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## China excess capacity a global trade concern - EU

*Thursday, 10 Sep, 2009*

Bloomberg cited Ms Catherine Ashton European Union Trade Commissioner as saying that China excess production capacity is an international concern as goods that can't be sold locally may be sent to markets that have shrunk amid the global slump.

Ms Ashton said such exports would be inconsistent with Premier Mr Wen Jiabao call for China to create an economy that's less dependent on trade and more driven by consumption and service industries.

She said that "Where lending is focused on sectors that suffer from overcapacity, concerns about unfair trade may arise. Creating a sustainable path for development will be a huge challenge. She also urged China to open further to foreign firms public projects in renewable energy especially wind and solar panel farms."

Ms Ashton said a meeting of trade ministers in New Delhi last week had given the Doha round of world trade talks renewed momentum. She said that an agreement would add at least USD 150 billion to the world economy per year, perhaps twice that, and would be the ideal boost to the world economy especially for developing countries.

(Sourced from Bloomberg)

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