

China Picks Banks for Green Bond Sale Seen Boosting ESG Market

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✦ **Takeaways** NEW

China's government is planning to issue up to 6 billion yuan of sovereign green bonds in London, with a fixed income investor conference to be held starting April 1.

Summary by Bloomberg AI

The move is seen as a positive step towards China's ambition to take a greater role in global climate finance and diplomacy, and a signal to the market that China is committed to the green transition agenda.

Summary by Bloomberg AI

The bond sale is expected to attract investors from Europe and elsewhere, although some may be hesitant due to social or governance concerns, and the use of proceeds will be closely scrutinized.

Summary by Bloomberg AI

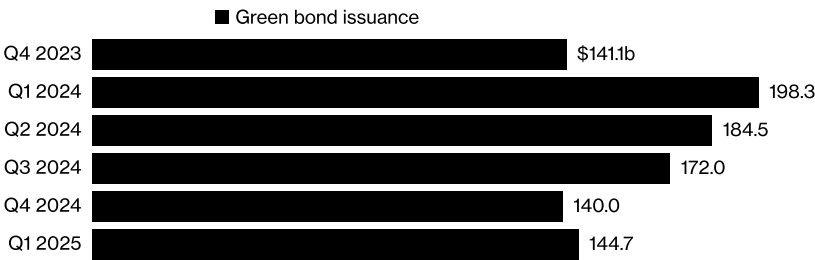
China's government has mandated banks as it seeks to raise as much as 6 billion yuan (\$830 million) in its inaugural sale of green bonds in London.

A fixed income investor conference on the sales of the yuan-denominated three-year and five-year bonds will be held starting April 1 in London, according to a person familiar with the matter, who asked not to discuss private details.

The move follows pledges from Chinese and UK officials in January to expand cooperation on bonds and other financial instruments to support the No. 2 economy's ambition of taking a greater role in global climate finance and diplomacy, despite retreats under President Donald Trump.

Green Bonds Slowed Through 2024

Issuance cooled in the final three quarters of last year, though has picked up so far in 2025



Source: Bloomberg Intelligence

“This is a positive move by China,” said Rose Choy, research director for Asia Pacific at the Anthropocene Institute, a nonprofit. “A clear signal to the market that China intends to stay committed to its green transition agenda despite the US backtracking.”

Bloomberg Green

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Global ESG bond funds have traditionally invested in euro and dollar issuances, meaning the yuan securities could add new demand, provided the use of proceeds aligns with investor expectations. Short tenors are a good start to test the market appetite,” Choy said.

While global issuance of green bonds slowed in the final three quarters of 2024 amid a wider retreat in related financing instruments, Chinese entities are the largest issuers of the bonds so far this year, according to Bloomberg Intelligence shows.

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[Bank of China Ltd.](#), [Bank of Communications Co.](#), Barclays PLC, China International Capital Corp., Citigroup, [Agricole CIB](#), [HSBC Holdings Plc](#), Industrial & Commercial Bank of China Ltd. and [Standard Chartered](#) have been mandated as joint lead managers and joint book-runners for the deal, according to the press release. See the details.

China’s Ministry of Finance confirmed Wednesday  it planned to issue up to 6 billion yuan of green bonds in London. The ministry didn’t immediately respond for a request for additional comments, but it confirmed the bank mandates.

“China’s sovereign green bonds will be a strong counter to the doom and gloom in the sustainable finance market right now driven by the anti-ESG sentiment in the US,” said Jonathan Luan, head of sustainable finance at BloombergNEF. “It is a huge signal for investors from, or active, in China on Beijing’s intention to open up the market for its climate actions.”

Investors in Europe, the largest sustainable debt market, and elsewhere are seen as likely to close out China’s planned use of proceeds from its green bond sales, while some funds may remain reluctant to do so, world’s top polluting nation as a result of social or governance concerns.

China is pursuing a range of green plans, including an acceleration of grid spending to integrate renewable energy and the addition of more zero-carbon industrial parks, Premier Li Qiang said earlier this month in a report to the National People’s Congress. The nation will “actively engage in and steer global environmental and climate governance,” he said in the report.

The country raised \$2 billion from regular three- and five-year securities in a deal that was sold in November, following 2 billion euros of notes sold  in Paris in September.

– *With assistance from Ameya Karve and Fran Wang*

(Updates with comment in fourth paragraph.)

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