

Green Bonds Market to Hit \$1,555.1 Billion by 2033, Growing at 10.1% CAGR

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WILMINGTON, DE, UNITED STATES, September 9, 2025 /EINPresswire.com/ -- Allied Market Research published a report, titled, "[Green Bonds Market](#) Size by Investor Type (Fund Manager, Bank Treasuries, Insurance and Pension Funds, Central Banks / Official Institutions, Banks, and Hedge Funds), Issuer (Government Agencies, Sovereigns, Financial Institutes, Corporates, Municipals, and Development Bank), and Application (Energy, Building, Water, Transport, Waste, Land, and Others): Global Opportunity Analysis and Industry Forecast, 2024-2033". According to the report, the "green bonds market" was valued at \$582.6 billion in 2023, and is estimated to reach \$1,555.1 billion by 2033, growing at a CAGR of 10.1% from 2024 to 2033.

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Prime Determinants of Growth

In addition, the corporate sector's commitment to ESG (Environmental, Social, and Governance) goals is accelerating green bond issuance. Institutional investors increasingly prefer sustainable assets, given their long-term risk mitigation potential. The integration of climate risk assessments into financial decision-making further supports market expansion.

The fund manager segment dominated the market in 2023

By investor type, the fund manager segment accounted for the largest share in 2023, owing to their growing focus on ESG-aligned investment portfolios and increasing demand for sustainable fixed-income assets. Fund managers play a crucial role in channeling institutional capital into green finance, driven by regulatory mandates, investor preferences, and long-term risk-adjusted returns associated with green bonds. Additionally, the rising adoption of green investment strategies among pension funds, mutual funds, and asset management firms has strengthened the demand for green bonds. The introduction of sustainability-linked investment funds and dedicated green bond exchange-traded funds (ETFs) has further accelerated participation from fund managers. Moreover, the diversification benefits, stable yields, and risk mitigation attributes of green bonds have made them attractive to institutional investors. With global commitments toward net-zero targets and expanding green finance frameworks, fund managers are expected to maintain a dominant position in the green bonds market in the coming years.

The corporate segment to maintain its lead position during the forecast period

By issuer, the corporate segment accounted for the largest share in 2023, owing to the growing emphasis on sustainability commitments, ESG integration, and corporate decarbonization targets. Companies across industries, particularly in energy, utilities, transportation, and real estate, have been increasingly issuing green bonds to finance renewable energy projects, energy-efficient infrastructure, and carbon reduction initiatives. Furthermore, investor demand for sustainable corporate debt instruments has encouraged businesses to leverage green bonds as a cost-effective financing tool while enhancing their corporate reputation and ESG ratings. The availability of green finance incentives, such as tax benefits and lower capital costs, has also driven higher issuance levels. Additionally, regulatory frameworks like the EU Green Bond Standard and ICMA's Green Bond Principles have facilitated transparency and credibility, making it easier for corporates to tap into the green bond market. With rising sustainability pressures, corporate green bond issuances are expected to maintain strong momentum.

The energy segment to maintain its lead position during the forecast period

By application, the energy segment accounted for the largest share in 2023, owing to the growing global transition toward renewable energy sources and the urgent need for decarbonization. Green bonds have become a key financing tool for large-scale investments in solar, wind, hydro, and other renewable energy projects, enabling governments and corporations to achieve net-zero targets and reduce reliance on fossil fuels. Additionally, favorable policies and subsidies promoting clean energy adoption, along with commitments under international agreements like the Paris Climate Accord, have accelerated funding through green bonds. The expansion of smart grids, energy storage solutions, and carbon capture technologies has further contributed to high capital requirements, driving increased green bond issuance in the energy sector. Moreover, institutional investors prioritize climate-resilient infrastructure and sustainable energy investments due to their long-term stability and risk-adjusted returns, reinforcing the dominance of the energy segment in the green bonds market.

Europe region dominated the market in 2023

By region, Europe held the highest market share in terms of revenue in 2023, owing to strong regulatory support, well-established sustainability frameworks, and high investor demand for green finance. The European Union's Green Bond Standard (EU GBS) and Sustainable Finance Disclosure Regulation (SFDR) have played a crucial role in promoting transparency and credibility in green bond issuances. Additionally, European governments and corporations have actively issued green bonds to finance renewable energy, clean transportation, and climate-resilient infrastructure. Countries like Germany, France, and the Netherlands have led sovereign and corporate green bond issuances, reinforcing Europe's leadership in sustainable finance. The European Central Bank's (ECB) support for green investments, coupled with growing ESG-driven institutional investor participation, has further fueled market growth. With ambitious carbon neutrality goals and continued expansion of sustainable finance policies, Europe is expected to maintain its dominant position in the green bonds market in the coming years.

Leading Market Players: –

KfW

Frankfurt Am Main

Abu Dhabi Future Energy Company

China Development Bank

Bank Of China

European Investment Bank

World Bank Group

Equinix, Inc.

Deutsche Bank AG

Engie Group

Iberdrola, S.A

The report provides a detailed analysis of these key players in the green bonds market. These players have adopted different strategies such as new product launches, collaborations, expansion, joint ventures, agreements, and others to increase their market share and maintain dominant shares in different countries. The report is valuable in highlighting business performance, operating segments, product portfolio, and strategic moves of market players to showcase the competitive scenario.

Key Benefits for Stakeholders

This report provides a quantitative analysis of the market segments, current trends, estimations, and dynamics of the green bonds market forecast from 2024 to 2033 to identify the prevailing green bonds market opportunity.

Market research is offered along with information related to key drivers, restraints, and opportunities.

Porter's five forces analysis highlights the potency of buyers and suppliers to enable stakeholders to make profit-oriented business decisions and strengthen their supplier-buyer network.

In-depth analysis of the green bonds market segmentation assists to determine the prevailing market opportunities.

Major countries in each region are mapped according to their revenue contribution to the global green bonds market outlook.

Market player positioning facilitates benchmarking and provides a clear understanding of the present position of the market players.

Green Bonds Market Key Segments:

By Investor Type

Banks

Hedge Funds

Fund Manager

Bank Treasuries

Insurance and Pension Funds

Central Banks / Official Institutions

By Issuer
Government Agencies
Sovereigns
Financial Institutes
Corporates
Municipals
Development Bank

By Application
Energy
Building
Water
Transport
Waste
Land
Others

By Region
North America (U.S., Canada)
Europe (UK, Germany, France, Italy, Spain, Rest of Europe)
Asia-Pacific (China, Japan, India, Australia, South Korea, Rest of Asia-Pacific)
LAMEA (Latin America, Middle East, Africa)

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We are in professional corporate relations with various companies and this helps us in digging out market data that helps us generate accurate research data tables and confirms utmost accuracy in our market forecasting. Allied Market Research CEO Pawan Kumar is instrumental in inspiring and encouraging everyone associated with the company to maintain high quality of data and help clients in every way possible to achieve success. Each and every data presented in the reports published by us is extracted through primary interviews with top officials from leading companies of domain concerned. Our secondary data procurement methodology includes deep online and offline research and discussion with knowledgeable professionals and analysts in the industry.

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