

With the increasing scale of local government bonds, the pressure on China to prevent and resolve debt risks has also increased. Based on international experience and China's actual situation, establishing a scientific, reasonable and perfect local government credit rating system is the key to the healthy development of China's bond market and the effective prevention and resolution of debt risks. Based on the summary of local government credit rating experience in the United States, Japan and India, this paper analyzes empirically the default rate, default loss rate, issue coupon rate and issue spread of local government bonds and bonds issued by economic entities of each province in China in 2022, and finds that the current credit rating of local government bonds in China is obviously indistinguishable and basically fails in preventing and resolving government debt risks. The underlying reasons are the lack of local government bond default rate test, inadequate information disclosure of local governments and their bonds, and the failure of the rating concept to keep up with the times. The article concludes with several improvement suggestions for China's local government credit rating.

Debt risk Local government bonds Local government credit rating Local government

| | | 2009 | 2015 | 2022 |
|-------|-----|---------|------|--------|
| “ | ” | 1 | 1 | 31 |
| 144.5 | GDP | 119.42% | 60.4 | |
| 41.8% | GDP | 49.92% | 34.9 | 24.15% |
| GDP | | 28.84% | | |

2021 1 29

2021 8 6

2023 3 21

2030

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2017

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ESG

2014

2014

2016

2022

ESG

54 ESG 29

municipal bond

19 20

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2010

2012 2018—2020

2020

4852 2018—2021

2022

2022 12 31

2.37

2021

2%

1.62

4.6%

0.75

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NESEA PC

2022

31

83% 2023

2018 2022

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|------|-------|-------|-------|-------|
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| 4.17 | 4.36 | 6.44 | 7.49 | 7.37 |
| 2.22 | 1.77 | 2.30 | 2.57 | 2.24 |
| 1.95 | 2.59 | 4.14 | 4.92 | 5.13 |
| 6.10 | 10.30 | 14.70 | 11.95 | 13.21 |
| 3.89 | 3.47 | 3.40 | 3.36 | 3.02 |

Wind

a9@df

2022 12 31

60

29.1%

2023

2019 Gaillard 2009)

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2022

2022 3 11 2021

2021 12 31

3565

AA 28.38% 13.55% 56.76% AA+ 70.18% 81.10%

31.62% 2021 5768 59.85%

1 2022

2022 12 31

4777

AA

32.96% 43.38% 54.12% AA+ 64.50% 49.52%

31.58% 1.45% 3.61% 2.99%

2021

" " " "

2008

(SIFMA)

| | | | | | | | | |
|-----------|----|-----|------|--------|------|--------|------|-----|
| | | | 2007 | 36.31% | 2011 | 18.58% | | |
| 1970—2012 | | | | 20 | 90 | | | |
| | | 85% | | | | | | |
| | | | | | | | 2020 | 1 1 |
| —2020 | 12 | 31 | 77 | | | | | |
| 77 | | | | | | | 26 | |
| 33.77% | | | | | | | | |

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|----------------|------|---|---|
| Hana Polackova | 1998 | " | " |
|----------------|------|---|---|

1. " "

2013

NRSROs " Nationally Recognized Statistical

Ratings Organizations"

2. " " 1879 2016
20 80 1996

3. " " " " " " 1997 9 2015
18

AAA

1.

2021 3 30

AAA

" (Probability of Default, PD)" " (Loss Given Default, LGD)"

| | | | | |
|--------|--------|--------|--------|--------|
| | 0.16% | | 23.35% | |
| 0.16% | 0.21% | 0.29% | 0.58% | 0.83% |
| | | 0% | 73.14% | |
| | 73.14% | 54.05% | 43.68% | 30.89% |
| 19.23% | 3 | | | |
| 3 | | 2022 | | |

