

Macro Roundup Article

Headline: [EU to Press China On Industrial Overcapacity at Beijing Summit](#)

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Tweet: The EU is increasingly concerned about Chinese industrial overcapacity and the growing Sino-EU trade deficit, which has doubled in two years to just under \$400B.

Summary: EU leaders will stress their rising concerns about Chinese industrial overcapacity when they meet President Xi Jinping for a summit in Beijing on Thursday, amid signs China is pumping more funding into manufacturing. The EU is worried China is increasing its industrial capacity, particularly in renewable energy products, at a time when domestic demand is weak and other trading partners such as the US are limiting access to their markets. This leaves Europe as an important target for an overflow of China's exports. "China's trade deficit with us is growing. It's just below \$400bn at present. And as you can imagine, the doubling of the trade deficit within a matter of two years is a matter of great concern . . . particularly over its sustainability," said a senior EU official ahead of the summit.

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