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CHINA'S GLASS INDUSTRY PUSH CLOUDS FUTURE FOR MANY U.S. GLASS-MAKING CITIES AND TOWNS

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In U.S.-China trade talks slated for the end of the month, an especially contentious topic is likely to be the over \$30 billion in subsidies China has used to make its glass industry the largest in the world. The impact of this action on the other side of the globe is threatening to further undermine jobs in places across the United States. Some of the places have familiar names like **Pittsburgh**, **Toledo** and **San Diego**, but dozens more of them have names like **Painted Post**, **Walled Lake**, **St. Marys**, and **Antwerp**.

On the <u>list of U.S. locations</u> where glass and its products are manufactured, the big cities are the exception. By and large, glass-making is a small town and small city enterprise, where the local plant is more likely than in a big city to be a mainstay, if not the cornerstone, of the local economy.

The rapid growth of the Chinese glass industry, despite ongoing product quality issues, has already been felt keenly in the U.S. industry, which has contracted by about 30 percent (nearly 40,000 jobs) since 2001. States such as **Arkansas**, **California**, **Florida**, **Illinois**, **Indiana**, **Massachusetts**, **Michigan**, **North Carolina**, **New Jersey**, **New York**, **Ohio**, **Pennsylvania**, **South Carolina**, **Virginia**, and **West Virginia** have lost at least one out of four – or many more – of their glass industry jobs since 2001.

The story of the rise of Chinese glass and of the contraction of the U.S. glass-making industry is revealed in new research and analysis released today by the Economic Policy Institute. A detailed portrait of China's glass industry is provided in a new report, *Through the Chinese Looking Glass: Subsidies to China's Glass Industry from* 2004-08, by Usha C.V. Haley, a China expert at the Ash Institute for Democratic Governance and Innovation at the Harvard Kennedy School. Two fact sheets distributed by the Economic Policy Institute show state-by-state jobs trends in the glass industry since 2001, and a list of glass-making locations by state.

Her study reveals that "China's glass and glass-products industry received at least \$30.3 billion in subsidies from 2004 to 2008," and that "China's flat-glass sector received approximately \$4.8 billion during that same period."

"The story of the glass industry in China and in the U.S. is a familiar one that could have an especially sad ending for many U.S. workers unless China can be persuaded to remove its thumb from the scale. Until this subsidy problem is addressed and fair competition can be restored, U.S. glass manufacturers will face continuing pressures to downsize or close plants," said EPI senior international economist Robert Scott.

From 2001 through 2008, West Virginia lost the largest share of its glass jobs, as the state's industry contracted from 2,368 jobs in 2001 to just 628 in 2008, a loss of 73%.

In the facilities list, IL, IN, MI, NY, OH, and PA – six of the states that have already lost at least 25% of their glass industry jobs – include 48 facilities in towns with a population of 10,000 or less, and another 26 in towns of 10,000-20,000 residents. (For population figures, see Census Bureau calculator here.)

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