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# Third year of growth in GSS+ debt for Malaysia

**KUALA LUMPUR:** Malaysia registered its third consecutive year of growth in combined green, social and sustainability and sustainability-linked debt or GSS+, with a 30.5% jump in issuance last year compared to 2020, according to HSBC.

It said Malaysia recorded more than US\$1bil (RM4.5bil) of sustainability-linked bonds (SLB) and sustainability-linked loans (SLL) as well as eight deals in 2021.

The sustainability label remained the most prominent financing instrument for Malaysia, accounting for about 51% of the cumulative market share.

Meanwhile, green debt (bonds and loans) accounted for 29% of the market, followed by 20% from sustainability-linked instruments, said the largest bank by total assets in Europe in a statement.

"We are encouraged by the growth of the

sustainable finance market in Malaysia, where we have played a key role in facilitating its development in recent years.

"In 2021, HSBC supported the government of Malaysia on the issuance of the world's first sovereign US dollar-denominated sustainability sukuk and Yinson Holdings Bhd on the issuance of Malaysia's first ever sustainability-linked sukuk," managing director, head of sustainable finance and investments for Asean, Kelvin Tan, said.

He said while the sustainable finance market has been growing in the country and the wider Asean region, significantly more financing needs to be deployed in the region to adapt to climate change.

"This mobilisation of finance will be critical to achieve the Paris Agreement goals while mitigating the devastating effects of climate change for South-East Asia," he added.

The sustainable debt market in the six largest Asean economies – Malaysia, Singapore, Indonesia, Thailand, Vietnam and the Philippines – continued to grow rapidly in 2021 with a record issuance of GSS debt.

The debt totalled US\$24bil (RM106.9bil) compared to US\$13.6bil (RM60.6bil) in 2020, surging by 76.5% year-on-year.

Sustainability-linked debt soared 220% to US\$27.5bil (RM122.6bil) in 2021.

"This growth reflects the region's enthusiasm to allocate capital for the response to the Covid-19 pandemic along with facilitating long-term, low-carbon and climate-resilient economic growth," it said.

HSBC said green-labelled debt, encompassing green bonds and green loans, remained the most popular in the GSS debt market in 2021. — Bernama