

26 June 2026

Trade Remedies Authority
North Gate House
21-23 Valpy Street
Reading
Berkshire
RG1 1AF

via UK Trade Remedies Services

OPEN

Dear Mesdames,
Dear Sirs,

**Re: AD0086 – Response to China National Coatings Industry Association’s
Comments on the Application and Initiation of investigation**
Our client: Tronox Pigment UK Limited ("Applicant")

We refer to the China National Coatings Industry Association’s (“**CNCIA**”) comments of 5 June 2026 (“**Comments**”) on the Application for and the initiation of the captioned anti-dumping investigation (“**Investigation**”) on UK imports of rutile titanium dioxide (“**Rutile TiO2**”) originating from China.

In the Comments, CNCIA essentially claims that the Trade Remedies Authority (“**TRA**”) should terminate the Investigation without imposing anti-dumping measures on Rutile TiO2 imports from China because (1) the UK Rutile TiO2 industry is not suffering material injury; (2) there is no causal link between any injury and dumped Chinese Rutile TiO2; and (3) there is no threat of material injury to the UK Rutile TiO2 industry.

As detailed below, CNCIA’s claims fail because:

- CNCIA’s claims lack any legal basis (Section 2).
- In any event, CNCIA’s claims lack merit (Section 3), because:
 - The UK Rutile TiO2 industry is suffering material injury (Section 3.1).
 - The injury suffered by the UK Rutile TiO2 industry is caused by dumped Chinese Rutile TiO2 (Section 3.2).
 - Dumped Chinese Rutile TiO2 threatens to cause further injury to the UK Rutile TiO2 industry (Section 3.3).

As an initial point, the Applicant addresses CNCIA’s preliminary remarks (Section 1).

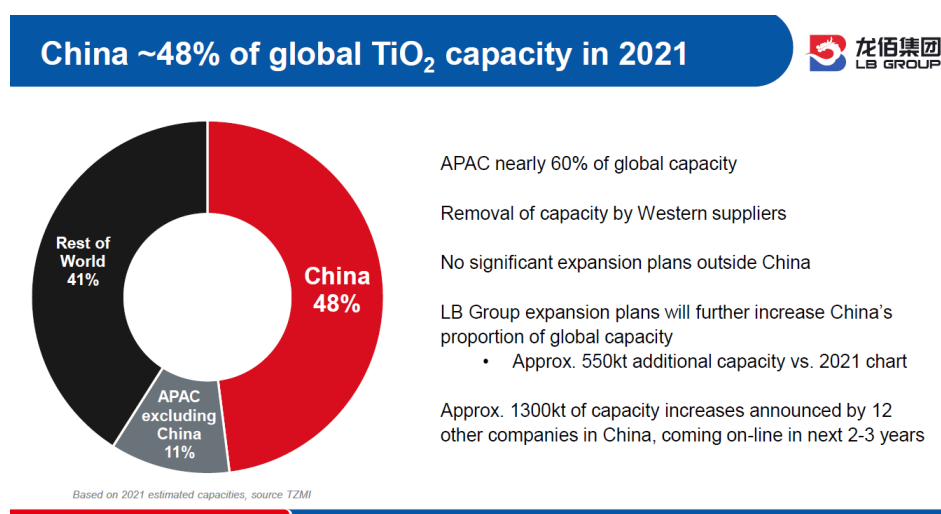
1. Comments on CNCIA's preliminary remarks

1. In the Comments, CNCIA makes two preliminary remarks.¹
2. First, CNCIA claims that the Applicant “resorted to hyperbole” and made “a wilful misrepresentation,” demonstrating “ill will,” in citing LB Group, the largest Chinese Rutile TiO₂ producer.²
3. CNCIA's hyperbolic claim fails. The relevant passage of the Applicant's application for the Investigation (“**Application**”) reads:

“[T]he closure of non-Chinese production capacities has accelerated since 2022 [Sensitive information removed – Market information and Applicant's business data]. Chillingly, LB Group predicted these closures when it stated at an industry conference in November 2022 that the growth of the Chinese TiO₂ production capacity will result in the ‘[r]emoval of capacity by Western suppliers’.”³

4. The source for the quote from LB Group is the slide from a conference presentation, reproduced as *Figure 1*. This slide explicitly notes that (1) LB Group and other Chinese producers' expansion plans will increase China's share of global Rutile TiO₂ production capacity; (2) there is no expansion planned outside of China; and (3) Western suppliers are removing capacity. This confirms what the Applicant said.