| | | | | | | | |
|--|-----|--------|---------|-----------|-------|--------|----|
| | | | | | | | |
| | AAA | 1.49% | 102.54 | 6904.20 | 75.00 | 73.14% | 7 |
| | AAA | 0.16% | 18.50 | 11481.82 | 10.00 | 54.05% | 3 |
| | AAA | 5.85% | 57.24 | 978.75 | 25.00 | 43.68% | 3 |
| | AAA | 1.00% | 51.80 | 5200.65 | 16.00 | 30.89% | 6 |
| | AAA | 2.73% | 36.40 | 1331.09 | 7.00 | 19.23% | 4 |
| | AAA | 0.86% | 30.50 | 3543.25 | 5.25 | 17.21% | 3 |
| | AAA | 1.67% | 487.85 | 29269.54 | 83.56 | 17.13% | 21 |
| | AAA | 6.78% | 395.36 | 5834.83 | 53.00 | 13.41% | 9 |
| | AAA | 2.70% | 190.48 | 7045.26 | 23.50 | 12.34% | 8 |
| | AAA | 1.99% | 892.56 | 44849.30 | 94.25 | 10.56% | 21 |
| | AAA | 9.62% | 71.82 | 746.52 | 7.08 | 9.86% | 2 |
| | AAA | 0.21% | 9.95 | 4653.42 | 0.93 | 9.34% | 1 |
| | AAA | 10.55% | 33.30 | 315.50 | 2.50 | 7.51% | 3 |
| | AAA | 1.14% | 287.01 | 25149.50 | 20.72 | 7.22% | 16 |
| | AAA | 0.58% | 42.81 | 7372.30 | 2.70 | 6.31% | 3 |
| | AAA | 23.35% | 373.89 | 1601.45 | 19.93 | 5.33% | 4 |
| | AAA | 3.60% | 552.37 | 15334.10 | 18.96 | 3.43% | 10 |
| | AAA | 2.28% | 1248.96 | 54845.04 | 33.34 | 2.67% | 21 |
| | AAA | 2.41% | 97.57 | 4044.28 | 2.51 | 2.57% | 6 |
| | AAA | 5.53% | 468.43 | 8468.40 | 12.00 | 2.56% | 12 |
| | AAA | 1.57% | 274.70 | 17457.21 | 6.00 | 2.18% | 3 |
| | AAA | 0.83% | 1424.99 | 171266.53 | 27.25 | 1.91% | 27 |
| | AAA | 2.49% | 178.99 | 7191.52 | 0.91 | 0.51% | 9 |
| | AAA | 7.70% | 737.94 | 9587.68 | 1.50 | 0.20% | 8 |
| | AAA | 1.46% | 290.11 | 19812.41 | 0.10 | 0.03% | 12 |
| | AAA | 3.29% | 197.60 | 6009.81 | 0.00 | 0.00% | 7 |
| | AAA | 2.21% | 55.33 | 2502.87 | 0.00 | 0.00% | 1 |

| | | | | | | | |
|--|-----|--------|-------|---------|------|-------|---|
| | AAA | 1.89% | 26.70 | 1415.90 | 0.00 | 0.00% | 4 |
| | AAA | 13.54% | 23.50 | 173.50 | 0.00 | 0.00% | 1 |
| | AAA | 0.29% | 10.93 | 3810.43 | 0.00 | 0.00% | 3 |

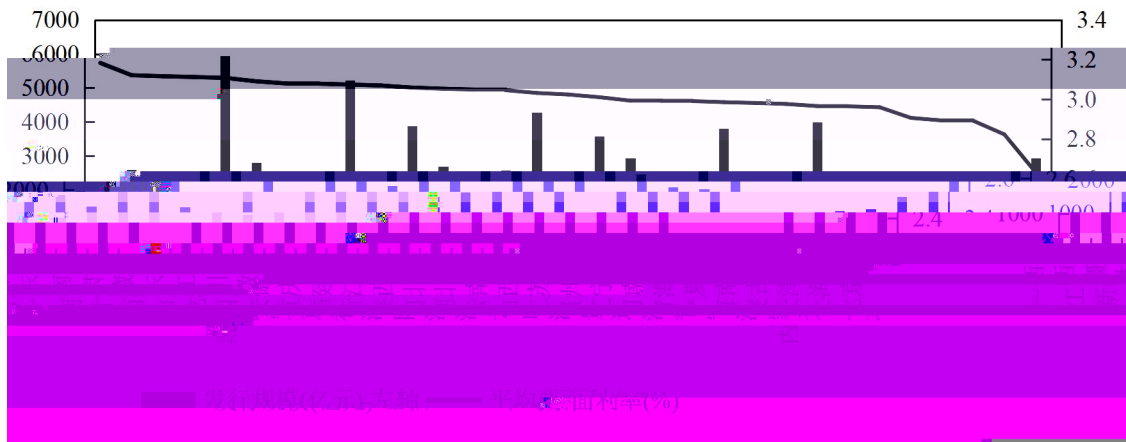
2.

