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LEADING AN AMERICAN MANUFACTURING RENAISSANCE



Inc.

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[What the Natural Gas Boom Means for U.S. Manufacturing](#)

The U.S.'s rise as an energy producer just might fuel the comeback of 'Made in the USA.'



VisionsofAmerica/Joe Sohm /Getty

The debate over the shale boom has been loudest in the nation's capital and certain parts of the country where the extraction is taking place, like North Dakota, Pennsylvania and Texas, but the impact of the resulting drop in natural gas prices has reverberated with great benefit to factories like mine across America.

It's an angle that many people don't consider: the sudden availability of inexpensive energy is a huge boon as U.S. manufacturing takes on renewed importance.

I'm to testify today before members of the Energy and Commerce Committee of the U.S. House of Representatives about how the [rise in domestic energy production is helping fuel the comeback of U.S. manufacturing](#).

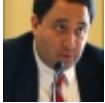
For the past two decades, manufacturing jobs were outsourced to Asia because of cheap labor there. While some of that labor-price gap is closing, other costs related to shipping and now energy are swinging in favor of U.S. factories. American manufacturers are able to produce more for less, which will create more good-paying American jobs.

The independent global energy research firm IHS estimated that production of unconventional oil and natural gas resources will result in \$5.1 trillion in new capital investment and support 3.5 million jobs by 2035. The consulting firm PwC estimated as many as one million new jobs in manufacturing alone due to shale gas recovery.

I've seen the impact first-hand. Marlin Steel has benefitted from the recent natural gas discoveries through lower costs and increased business prospects. The price we're paying for natural gas to heat our plant in Baltimore is down 50 percent from the peak a few years ago. The energy boost is contributing to our own purchases of steel from Indiana and Pennsylvania; our need to add overtime for workers in Baltimore, and our ability to invest in automation from our robot makers in Illinois and Connecticut to bend wire and cut and shape sheet metal. We're aware of fellow manufacturers who are advancing as well.

A weakness in the past--our dependency on energy from abroad--may soon turn into a strength. Shale gas and oil will make the United States the largest gas producer in the world in two years and energy-independent within a decade. Even more stunning, we are actually ramping up to export natural gas due to the previously unreachable supplies. It's a dramatic turn--and one that has widespread implications for the comeback of our country's manufacturers.

<http://www.inc.com/drew-greenblatt/what-the-natural-gas-boom-means-for-us-manufacturing.html>



***Drew Greenblatt** is the president of **Marlin Steel**, a U.S.-based manufacturer of wire baskets and sheet-metal fabrications. Marlin has grown 25% over the past three years and has a record of 1,422 days without a safety problem.*

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