Figure 1 - LB Group presentation⁴



5. In this context, the Applicant recalls that LB Group does not shy away from brazen statements about its predatory behaviours. For example, in its 2025 annual report, LB Group noted that its new “Malaysian subsidiary” is a “200,000-ton/year green titanium

¹ CNCIA, Comments, p. 2.

² CNCIA, Comments, p. 2.

³ Applicant, Application, Section F.2.1, Sub-section A.

⁴ Application, Application, Annex F.1.2.2, p. 20.

dioxide post-processing plant.”⁵ In its 2025 semi-annual report, LB Group explained the rationale behind setting up post-processing plants outside of China:

“To address the anti-dumping situation facing Chinese titanium dioxide, the company is actively implementing an overseas expansion strategy... By constructing new factories overseas, the company can produce and sell directly in end-user markets... and effectively avoid high anti-dumping duties.”⁶

6. In other words, LB Group is publicly stating that it is expanding “overseas” to “avoid” anti-dumping duties, for instance through “post-processing” (i.e., finishing) base Rutile TiO₂ produced by LB Group in China in LB Group’s new Malaysian factory. As the Applicant already explained, it appears likely that LB Group’s acquisition of Venator’s UK Greatham site will be used in the same way.⁷
7. Second, CNCIA simply reiterates – without adding any new facts or arguments – its claims that “ink-grade TiO₂” should either be excluded from the scope of the Investigation or benefit from an end-use exemption from any anti-dumping duties on Rutile TiO₂. The Applicant has already explained in detail why CNCIA’s claims fail.⁸
2. **CNCIA’s claims fail because they lack a legal basis**
8. CNCIA’s claims regarding injury, causation, and threat of injury set out in the Comments fail because they lack a legal basis.
9. CNCIA’s claims are, in effect, directed against the Application. The purpose of the Application was to provide *prima facie* evidence so the TRA could decide whether to initiate the Investigation. However, CNCIA does not claim that the Application is inconsistent with the requirements for an application set out in Regulation 50 of the Dumping and Subsidization Regulations (“**Regulations**”).
10. Based on the Application, the TRA initiated the Investigation. However, CNCIA does not claim that the TRA violated Regulation 52 of the Regulations by initiating the Investigation.
11. There is, thus, no legal basis for CNCIA’s claims, which renders them ineffective. The Comments in essence simply prejudge findings that the TRA still has to make concerning the (threat of) injury suffered by the UK Rutile TiO₂ industry caused by dumped Chinese Rutile TiO₂.
12. CNCIA appears to be aware of its failure, as it invokes Regulation 61(4) of the Regulations as the legal hook for the Comments. Regulation 61(4) provides that the TRA must allow interested parties to submit their views. This provision provides for procedural

⁵ LB Group, 2025 Annual Report, **Annex 1**, p. 12. See *also* Applicant, Application, Section F.2.1, Sub-section E.

⁶ LB Group, 2025 Semi-Annual Report, August 2025, **Annex 2**, pp. 42-43.

⁷ Applicant, Comments on the importance of swift and strong action, 1 June 2026, Section 2.

⁸ Applicant, Comments on pre-sampling questionnaires, 17 April 2026, Section 1.

rights; it does not impose substantive obligations on the TRA. Regulation 61(4) thus cannot cure CNCIA's failure to ground the Comments in a proper legal basis.

13. For that reason alone, CNCIA's claims regarding injury, causation, and threat of injury should be rejected as ineffective.

3. CNCIA's claims fail because they lack merit

14. Should the TRA nonetheless consider CNCIA's claims (which it should not),⁹ then it should in any event reject CNCIA's claims because they lack merit.

