

DATA DISPATCH ASIA-PACIFIC

China green bond sales to remain strong amid policy support

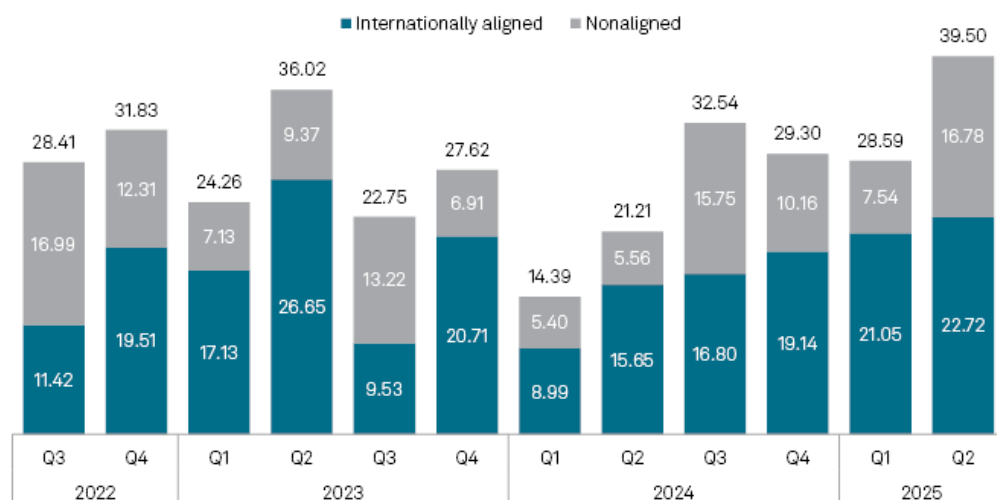
Tuesday, July 22, 2025 9:06 AM CT

By Marissa Ramos and John Wu
Market Intelligence

Green bond sales in China will likely extend momentum amid policy support and sizable upcoming deals.

Chinese issuers sold an aggregate \$22.72 billion of internationally aligned green bonds in the April-June quarter, surging 45.2% over the same period in 2024, according to data from [Climate Bonds Initiative](#). That was the highest since the second quarter of 2023, when the issuance hit \$26.65 billion, and the fifth consecutive quarter of gains, data shows. Internationally aligned green bonds are issued by international standards, or the Common Ground Taxonomy.

Volume of mainland China green bond issuance (\$B)*



Data compiled July 14, 2025.

* Volume includes bonds aligned with international standards and bonds aligned with only local standards.

Internationally aligned green bonds are limited to those where at least 95% of proceeds are designated for green projects aligned with the Climate Bonds Taxonomy.

Data compiled on a best-efforts basis.

Source: Climate Bonds Initiative.

© 2025 S&P Global.

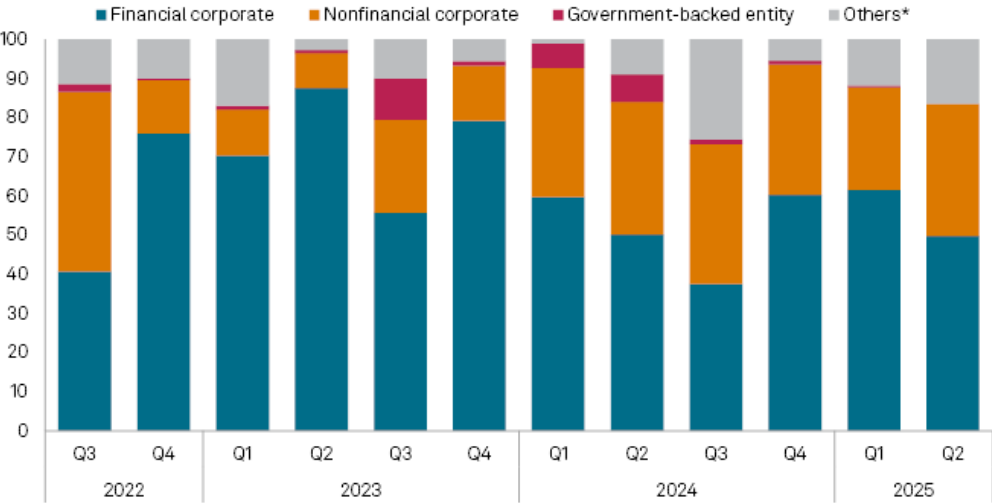
"With continued policy support for the country's dual-carbon goals and upcoming third quarter issuances from [China Construction Bank Corp.](#) and [Shanghai Pudong Development Bank Co. Ltd.](#), the issuance momentum is expected to remain strong into the second half of 2025," said Steve Alain Lawrence, chief investment officer at Balfour Capital Group.

