

Senator Sherrod Brown

[Press Releases](#) » [Press Release](#)

Sen. Brown, Labor Leaders Unveil New Reports on China's Predatory Practices That May Put an Additional 1.6M Jobs at Risk

Despite Job Growth in Auto Industry, American Auto Part Makers Are Seeing a Flood of Imports from China; U.S. Trade Deficit with China on Auto Parts Has Increased Nearly Tenfold in Past 10 Years

January 31, 2012

WASHINGTON, D.C. - Because of China's cheating in the auto parts trade, more than 1.6 million American jobs are at risk, according to new reports that were unveiled today. U.S. Sen. Sherrod Brown (D-OH) joined U.S. Sens. Debbie Stabenow (D-MI), Robert P. Casey (D-PA), Rep. Sander Levin (D-MI), labor leaders, and economists to release three new reports that address China's predatory trading practices that put American auto industry jobs at risk. Since the U.S. established permanent normal trade relations with China and China joined the World Trade Organization in 2001, the United States' deficit with China on auto parts trade has increased nearly tenfold, from \$1.03 billion in 2001 to \$9.95 billion in 2011. Brown discussed the need for aggressive trade enforcement to protect American auto jobs.

"The auto industry is helping turn our economy around by reviving manufacturing facilities across the nation. But we're at risk of this progress being undercut if we allow China to continue cheating trade laws. Our trade deficit in auto parts with China grew to almost \$10 billion in 2011 - nearly ten times what it was in 2001," Brown said. "Without an aggressive approach to addressing the Chinese subsidies outlined in this new report, this unlevel playing field could jeopardize hundreds of thousands of jobs. We must be aggressive on trade enforcement—especially as China ramps up subsidies in strategic industries, like auto parts.

"I am encouraged by the President's State of the Union announcement of a new trade enforcement panel because we need an all hands-on-deck approach - between the U.S. Trade Representative, the State Department, and the Commerce Department. We need to be aggressive, and we need to fight back to save our critical manufacturing jobs."

The three reports released today, and a summary of their findings, follows:

Growing Threats to the U.S. Auto-Parts Industry from Heavily Subsidized Chinese Tires and Parts, conducted by Robert E. Scott and Hilary Wething of the Economic Policy Institute (EPI)

- Reveals 75 percent of jobs in the U.S. auto industry are in the auto-parts sector, with direct and indirect auto parts jobs in virtually every state. The report concludes that "every one of these [1.6 million U.S.] auto-parts jobs is individually at-risk from this unfair trade competition." The more heavily industrialized states—including Ohio—are most at risk. The total number of jobs supported directly and indirectly in the auto parts industry in Ohio is 189,000.

Putting the Pedal to the Metal: Subsidies to China's Auto-Parts Industry from 2001 to 2011, authored by Usha C. V. Haley, Ph.D, Research Associate at EPI:

- Cites \$27.5 billion in government subsidies to the Chinese auto-parts industry and notes that China's central government has committed to disbursing an additional \$10.9 billion in subsidies for industrial restructuring and technological development of the industry; the subsidies from China's central government and seven local governments have gone to 73 companies for investment in coal, electricity, natural gas, glass, and cold-rolled steel.

China's Support Program for Automobiles and Auto Parts Under the 12th Five Year Plan, Stewart & Stewart

- Offers evidence that the massive government subsidies being given to Chinese producers, which are in violation of China's WTO commitments, will continue for years to come unless challenged by Congress and the President. The Chinese government will invest \$1.5 trillion in seven industries over the next five years to enable them to grow at an annual rate of 35 percent over the period; specific auto parts targeted in the plan include batteries, electric motors, electronic control systems, and fuel cells, according to the study.

According to a 2010 study by the Center for Automotive Research, more than 792,000 Ohio jobs depend on the auto industry; this figure includes 120,285 direct employment (people employed directly by auto industry: 39,685 by automakers and 80,600 by parts suppliers); 276,330 indirect employment (jobs indirectly employed by automakers or parts suppliers: 167,891 by automakers and 108,439 by parts suppliers); and 395,981 spin-off employment (expenditure-induced employment resulting from spending by direct and intermediate employees; 221,018 by automakers and 174,963 by suppliers). A 2011 study by the Center for Automotive Research found that 164,654 jobs in 2009 would have been lost in Ohio if the auto industry had not been rescued.

Brown is the author of the *Currency Exchange and Oversight Reform Act*, legislation that represents the biggest bipartisan jobs bill—at no cost to U.S. taxpayers—[passed by the Senate](#) last year.

###







Press Contacts:

[Print this Page](#)

[e-Mail this Page](#)

[digg this!](#) | [reddit](#) | [del.icio.us](#) | [share on facebook](#)

Related Multimedia

-  [Honoring Detective Brandon Moore of the Morrow County Sherrifs Department »](#)
-  [A Tribute to Frank Anderson »](#)
-  [Honoring the Anniversary of the National Cancer Act »](#)
-  [Senator Brown on 10 years of China in the WTO »](#)
-  [Sen. Brown speaking about the Payroll Tax Cut »](#)
-  [Sen. Brown Speaking on the Nomination of Rich Cordray to be CFPB Director »](#)

[More Videos](#)

Recent Press

- 02/01/12 [Sen. Brown Outlines Bill that Would Require Members of Congress to Divest Themselves from Stock Holdings or Separate Themselves from Buying, Selling »](#)
- 02/01/12 [Brown: New Honda Investment Marks Continued Resurgence of Ohio's Auto Industry »](#)
- 01/31/12 [Sen. Brown Announces Trade Adjustment Assistance for More Than 75 Workers in Alliance »](#)
- 01/31/12 [Brown to NASA: Fully Utilize Plum Brook by Supporting NASA Glenn--European Space Agency Partnership »](#)
- 01/31/12 [Sen. Brown, Labor Leaders Unveil New Reports on China's Predatory Practices That May Put an Additional 1.6M Jobs at Risk »](#)

Senator Brown's Offices

Washington D.C.
713 Hart Senate
Office Bldg.
Washington, DC 20510
p (202) 224-2315
f (202) 228-6321
[View on Map](#)

Cleveland
1301 East Ninth St., Suite 1710
Cleveland, Ohio 44114
p (216) 522-7272
f (216) 522-2239
Toll Free 1-888-896-OHIO (6446)
[View on Map](#)

Cincinnati
425 Walnut Street, Suite 2310
Cincinnati, Ohio 45202
p (513) 684-1021
f (513) 684-1029
Toll Free 1-888-896-OHIO (6446)
[View on Map](#)

Columbus
200 N High St. Room 614
Columbus, OH 43215
p (614) 469-2083
f (614) 469-2171
Toll Free 1-888-896-OHIO (6446)
[View on Map](#)

Lorain
205 West 20th St. Suite M280
Lorain, OH 44052
p (440) 242-4100
f (440) 242-4108
Toll Free 1-888-896-OHIO (6446)
[View on Map](#)