

12 September 2025

“The Asian Way: Sustainable Finance Market Outlook in Southeast Asia and the Role of Hong Kong”

*Published by Hong Kong Financial Research Institute of Bank of China,
the MSCI Sustainability Institute, and
HKU Jockey Club Enterprise Sustainability Global Research Institute*

Hong Kong Financial Research Institute of Bank of China, the MSCI Sustainability Institute and HKU Jockey Club Enterprise Sustainability Global Research Institute released a joint research report titled “The Asian Way: Sustainable Finance Market Outlook in Southeast Asia (“SEA”) and the Role of Hong Kong”.

By conducting survey and market research, the report provides critical insights into sustainable finance needs, opportunities and challenges in SEA, as well as how Hong Kong can best serve these needs with its world-class sustainable financial services. The findings of the report were presented at “BOCHK Green Forum 2025 – Collaborate to accelerate transition: financing sustainable development in SEA” during the Hong Kong Green Week 2025.

This report highlights:

- **Market growth and investor flows:** Total labelled sustainable bond issuance across SEA and the Greater Bay Area surpassed USD 300 billion between 2015 and mid-2025, with SEA distinguishing itself through a more diverse mix of instruments, including social and sustainability bonds. In the first half of 2025 alone, roughly six percentage points of global climate fund allocations shifted to Asia-Pacific, marking the first major reallocation of climate-themed capital to the region in more than seven years.
- **Supportive policy momentum:** Most SEA countries have stepped up climate-related policies, from Singapore’s rising carbon tax and mandatory disclosure regime for listed firms, to Malaysia’s requirement for Scope 1 and 2 greenhouse gas emissions reporting from 2025, extending to Scope 3 by 2027. These shifts are laying the foundation for mobilising climate-aligned investment at scale.
- **Corporate demand accelerating:** Survey results reveal that 75% of SEA organisations increased their sustainability investment in the past year, and 86% plan to expand further over the next five years. The vast majority (89%)

see sustainability as highly important to their strategy, with most regarding it as a driver of opportunity and efficiency rather than simply a cost. However, barriers remain, particularly around upfront costs and limited internal awareness.

- **Hong Kong's role:** The survey also found that SEA organisations increasingly look overseas for sustainable finance opportunities due to limited domestic options. This presents opportunities for Hong Kong to expand its sustainable finance products and services to meet regional demand. More than half of the respondents identified transition finance frameworks, high-integrity carbon markets, and regionally focused investment vehicles as priority areas where Hong Kong can play a leading role.

Mr. Zhang Jianguang, Dean of the Hong Kong Financial Research Institute of Bank of China, said, “This report offers valuable insights about the drivers, barriers, and outlook for sustainable finance in SEA. Sustainable finance is not only an opportunity for the region but also an opportunity for Hong Kong to reinforce its role as an international green finance hub. BOCHK, as a regional bank, is committed to promoting sustainable finance in SEA and serving their growing needs.”

Rumi Mahmood, Research Director at the MSCI Sustainability Institute, said, “The coming decade will define whether Asia’s fast-growing economies can transition in a way that is both sustainable and inclusive. Across SEA and the Greater Bay Area, the twin forces of rapid economic growth and escalating climate risk are reshaping the sustainable finance agenda. Mobilising capital toward credible transition pathways is no longer optional – it is essential to securing the region’s long-term resilience and prosperity.”

Professor Jeffrey Ng, Associate Director of HKU Jockey Club Enterprise Sustainability Global Research Institute, said, “Our survey results clearly highlight the significant value people in China and SEA place on sustainability as a key factor in maintaining a healthy environment, economy, and society for the long term. This aligns with my own experiences growing up in Singapore and working in Hong Kong. I believe that by practitioners and academics coming together – sharing research, innovative ideas, and real-world insights – we can discover and implement meaningful sustainability solutions that make a real difference.”

For more information and to download the full report, please visit:
https://www.bochk.com/dam/esg/sustainability-research_en.html.

– End –

Hong Kong Financial Research Institute of Bank of China

“Hong Kong Financial Research Institute of Bank of China” (“the Institute”) is the core research and strategic planning centre within the Bank of China (Hong Kong) Group. Rooted in Hong Kong, setting our sights on the Greater Bay Area, Southeast Asia, Asia-Pacific and the world, the Institute focuses on macro-economics and policies, financial markets, RMB internationalisation and digital currencies, financial sector reforms and innovation, green and sustainable finance development. The Institute, as the knowledge centre of BOC, combines original macro, meso and micro researches with real-world practices to provide unique insights and advices to the community. With the core mission of serving the country and Hong Kong, the Institute advises the government agencies, and has built extensive collaborations and joint research with prestigious universities, think tanks and industry leaders in Hong Kong and the Chinese mainland. The Institute has 60 professional researchers and produces close to 1,000 internal and external research papers annually.

MSCI Sustainability Institute

The MSCI Sustainability Institute is on a mission to advance knowledge that tackles systemic challenges to create long-term value for global capital markets. We pursue our mission through interdisciplinary research, education and events that equip financial institutions, academic researchers, policymakers and NGOs with the insights they need to drive progress. For more information and to engage with us, visit msci-institute.com.

HKU Jockey Club Enterprise Sustainability Global Research Institute

HKU Jockey Club Enterprise Sustainability Global Research Institute was established by HKU Business School and funded by The Hong Kong Jockey Club Charities Trust. The institute brings together distinguished global scholars from diverse fields, to foster a multidisciplinary approach to sustainability research and training, as well as to forge partnerships with private and public sectors for sustainability initiatives and responsible leadership advocacy. As a leading institute in sustainability research, we are dedicated to creating meaningful, lasting impact through pioneering studies, sustainability index development, and start-up incubation. Our objective is to equip the next generation of professionals and leaders with the knowledge and skills necessary to promote responsible and sustainable growth. We are committed to facilitating dialogues and cooperation among regulators, corporates, NGOs, and academics. Together, we aim to shape a more sustainable, equitable, and responsible future for all stakeholders. For more information, please see: <https://hkujcesgri.hku.hk/>