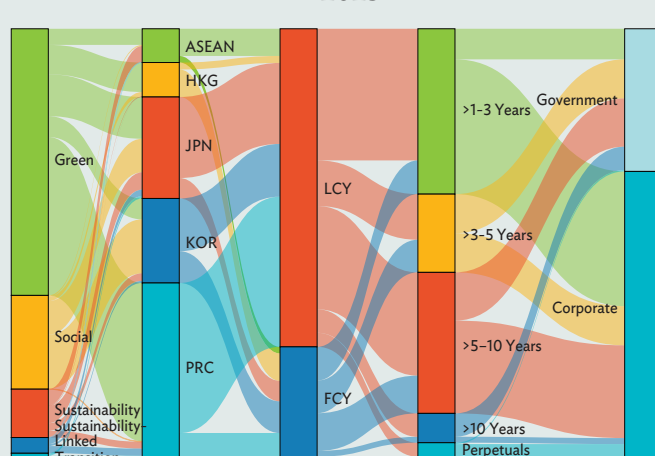
ASEAN+3 Sustainable Bond Issuance and Share of the Global Total



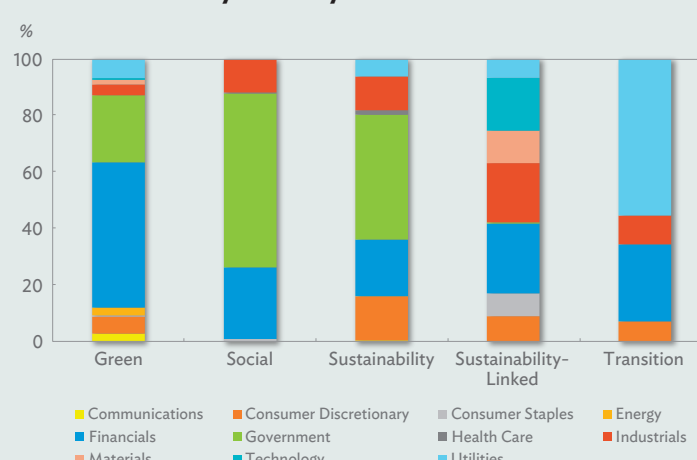
ASEAN+3 sustainable bond issuance contracted marginally by 1.4% y-o-y in 2023 to USD242.2 billion amid higher interest rates. ASEAN+3 outperformed the global market as sustainable bond issuance worldwide fell 5.6% y-o-y in 2023. As a result, the global share of ASEAN+3's sustainable bond issuance inched up to 28.6% in 2023 from 27.4% in the prior year. Issuance declined for all sustainable bond types except social bonds, which grew 27.5% y-o-y to USD53.1 billion, led by issuances from the Republic of Korea (USD30.6 billion) and Japan (USD19.0 billion). Green bond issuance fell 5.2% y-o-y to USD150.9 billion due to reduced issuance from the PRC and the Republic of Korea.

In the ASEAN+3 sustainable bond market, green bonds were the most prevalent type of bond issued in 2023. Total green bond issuance in ASEAN+3 reached USD150.9 billion in 2023, accounting for 62.3% of the region's total sustainable bond issuance, followed by social bonds with aggregate issuance of USD53.1 billion (21.9%). Issuances of all other sustainable bond types totaled USD38.2 billion, collectively accounting for 15.8% of the regional aggregate. The public sector contributed 23.8% of ASEAN+3's total green bond issuance in 2023, 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.

Market Profile of ASEAN+3 Sustainable Bond Issuance in 2023



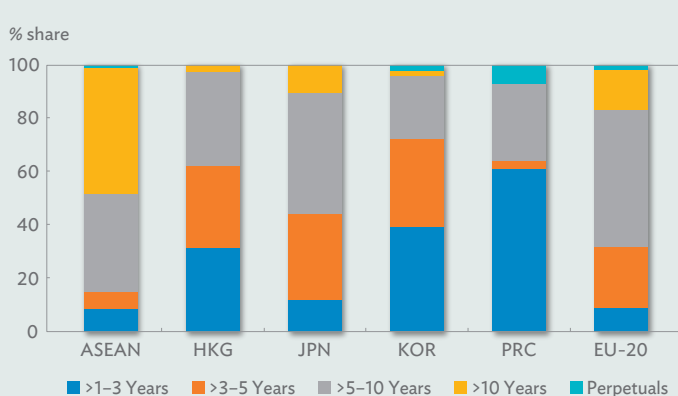
ASEAN+3 Sustainable Bond Issuance by Industry Sector in 2023



