
First issue of Chinese local gov't bonds by Finance Ministry set for March 30

BEIJING, March 24 (Xinhua) -- The Ministry of Finance (MOF) will issue 3 billion yuan (441.2 million U.S. dollars) in local government bonds on behalf of the Xinjiang Uyghur Autonomous Region on March 30, the first such issue in China, the ministry said Tuesday.

The issue marks the start of local government bond sales, estimated to reach 200 billion yuan this year. China plans 950 billion yuan in treasury bill sales this year to finance a record fiscal deficit and massive economic-stimulus program. The local bond sales are part of that larger plan.

The interest rate for the 3-year bonds would be set through bidding, which would start March 27, the ministry said in a statement, with interest to be paid annually.

The bonds would become tradable from April 3 on the interbank market and securities exchanges. All such bonds would be issued by the MOF on behalf of local governments in the form of book-entry national treasury bonds and sold to the rank-A members of the group that usually underwrites national bonds, said the ministry.