Chinese Export Surges Continue to Threaten US Glass Manufacturing Jobs

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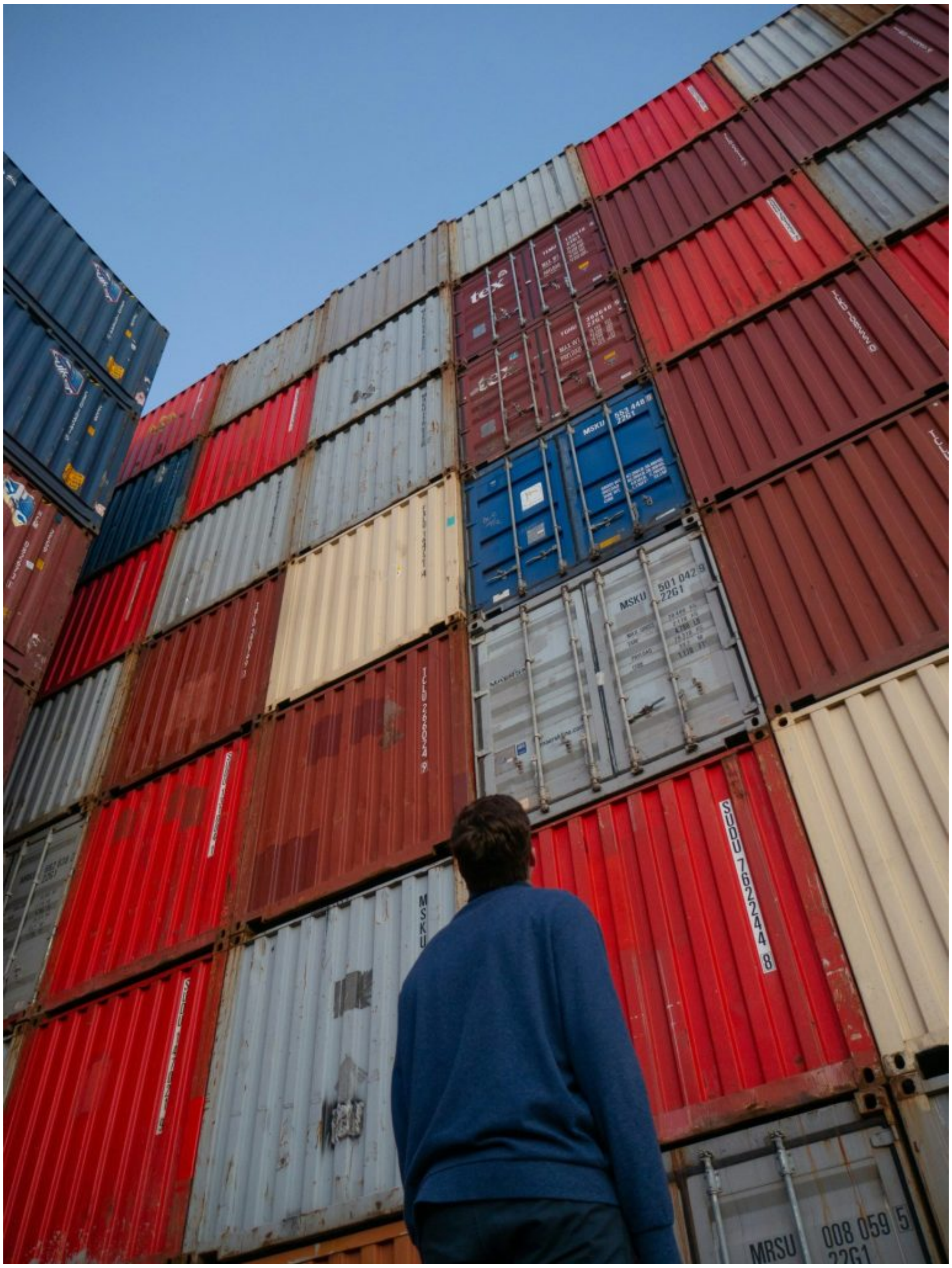

Between 2004 and 2008, Chinese glass and glass products manufacturers were estimated to have received at least $30.3 billion in subsidies, leading to a surge in exports. Photo: Unsplash.

China's aggressive export strategy, which has seen a surge of goods flood the U.S. market, could shutter tens of thousands of factories and lay off millions of manufacturing workers, including those in the glass industry, reports the Alliance for American Manufacturing (AAM).

The organization recently released an analysis detailing the threat Chinese imports pose to U.S. manufacturers. According to an Economic Policy Institute briefing by Usha Haley, the U.S. glass industry is well aware of the dangers of Chinese imports. The industry has suffered from import surges dating back to the 1980s. In fact, from 1987 to 2007, the Chinese glass industry's output rose 18% yearly due to billions in government subsidies.

Haley writes that between 2004 and 2008, Chinese glass and glass products manufacturers were estimated to have received at least $30.3 billion in subsidies for heavy oil, coal, electricity and soda ash. During that time, Chinese glass production doubled.

This growth led to an increase in U.S. exports, which tripled from 2000 to 2008. China's share of the U.S. market rose from 3% to 31% over the same period. The U.S. Bureau of Labor Statistics reports that the U.S. glass industry lost almost 40,000 manufacturing jobs during that span. Additionally, U.S. glass plants fell from 35 to 21 between 2005 and 2015.

As U.S. plants closed, Chinese glass manufacturers expanded. A 2011 article in *Shanghai Metals Market* stated that China built 34 flat glass production lines in 2010 alone, contributing to another rise in exports to the U.S. Currently, China leads glass production globally, exporting 28.7% of the world's glass and glassware in 2022, compared to the U.S.'s 6.6%, *according to an article in World's Top Exports*.

AAM states that China's export-led growth is a government priority, a sentiment echoed by White House officials. *The New York Times* reported that a senior White House official said, "As time passes, it becomes clear that President Xi's objective is for Chinese dominance."

In a Morning Consult poll conducted between May 1-3, 2024, 50% of respondents said that the U.S. needs to crack down on unfair trade practices. The poll also found that most Americans (75%) agree the federal government should be able to prohibit U.S. corporations from investing in manufacturing in other countries if it poses a threat to U.S. national and economic security. As such, AAM officials argue that the U.S. must take China more seriously.

"China has no plans to turn to domestic consumption as a growth model; heavily subsidized, export-led manufacturing is its tested vehicle," they say. "Its industries will eagerly sell into foreign markets at a loss to build market share because it can exert dominance over those markets. The goal is control."

In its report, AAM details several policy recommendations targeting Chinese exports.

The recommendations include imposing exclusionary tariffs in key sectors; enacting new legislation such as the Leveling the Playing Field Act 2.0 to create modernized tools to enforce trade laws better; and reinstating the Section 421 import surge protection safeguard, which allowed the U.S. to act to address market disruptions but expired in 2013. AAM also recommends action to ensure incentives, such as the dynamic tax credits in the Inflation Reduction Act, benefit domestic manufacturers.