3.1 The UK Rutile TiO₂ industry is suffering material injury

15. In the Comments, CNCIA makes seven claims to argue that the UK Rutile TiO₂ industry is not suffering material injury.¹⁰ CNCIA's claims fail.
16. First, CNCIA claims that the data reported on domestic demand by the Applicant point to a "recovering" industry, and that the TRA should use 2022 as the base year for its injury analysis.¹¹
17. The Applicant (a) did not claim that UK demand was declining; and (b) presented data in the Application using 2022 as a base year for the period 2022-Q3 2025 for the Application ("**Injury Period**").¹² CNCIA's claims thus fail.
18. That said, 2022 was an exceptional year because of the Covid-19 pandemic,¹³ and, as the TRA¹⁴ and other authorities¹⁵ have considered, this means that 2022 data should be put in proper context.
19. Second, CNCIA claims that the volume of Chinese Rutile TiO₂ imports did not increase during the Injury Period.¹⁶
20. CNCIA makes a simple, mechanical comparison of the start and the end of the Injury Period, without examining changes or trends over the intervening period. World Trade Organization ("**WTO**") case law warns against doing precisely that.¹⁷

⁹ See above, Section 2.

¹⁰ CNCIA, Comments, p. 3.

¹¹ CNCIA, Comments, p. 3.

¹² Applicant, Application, Section F.1.

¹³ Applicant, Application, Section F.1.1, Sub-section A.2 and Sub-section C.1.

¹⁴ TRA, *Tin Mill Products from China*, Final Determination, AD0062, para. 311; TRA, *Aluminium extrusions from China*, AD0012, Final Determination, paras. 278-279; TRA, *Certain excavators from China*, Final Determination, AD0047, paras. 500-501.

¹⁵ See, e.g., recital 325 to Commission Implementing Regulation (EU) 2024/1923 of 10 July 2024 imposing a provisional anti-dumping duty on imports of titanium dioxide originating in the People's Republic of China. See also, e.g., judgment of 12 November 2025, *Companhia Siderúrgica Nacional and Lusosider-Aços Planos v Commission*, T-110/24, paras. 106-107.

¹⁶ CNCIA, Comments, pp. 4-6.

¹⁷ See, e.g., Panel Report, *Russia – Commercial Vehicles*, WT/DS479/R, para. 7.127.

21. As noted, 2022 was an exceptional year. Chinese Rutile TiO₂ producers sold particularly high volumes of Rutile TiO₂ on the UK market during the Covid-19 period covering H2 2020-H1 2022. Thus, the Applicant explained that imports increased by 65% from 2023 to the period Q4 2024-Q3 2025 for the application (“**POI**”), and that imports grew on a near-constant upward trajectory that started in 2009.¹⁸ The most recent data underlines this increase in imports: as the Applicant showed, in the two months since initiation of the Investigation for which data is available, Chinese Rutile TiO₂ exports amounted to half the export volume of full year 2025.¹⁹
22. Third, CNCIA claims that differences in product quality should be considered in the TRA’s price undercutting analysis.²⁰
23. At the start of the Investigation, the TRA proposed product control numbers (“**PCNs**”) to ensure that differences between product types feed into the undercutting analysis. These PCNs mirror those used in the EU anti-dumping investigation on Chinese TiO₂. All interested parties were invited to comment on the TRA’s proposed PCNs. Neither CNCIA nor any of the Chinese Rutile TiO₂ exporters made comments relating to product quality. That, and not the Submission, was the opportunity to address any concerns with price comparability.
24. For completeness, the Applicant notes that CNCIA relies on a WTO Panel report that was invalidated by the WTO Appellate Body, which found that the Panel had mixed up requirements from separate provisions of the WTO *Anti-Dumping Agreement* (“**ADA**”).²¹
25. Fourth, CNCIA argues that the TRA should take into account the impact of Venator’s liquidation proceedings on suppressed prices in the UK.²² This claim is cynical, as Chinese price pressure put Venator into liquidation.²³
26. In any event, Venator entered administration only during the last quarter of the POI and its liquidation therefore cannot explain price suppression throughout the Injury Period. As import statistics show, the gap between Chinese Rutile TiO₂ prices and UK prices was consistently very large – long before Venator entered administration.²⁴ Similarly,

¹⁸ Applicant, Application, Section F.1.1, Sub-section A.2.

¹⁹ Applicant, Comments on the importance of swift and strong action, 1 June 2026, Section 1.

²⁰ CNCIA, Comments, p. 7.

²¹ Appellate Body Report, *Korea — Pneumatic Valves from Japan*, WT/DS504/AB/R, para. 5.239.

²² CNCIA, Comments, p. 7.

²³ See Applicant, Application, Section G.1 and Annex C.1.1.