"China's green bond surge in the second quarter was largely led by major issuers such as the [Industrial and Commercial Bank of China Ltd.](#) and [Bank of China Ltd.](#), supported by the [People's Bank of China's](#) renewed efforts through green relending facilities and regulatory incentives," said Lawrence. He added that strong demand from global environmental, social and governance-focused investors also contributed to cross-border flows.

China, one of the largest emitters of greenhouse gases in the world, along with the US and India, aims to peak its emissions by 2030 and is targeting to become net-zero by 2060.

In early 2021, the authorities, led by the People's Bank of China, launched the Common Ground Taxonomy – Climate Change Mitigation framework. The framework encourages alignment with international standards and tries to curb greenwashing, a practice issuers use to overstate environmental claims to take advantage of lower borrowing costs. This includes a list of economic activities recognized by China and the EU green taxonomies that have a substantial contribution to climate change mitigation.

Mainland China green bonds by issuer type (%)



Data compiled July 14, 2025.
Green bond figures include data for only internationally aligned bonds.
* "Others" includes "local government," "development bank" and "sovereign" categories.
Source: Climate Bonds Initiative.
© 2025 S&P Global.

Domestic needs

Data from the Climate Bonds Initiative shows that issuance of nonaligned green bonds issued under domestic standards was \$16.78 billion in the second quarter, rising 202% from a year ago and pushing the total issuance in China to \$39.50 billion. It was the [highest](#) in at least three years.

"The increase in nonaligned green bond issuance signals both near-term flexibility and a longer-term strategic shift," said Lawrence.

Institutions such as China Merchants Bank Co. Ltd. and various local government financing vehicles increasingly favor domestic green taxonomies over international frameworks, which are backed by domestic institutional investors and the [State Administration of Foreign Exchange](#), reflecting Beijing's deliberate move toward a sovereign ESG architecture, according to Lawrence.

Managed by the People's Bank of China, the State Administration of Foreign Exchange is responsible for China's foreign exchange settlements and participates in drafting laws and standards.

The world's second-largest economy remained at the top of the global issuance league table, followed by the US with \$22.59 billion and \$22.42 billion of green bond issuance in Germany, according to Climate Bonds Initiative data.

Among major geographies in Asia-Pacific, [Japan](#) ranked seventh with \$2.03 billion in issuance, a year-over-year increase of 55.0%.

Volume of green bond issuance by world's largest economies in Q2 2025 (\$B)

Mainland China	22.72
US	22.59
Germany	22.42
France	11.15
UK	2.65
Canada	2.09
Japan	2.03
Italy	1.26
Brazil	0.50
India	0.04

Data compiled July 14, 2025.
Sample includes the top 10 economies in the world by 2024 nominal GDP.
Internationally aligned green bonds are limited to those where at least 95% of proceeds are designated for green projects aligned with the Climate Bonds Taxonomy.
Does not include nonaligned bonds or bonds that had not been tagged as either aligned or nonaligned due to insufficient information.
Data compiled on a best-efforts basis.
Source: Climate Bonds Initiative.
© 2025 S&P Global.

This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.