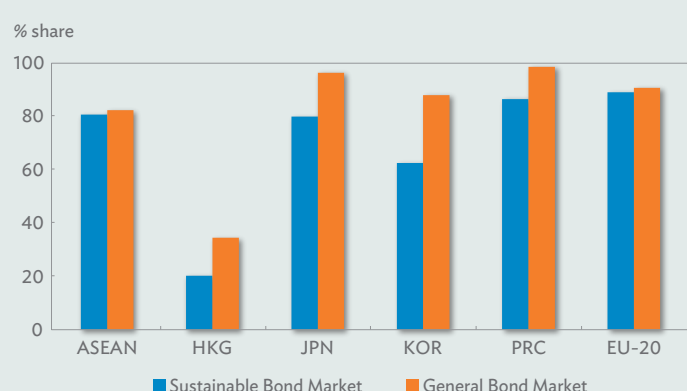
Two-thirds of ASEAN+3 sustainable bond issuance in 2023 came from private sector, with issuance totaling USD161.5 billion. This contrasted with the private sector's smaller share of 29.6% in the ASEAN+3 general bond market. Public sector sustainable bond issuance increased to USD80.7 billion in 2023, up 35.9% y-o-y from 2022's USD59.4 billion, largely due to increased issuance in Hong Kong, China and Japan. Financial institutions dominated private sector issuance in ASEAN+3 in 2023, representing 61.5% of the region's total private sector sustainable bond issuance. Public sector issuance was more prominent among social bonds (61.5%), led by the Republic of Korea and Japan, which focused largely on housing and transportation infrastructure activities, and sustainability bonds (44.2%), which were buoyed by issuances from ASEAN governments, particularly Indonesia, Malaysia, the Philippines, and Thailand.

On average, sustainable bond issuances in ASEAN markets in 2023 had longer tenors than those in the Republic of Korea and the PRC due to greater public sector participation. Around 43.1% of ASEAN+3 sustainable bond issuance in 2023 had tenors of more than 5 years, which was much lower than the corresponding number of 68.4% in the EU-20. The size-weighted average tenor of all ASEAN+3 sustainable bond issuance in 2023 was 6.2 years, lagging the EU-20's 8.8 years and the ASEAN+3 general bond market's 8.4 years. However, nearly 85% of ASEAN sustainable bonds issued in 2023 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 tenor of public sector issuances was 19.2 years in 2023, more than double the weighted-average tenor of private sector issuances at 7.1 years.

Maturity Profiles of ASEAN+3 and EU-20 Sustainable Bond Issuances in 2023



Share of Local Currency Bond Issuance in ASEAN+3 and EU-20 Sustainable Bond and General Bond Markets in 2023



The share of LCY issuance in the ASEAN+3 sustainable bond market in 2023 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 2023, 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 (88.9%) and general bond market (90.6%) in 2023. Meanwhile, ASEAN members had 80.6% of their sustainable bond issuance denominated in local currencies in 2023, largely similar with the corresponding 82.3% share in their general bond markets.

ASEAN+3 = Association of Southeast Asian Nations (ASEAN) plus the People's Republic of China (PRC); Hong Kong, China (HKG); Japan (JPN); and the Republic of Korea (KOR); EU = European Union; FCY = foreign currency; LCY = local currency; LHS = left-hand side; RHS = right-hand side; USD = United States dollar; y-o-y = year-on-year.

Notes:
 1. Data for green, social, sustainability, sustainability-linked, and transition bonds include both local currency and foreign currency issues.
 2. ASEAN includes the markets of Indonesia, Malaysia, the Lao People's Democratic Republic, the Philippines, Singapore, Thailand, and Viet Nam.

Source: AsianBondsOnline computations based on Bloomberg LP data.