²⁴ Applicant, Application, Annex 2.

throughout the Injury Period, imports from other major exporting countries (Germany and the United States) were consistently priced 40% higher than Chinese imports.²⁵

27. Fifth, CNCIA claims that the target profit used in the Application is too high because the Applicant “has been loss-making” since the start of the Injury Period. According to CNCIA, the target profit should be based on the Applicant’s past performance.²⁶
28. It is for the TRA to determine the target profit. The Statutory Guidance of the Secretary of State sets out a non-exhaustive list of factors that may be used to set the target profit. This includes profit rates achieved by producers in other markets with similar characteristics to the UK, and profits made by the UK industry.²⁷
29. The target profit reflects profits achieved by other Rutile TiO₂ producers outside of China, which CNCIA concedes.²⁸ As the Applicant already explained, it calculated the average pre-tax operating profit margin of the 10-best performing Rutile TiO₂ plants outside China in 2021 and 2024 based on market intelligence.²⁹ For both years, the average pre-tax operating profit margin was at ~20%.³⁰ This corroborates the target profit, as these rates were achieved by Rutile TiO₂ producers in mature markets for Rutile TiO₂ outside of China, which therefore have “similar characteristics” to those of the UK market.³¹ In any event, the Applicant’s profit margins on UK sales prior to the Injury Period were in line with the target profit, so that CNCIA’s claim is ineffective.
30. Sixth, CNCIA claims that several injury indicators show improvement over the Injury Period.³²
31. As WTO case law makes clear, an evaluation of injury “requires a holistic evaluation of ‘all relevant economic factors and indices having a bearing on the state of the industry’.”³³ As the Applicant demonstrated, it was unable to turn a profit on its UK sales over the Injury Period despite increased capacity utilization, increased UK sales volumes, and cost discipline.³⁴ The sole reason is the injuriously low prices of Chinese Rutile TiO₂, as reflected in the ever-lower import prices and the depressed and suppressed prices of the Applicant.³⁵

²⁵ Applicant, Application, Annex 2.

²⁶ CNCIA, Comments, p. 8.

²⁷ See Department of Business and Trade, Trade Remedies Authority (TRA) dumping, subsidisation and safeguarding investigations guidance, “Determining injury and causation in dumping and subsidy investigations – Target price,” available [here](#).

²⁸ Applicant, Application, Section F.1.4.

²⁹ Applicant, Application, Section F.1.4, Annex F.1.1.4, and Annex F.1.1.5.

³⁰ Applicant, Application, Section F.1.4.

³¹ Applicant, Application, Annex F.1.1.4 and Annex F.1.1.5.

³² CNCIA, Comments, pp. 9-15.

³³ Appellate Body Report, *Korea – Pneumatic Valves*, DS504/AB/R, para. 5.167.

³⁴ Applicant, Application, Section F.1.1, Sub-section C.2.5.

³⁵ Applicant, Application, Section F.1.5 and Section F.1.6.

32. Seventh, CNCIA claims that the Application does not contain sufficient evidence on the state of the UK industry because productivity is a “mandatory factor” under Regulation 33 of the Regulations.³⁶
33. Regulation 33 does not require that an application refer specifically to productivity. It provides that “the TRA must take into account all relevant economic factors and indices having a bearing on the UK industry including ... productivity.”
34. In any event, the Applicant reported the data necessary to calculate productivity in Annex 11 to the UK producer questionnaire. Productivity is calculated as a formula dividing the number of employees by the quantity produced, both of which are reported in the Application.
35. For those reasons, the TRA should reject CNCIA’s claims.
- 3.2 Dumped Chinese Rutile TiO2 causes the injury suffered by the UK Rutile TiO2 industry**
36. In the Comments, CNCIA makes five claims that there is no causal link between the injury suffered by the Applicant and Chinese Rutile TiO2 imports.³⁷ CNCIA’s claims fail.
37. First, CNCIA claims that “the Application does not contain sufficient evidence of a causal link ... and does not meet the applicable causation standard.”³⁸
38. Once again, CNCIA conflates the obligations of the Applicant with those of the TRA. The obligation to demonstrate a causal link lies with the TRA.³⁹ In any event, the Applicant has shown that dumped Chinese Rutile TiO2 causes the injury suffered by the UK Rutile TiO2 industry.⁴⁰
39. Second, CNCIA claims that import volumes did not increase and that the Applicant’s losses do not align temporally with increases in Chinese Rutile TiO2 import volumes.⁴¹
40. As explained, (a) 2022 was an exceptional year; and (b) an injury analysis should not mechanically compare the start with the end of the Injury Period.⁴² The Applicant convincingly demonstrates that dumped Chinese Rutile TiO2 on the UK Rutile TiO2 industry causes injuriously low prices and losses.⁴³

³⁶ CNCIA, Comments, p. 15.