2022 31

2.63% 3.18% 55 BP

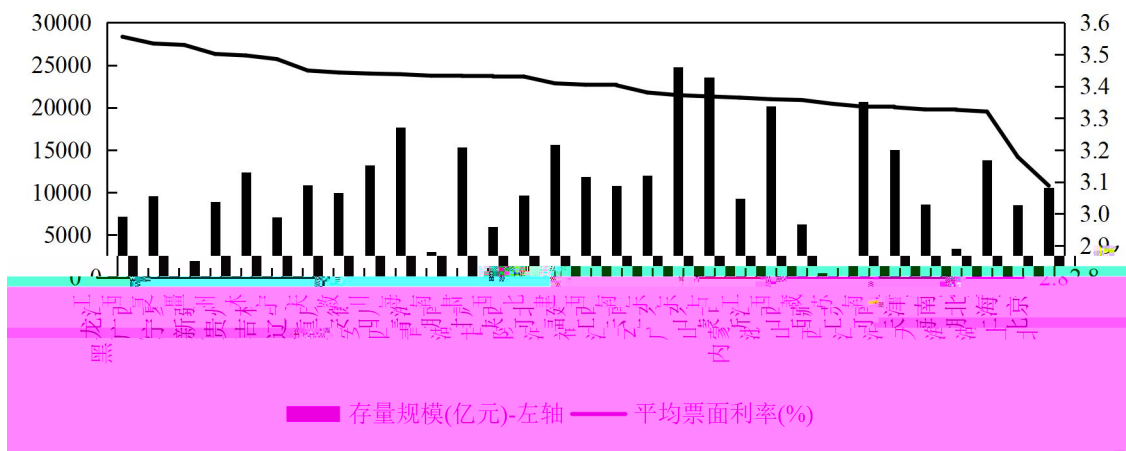
3.09% 3.56% 47 BP 2

3



2 2022

Wind

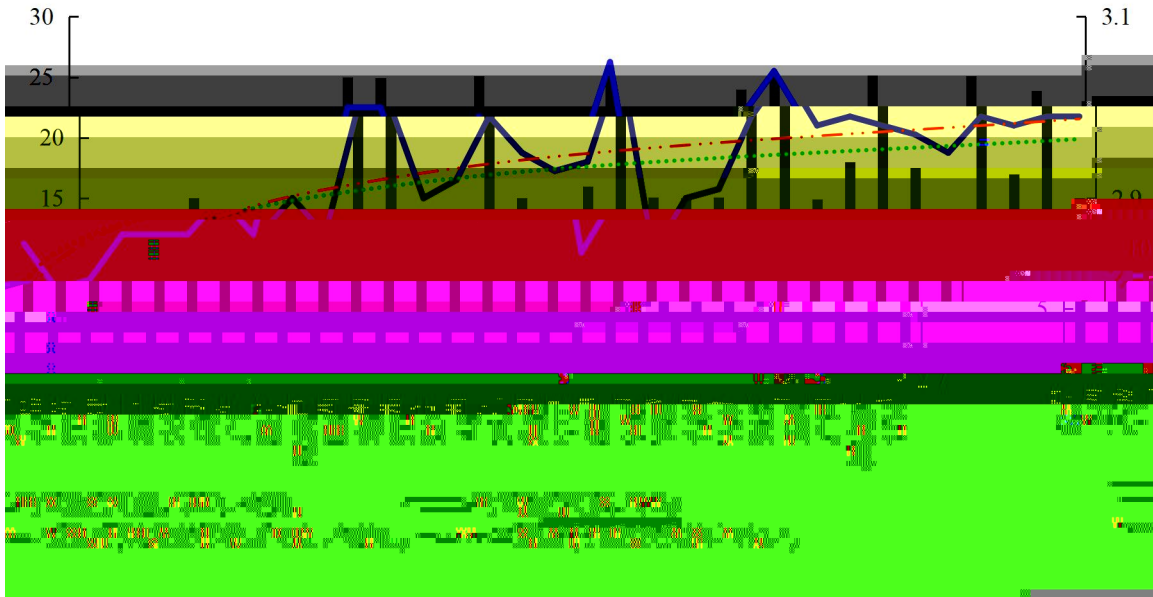


3 2022

Wind

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2022
 3.02% 14.15 BP 2021 34 BP 16 BP
 2022 10
 9.65 BP 25.24 BP
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4 2022 10

Wind

1.

ESMA 2021 51.77%
 2021 30.12% 10.30% 2022 50.13% 32.79% 10.05%
 2022 1 50.4% 31.7% 12.6% 2023 2 50.42% 31.58%
 12.43% 2022 3 11
 2021 14
 11193 20.72% 6
 98% 8 2% 2022

97.70% 8 2% 14 6
 3%

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1.

MSRB 1970—2015 99
 1970 2011 2521 4.5% 20 80
 1986 2011 2366
 “ ”

2020 2014—2022
 259 220
 149 96
 56 34 2014—2022 34
 204

5.

| | | | | 2022 | ESG | GEP | |
|----|-------|-----|---|---------|-------|------|----|
| | 23.69 | | | 8675.91 | 3.66% | 2023 | 1 |
| 31 | | | | | | 33 | |
| | 16 | 10 | 6 | | 5 | ESG | 11 |
| 1 | | | | | | | |
| | 10 | ESG | | | 1 | | |

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ESG

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- ③ 2021 10
- ④ 2022 2
- ⑤ 2014 7
- ⑥ J 2016
- ⑦ 2019 1
- ⑧ 2021
- ⑨ 2021 2
- ⑩ 2023 3
- ⑪ :
- ⑫ 2015 7 2020 7
- ⑬ 2014 3
- ⑭ 2020 2021
- ⑮ 2021 ESG —
- ⑯ 2022 6 —
- ⑰ () 2020 2 2012
- ⑱ 3
- ⑲ 2016 9 2016
- ⑳ 10
- ㉑ 2014 3 —
- ㉒ 2016 11
- ㉓ — 2010
- ㉔ 2018 1

② Gaillard N. The determinants of Moody's sub-sovereign ratings. International Research Journal Of Finance And Economics Vol.31 No.1 2009.