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USW Affirms Report on China Glass Industry Subsidization as Job Threat
Nearly 40,000 U.S. glass jobs lost since 2001; Chinese capacity expanding

Pittsburgh (Oct. 9, 2009) – The United Steelworkers (USW) applauded the Alliance for American Manufacturing (AAM) for a report just released on the significant job losses of U.S. glass workers and the massive increase of Chinese government subsidies that have exacerbated a damaging flood of imports to the industry.

USW President Leo W. Gerard said the report “provides compelling evidence that our government must step to the plate at the upcoming commerce talks with China later this month to urge a response that reduces the effect of subsidization on American jobs in the glass industry.” He adds, “Rising joblessness makes it critical that our government enforce fair trade laws to help reverse this trend.”

Top U.S. government officials will be meeting in Hangzhou, China with their Chinese counterparts of the Joint Commission on Commerce and Trade (JCCT) starting Oct. 29.

The USW currently represents about 15,000 workers actively employed in the North American glass industry at production plants that make auto and truck vehicle glass, office and residential energy efficient windows, fiber optic cable, glass containers, cookware and applications for electronic devices.

According to Tim Tuttle, the USW’s chair responsible for labor agreements in the glass industry, China imports of glass products have cost the U.S. nearly a third of the domestic workforce since 2001, when China joined the WTO and were guaranteed unfettered access to the U.S. market.

“Thousands of USW-represented glass workers at facilities all across America have already lost their jobs to China’s predatory and unfair trading practices, while those who remain are threatened for total elimination. Our government must act now to defend the domestic glass industry before it’s too late,” Tuttle declared.

At a Pilkington Co. auto glass plant in Shelbyville, IN, James Lardin, a 19-year electrician and USW Local 7703 president said, “We’ve been struggling to compete with China’s unfair trade practices in the auto glass sector and they’ve been stealing our customers with subsidized pricing. The consequence was a production line idled for the last two years, costing us 40 permanent jobs, and until recently, nearly half our 280 glass workers were laid off as the result of a distressed auto industry and persistent China imports.”

Lardin realizes the U.S. government is addressing the auto sector, “but without a real change in the trade policies with China, we will continue to struggle and perhaps loose our fight to keep working.”

The report reveals that from 2001 to 2008, the U.S. glass industry lost almost 40,000 jobs, a decrease of nearly 30 percent according to the U.S. Department of Labor. New production capacity in China’s glass industry during 2007 was nearly six times greater than that of 2003. Since 2003, glass production in China has increased by more than $576 million – a jump of 67 percent – according to the study by Dr. Usha Haley of Harvard University that’s titled: *Through the Chinese Looking Glass: Subsidies to China's Glass Industry from 2004-08*.

Prepared for the AAM by the Economic Policy Institute (EPI) of Washington, DC, Dr. Haley’s study cites the Chinese glass industry’s three-fold increase in exports to the U.S. from 2000 to 2008. The U.S. trade deficit with China on glass also tripled in the same period.

Some 15 states with glass manufacturing were cited in the study, including Arkansas, California, Illinois, Indiana, Michigan, New Jersey, New York, Ohio, Pennsylvania and West Virginia. All have lost at least one out of four glass industry jobs since 2001. EPI has posted the study at: http://www.epi.org/publications/entry/bp242/. Included in the report are two fact sheets showing state-by-state jobs trends in the glass industry since 2001, plus a list of glass-making locations by state.

Glass and glass-products in China’s industry received total subsidies approximating at least $30.29 billion from 2004 to 2008. These subsidies spanned heavy oil, coal, electricity and soda ash, have been growing steadily in the period under study, reach about 35 percent of gross industrial output value of glass in 2008.

China is currently the largest world producer of glass and glass products, and has become the world’s largest exporter of flat glass and glass fiber.

For more information: www.usw.org/.

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