³⁷ CNCIA, Comments, p. 16.

³⁸ CNCIA, Comments, p. 16.

³⁹ See Regulation 35(1) of the Regulations, Article 3.5 ADA and Appellate Body Report, *China – HP-SSST*, DS454/AB/R-DS460/AB/R, para. 54.

⁴⁰ Applicant, Application, Section G.1.

⁴¹ CNCIA, Comments, pp. 16-17.

⁴² See above, para. 18 and Applicant, Application, Section G.1.

⁴³ Applicant, Application, Section F.1.1, Sub-section D.

41. Third, CNCIA claims that the Tronox Group's credit rating downgrade "is not informative of the effects of the allegedly dumped imports."⁴⁴
42. Dumped Chinese TiO₂ is causing injury to non-Chinese Rutile TiO₂ industries around the world. That is why Brazil, the Eurasian Economic Union, the European Union, India, and Saudi Arabia have imposed anti-dumping measures while, in addition to the TRA, Australia is investigating dumping of Chinese TiO₂.⁴⁵ The Tronox Group's steady loss of market share around the world – particularly in the UK – has weakened its balance sheet and directly led to the credit downgrading.
43. Fourth, CNCIA claims that five factors other than dumped Chinese Rutile TiO₂ contributed to the injury suffered by the UK Rutile TiO₂ industry. All claims fail:
- *Rising costs*:⁴⁶ The Applicant's costs decreased, not increased.⁴⁷ There thus are no rising costs.
 - *The Applicant's export performance*:⁴⁸ The Rutile TiO₂ market is a global commodity market,⁴⁹ and Chinese dumping has affected Rutile TiO₂ prices worldwide. The Applicant's export performance is thus affected by the same cause: dumping from China.
 - *Force majeure incident*:⁵⁰ CNCIA refers to a Q1 2022 earnings call from the Tronox Group, in which the Tronox Group explained that the incident in question affected its production costs in the UK. That incident relates to Q1 2022 – the very start of the Injury Period – and does not affect (let alone cause) the injury suffered by the UK Rutile TiO₂ industry.⁵¹
 - *The Tronox Group's integrated structure*:⁵² The Applicant fails to see how being part of the Tronox Group could be a cause of injury. To the contrary, the Tronox Group has shielded the Applicant from worse injury. The Tronox Group has continued to keep the Applicant in business despite sustained losses caused by dumped Chinese Rutile TiO₂.
 - *Venator's bankruptcy*:⁵³ Again, the Applicant fails to see how Venator's administration could be a cause of injury. To the contrary, Venator was driven into bankruptcy by the same dumping of Chinese Rutile TiO₂ that is causing

⁴⁴ CNCIA, Comments, p. 17.

⁴⁵ Applicant, Application, Section A.1.4; Australian Department of Industry, Science and Resources, Anti-Dumping Commission, "Anti-Dumping Notice n° 2026/061 on Initiation of Investigation No 699 into alleged dumping of Titanium dioxide exported from the People's Republic of China," 30 April 2026.

⁴⁶ CNCIA, Comments, p. 18.

⁴⁷ Applicant, Application, Section G.2.B.

⁴⁸ CNCIA, Comments, p. 18.

⁴⁹ This is confirmed by the similar price levels at which the Applicant sells on the UK market and for export. See Applicant, Producer questionnaire response, Annex 11.

⁵⁰ CNCIA, Comments, pp. 19-20.

⁵¹ Applicant, Application, Section F.1.1, Sub-section D.

⁵² CNCIA, Comments, p. 20.

⁵³ CNCIA, Comments, pp. 20-21.

material injury to the Applicant.⁵⁴ Venator's bankruptcy demonstrates that Chinese Rutile TiO₂ causes injury.

