

FOR IMMEDIATE RELEASE

The Turning Point – 2019 Update to HKQAA’s Research Report on Sustainable Financing in China’s Greater Bay Area

(14 May 2019, Hong Kong) Hong Kong Quality Assurance Agency (HKQAA) published an addendum for the Research Report on “Sustainable Financing in China’s Greater Bay Area – Opportunities for Growth”, with the support of the HSBC. The addendum responds to the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area” promulgated by the Chinese Central Government on 18 February 2019 and provides an update on the research.

Background of the Greater Bay Area Development

Low-carbon economy, emission reductions, sustainable technological development and green financing are highlighted in China’s “Intended Nationally Determined Contributions” (INDC) under the Paris Agreement and the “Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation in the Development of the Bay Area” (the Framework Agreement). The Framework Agreement was signed by the governments of the Hong Kong and Macao Special Administrative Regions, the government of Guangdong province and the National Development and Reform Commission of the People’s Republic of China in July 2017. To substantiate the Framework Agreement and set out the directions guiding the cooperation and development of the Greater Bay Area (GBA), the Central Government announced “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area” (the ODP) in February 2019.

Highlights of the Addendum

To compare the ODP against the findings identified in the Research Report on “Sustainable Financing in China’s Greater Bay Area – Opportunities for Growth” (the Report), published by HKQAA in June 2018, the key points relating to green development in the ODP and the research findings described in the Report are tabulated. The comparison table shows that the ODP reinforces the suggestions proposed in the Report. According to the ODP, potential green investment areas include fuel mix for electricity generation, clean transportation, water infrastructure, upgrading of manufacturing industry, innovative environmental protection and low-carbon technologies, and ecological protection. Areas related to Clean Energy and Energy Saving, Clean Transportation and Climate Resilience have been discussed.

Green Financing in the GBA

Certainly, a considerable amount of funds will be required to complete the various green projects proposed in the ODP. Over the past years, China has established various policies and standards for the development of green finance in order to support green industries. These policies and standards offer substantial tools for the realisation of the green development proposed in the ODP. Furthermore, the ODP proposes vigorous development of special financial products and services, including green finance. It also supports the development of Hong Kong into a green financial hub for the GBA, and the establishment of an internationally recognised green bond certification institution. This aligns with the Hong Kong SAR Government’s support to the development of green finance market.

Support from the HSBC

Ms Helen Wong, Chief Executive, Greater China, HSBC, said: “With Guangdong’s sophisticated economy and Hong Kong’s prowess as an international finance centre, the Greater Bay Area is ideally positioned to lead the way in China’s transition towards a more sustainable economy. Enterprises have critical roles to play in delivering on the ambitions set out in the Outline Development Plan, especially in building a modern transportation system, developing green and low carbon energy supply, improving water infrastructure and resilience against flooding, upgrading the manufacturing industry, etc. We welcome the recommendation in the HKQAA report that government and financial institutions should offer more incentives to promote the sustainable finance market. Last year, HSBC launched a lending programme for Commercial Banking customers in Hong Kong that recognises the amount by which they reduce carbon emissions with a rebate. We are also a leading arranger of green bonds and green loans. As the GBA strategy gathers momentum, we look forward to helping our clients build a greener economy across the Pearl River Delta, Hong Kong and Macau.”

For more details of the addendum and Research Report, please visit the webpage of this project at www.hkqaa.org/gbaproject.

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HKQAA Background

Hong Kong Quality Assurance Agency (HKQAA) is a non-profit organisation established by Hong Kong Government in 1989. As one of the leading conformity organisations in the Asia-Pacific region, HKQAA is committed to providing certification and assessment services. Through knowledge sharing and technology transfer, HKQAA helps enterprises enhance management performance and competitiveness. Apart from introducing world-class management systems to Hong Kong, HKQAA has also developed a wide range of innovative services to cope with increasingly diversified market demands and the growing need for sustainable development, bringing benefits to the community. Please visit <http://www.hkqaa.org> for further information.