

Darryl Chan: Opening remarks - Climate Business Forum: Asia Pacific 2025

Opening remarks by Mr Darryl Chan, Deputy Chief Executive of the Hong Kong Monetary Authority, at the "Climate Business Forum: Asia Pacific 2025", Hong Kong, 9 September 2025.

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John (Gandolfo), Mary (Schapiro), Jon (Moore), distinguished guests, ladies and gentlemen,

Good morning. It gives me great pleasure to welcome you to the Climate Business Forum: Asia Pacific 2025. This is the second time we co-host the Forum with the International Finance Corporation, which anchors the Hong Kong Green Week that features over 40 sustainability-themed events organised by more than 60 international and local institutions.

It is encouraging to see so many of you across the world joining us here to continue and advance this important dialogue on climate business.

It has indeed been a challenging year, navigating a "climate change" in climate conversations, while addressing the escalating climate impacts at the same time.

Hong Kong remains firmly committed to sustainability. For example, in June this year Hong Kong has been profiled by the IFRS Foundation to have targeted full adoption of the ISSB Standards.

Just yesterday, the Hong Kong Monetary Authority (HKMA) published the prototype of an enhanced version of sustainable finance taxonomy that extends the sector coverage to manufacturing and information and communications technology. The prototype also introduces criteria for transition activities and incorporates a new category on climate change adaptation.

Around a year ago, the HKMA launched the Sustainable Finance Action Agenda that guides our sustainability efforts in discharging our mandates in banking supervision, investment and market development. We also closely collaborate with fellow regulators and stakeholders from public and private sectors, locally and globally, to ensure that Hong Kong as a financial centre does its part in facilitating Asia's transition.

We stay the course because we believe it is the right thing to do, and the necessary thing to do. We also believe that we should do it right.

Let me give you two telling examples. First, quietly and steadily, the share of renewables in global electricity generation has been on the rise, having now surpassed one-third and is set to grow to two-thirds by mid-century.¹ That can translate into abundant business opportunities, especially in growing economies in the Asia Pacific.

Second, zooming in Hong Kong, we have seen a steady growth in the sustainable debt market. The total green and sustainable debt issued in Hong Kong exceeded US\$84 billion in 2024, up 61% year-on-year. The momentum continued, with the issuance volume totalling US\$34.3 billion in the first half of the year, or a 15% year-on-year increase. This is yet another indicator of the growing demand for climate financing and the opportunities ahead.

But we also need to address questions surrounding climate actions. While we may sympathise with the high-level goals of energy transition, biodiversity preservation and climate resilience, it is challenging to reach consensus when we delve into the practical issues of how, at what speed, and at what cost.

This is especially true in the Asia Pacific. Some of the emerging markets that are heavily dependent on fossil fuels are struggling to safeguard the rights to development of the current generation. It is however the same population that is the most susceptible to the dire consequences of climate change.

We do need to reflect on the climate agenda, taking into account the legitimate concerns. Not to look for convenient excuses to give up, but to come out stronger with robust and affordable climate actions.

There may well be more questions than answers. But there is one thing that we know for sure. It is through open and constructive dialogues that we find our way forward. We are truly grateful therefore to have with us today some of the most experienced and visionary practitioners. I encourage you to take the opportunity to share, discuss and debate what is needed to achieve a low-carbon, inclusive and resilient transition.

With that, I wish today's conference a great success. Thank you.

¹ BNEF New Energy Outlook 2025