44. For those reasons, the TRA should reject CNCIA's claims.

3.3 Dumped Chinese Rutile TiO₂ threatens to cause further injury to the UK Rutile TiO₂ industry

45. In the Comments, CNCIA makes three claims that the UK industry does not suffer from a threat of material injury.⁵⁵

46. First, CNCIA claims that the increase of dumped imports until anti-dumping duties are put in place predicted by the Applicant is "pure conjecture."⁵⁶

47. As the Applicant recently demonstrated, Chinese export statistics show an exponential increase in Chinese Rutile TiO₂ exports to the UK since the initiation of the Investigation, while export prices continue to be extremely low.⁵⁷

48. Second, CNCIA claims that there will not be trade diversion to the UK resulting from the imposition of anti-dumping duties in other jurisdictions.⁵⁸

49. Brazil, the EU, and India – all of which have imposed anti-dumping duties – are China's three largest export markets for Rutile TiO₂.⁵⁹ Chinese Rutile TiO₂ production overcapacity is already huge and is projected to continue to increase.⁶⁰ Domestic demand in China for Chinese TiO₂ is stagnant at best. Chinese Rutile TiO₂ volumes must go somewhere. The obvious destination is high-value, unprotected markets such as the UK. That is why the TRA must take strong protective action.⁶¹

50. Third, CNCIA claims that four of the idled plants mentioned in the Application were not idled because of Chinese competition.⁶²

51. This claim is baseless. As the Commission established, Chinese TiO₂ caused injury to the EU TiO₂ industry.⁶³ This includes the Tronox Group's Botlek plant in the Netherlands, the first plant to which CNCIA refers.

⁵⁴ See Applicant, Application, Section G.1 and Annex C.1.1.

⁵⁵ CNCIA, Comments, p. 21.

⁵⁶ CNCIA, Comments, p. 21.

⁵⁷ See Applicant, Letter on importance of swift and strong action, 1 June 2026, paras. 1-5.

⁵⁸ CNCIA, Comments, p. 21.

⁵⁹ Applicant, Application, Section F.2.1.

⁶⁰ Applicant, Application, Section F.2.1, Sub-section A.

⁶¹ See Applicant, Comments on the importance of swift and strong action, 1 June 2026, paras. 11-18.

⁶² CNCIA, Comments, pp. 21-22.

⁶³ Regulation 2025/4, recitals 235 to 241.

52. As concerns the second plant, Kronos Worldwide, Inc.’s (“**Kronos**”) Varennes plant in Canada, CNCIA claims that Kronos attributed the closure to low demand in 2023.⁶⁴ This is not what Kronos said. Kronos explained that Chinese Rutile TiO₂ is responsible for its weak performance:

“We expect demand to improve in 2025, particularly in Europe where the European Commission enacted duties on Chinese imports of TiO₂ in mid-2024; ... TiO₂ selling prices softened in the second half of 2024 in response to sluggish demand and competitive pressures. We expect these pricing pressures to be somewhat mitigated in 2025, particularly in Europe, as a result of the duties enacted on low-cost imports from China.”⁶⁵

“We are experiencing increasing competition from China. Chinese competition generally has lower operating costs due to less stringent regulatory and environmental compliance requirements and less expensive energy prices. China has dumped lower cost sulfate process TiO₂ into the markets we serve. In some cases, the TiO₂ industry has been successful in getting anti-competitive duties enacted on Chinese imports such as the European duties enacted in 2024.”⁶⁶

53. Similarly, the third plant CNCIA references is Chemours’ Kuan Yin plant in Taiwan. Chemours made clear that it faces significant competitive pressure by Chinese producers of Rutile TiO₂ and overcapacities in China:

“Additionally, our Titanium Technologies business competes with numerous regional producers, including producers in China, who have expanded their readily available production capacity.”⁶⁷

54. As concerns Venator’s Greatham plant, the fourth plant, CNCIA claims that LB Group aims to restart production.⁶⁸ As explained, it appears that LB Group intends to use the Greatham plant as a mere “post-processing” (i.e., finishing) plant.⁶⁹

55. For those reasons, the TRA should reject CNCIA’s claims.

* * *

⁶⁴ CNCIA, Comments, p. 22.

⁶⁵ Kronos, Annual Report, 2024, **Annex 3**, p. 32.

⁶⁶ Kronos, Annual Report, 2024, **Annex 3**, p. 15.

⁶⁷ The Chemours Company, Annual Report, 2024, **Annex 4**, p. 25.

⁶⁸ CNCIA, Comments, p. 22.

⁶⁹ Applicant, Comments on the importance of swift and strong action, 1 June 2026, Section 2.