

## Iowa jobs threatened by Chinese subsidies

Saturday, July 03, 2010 3:01 PM

The Gazette - Cedar Rapids, Iowa

By George C. Ford

July 03--A report issued this week claims that 4,660 Iowa workers could see their jobs disappear due to government subsidies to China's paper industry and a tripling of that country's production over the last decade. The Economic Policy Institute, a non-partisan think tank, said China's rapid rise in the global paper industry has been fueled by more than \$33 billion in government subsidies from 2002 to 2009. The report is available at [www.american manufacturing.org](http://www.americanmanufacturing.org)

"China's massive subsidies to its paper sector are doing severe damage to the U.S. paper industry, its workers and their families," said Scott Paul, executive director of the Alliance for American Manufacturing. "The only way to stop the bleeding is for U.S. policymakers to take action against China's blatant violations of trade laws, including sweeping subsidies to paper and many other industries."

China's export-driven paper industry has added 26 percent of new production capacity on average every year since 2004, increasing the U.S. trade deficit with China.

The report estimates the annualized growth rate of Chinese paper and paper-product imports into the United States was 22 percent as of February.

China, which lacks natural resources to fuel the growth of its paper industry, is the world's largest importer of wood pulp and recycled paper.

International Paper, with a cardboard mill in Cedar Rapids, competes with China for waste cardboard.

-- Comments: (319) 398-8366; [george.ford@gazcomm.com](mailto:george.ford@gazcomm.com)