

19 August 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 – New Chinese Rutile TiO₂ capacity expansion
Our client: Tronox Pigment UK Limited (“Applicant”)

The TRA initiated the captioned investigation (“**Investigation**”) on UK imports of rutile titanium dioxide (“**Rutile TiO₂**”) originating from China based *inter alia* on evidence of massive overcapacities of Rutile TiO₂ in China. Indeed, in 2025, Chinese nameplate Rutile TiO₂ production capacity already approached the entire world’s demand.¹ These massive and ever-increasing overcapacities drive the hard dumping of Chinese Rutile TiO₂ on the UK market, which causes injury and threatens to cause further injury to the UK Rutile TiO₂ industry.²

Chinese Rutile TiO₂ producers have been loss-making since at least mid-2024.³ Ever-increasing overcapacities thus cannot be explained by demand for Rutile TiO₂. Instead, they are explained by the fact that Chinese Rutile TiO₂ production generates byproducts such as ferrous sulphate (“**FeSO₄**”), which are used to manufacture key materials for lithium-iron-phosphate (“**LFP**”) batteries and phosphate-based fertilisers.⁴

On 11 August 2026, Tinergy Chemical Co. Ltd. (“**Tinergy**”), formerly CNNC Hua Yuan Titanium Dioxide Co. Ltd.,⁵ one of China’s largest Rutile TiO₂ producers and a subsidiary of a Chinese state-owned enterprise,⁶ announced the construction of a new Rutile TiO₂ production facility with a capacity of a whopping 400,000 MT/year.⁷ This is almost five times total UK consumption of Rutile TiO₂.

¹ Applicant, Application, Section F.2.1, Sub-section A.

² Applicant, Application, Section A.3.5, Sub-sections A and G; Section F.1.1, Sub-section A.2.

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

⁴ Applicant, Application, Section F.2.1, Sub-section A.

⁵ See Reuters, Tinergy Chemical Co Ltd, **Annex 1**; SpecialChem, CNNC HUA YUAN Titanium Dioxide, Overview, **Annex 2**.

⁶ See China National Nuclear Corporation (CNNC), Profile, **Annex 3**.

⁷ Tinergy, Announcement 2026-035, 12 August 2026, **Annex 4**.

At the same time, Tinergy announced a new production facility for FeSO₄ heptahydrate with a capacity of 1.4 million MT/year,⁸ and a new production facility for iron phosphate precursors with a capacity of 600,000 MT/year.⁹ The total cost of these investments is estimated at RMB 11 billion (GBP ~1.2 billion).¹⁰

Tinergy's corporate disclosures confirm that the investment in a new 400,000 MT/year Rutile TiO₂ facility is not driven by Rutile TiO₂ demand,¹¹ but by surging demand for LFP battery materials.¹² Implementing the Government of China's ("GoC") 14th Five-Year-Plan, Tinergy is transforming its business from traditional Rutile TiO₂ production to new-energy materials production.¹³ That strategy continues under the GoC's 15th Five-Year-Plan, under which Tinergy is developing an integrated "Phosphorus-Sulfur-Titanium-Iron-Lithium" circular value chain.¹⁴

Crucially, Tinergy's massive expansion in Rutile TiO₂ production demonstrates that the commercial value of Rutile TiO₂ production in China lies in the co-production of LFP battery materials such as FeSO₄. Making sustained losses on sales of Rutile TiO₂ is thus simply not important to integrated Chinese producers such as Tinergy.¹⁵

In sum, Chinese Rutile TiO₂ producers dump Rutile TiO₂ at ever-lower prices because (1) demand for Rutile TiO₂ is and will continue to be lower than ever-increasing Chinese oversupply; and (2) revenue streams from LFP battery materials such as FeSO₄ allow Chinese producers to make profit from their Rutile TiO₂ investments, because these are necessary to generate the byproducts used in LFP battery materials.¹⁶

As Chinese Rutile TiO₂ pricing is entirely and increasingly disjointed from the realities of a Rutile TiO₂ market – even the already distorted Chinese Rutile TiO₂ market – the TRA should ensure that it recommends anti-dumping duties at the highest possible level. If the duties are not sufficiently high, Chinese producers can and will simply sell through the duties, thereby rendering the duties ineffective at halting the injury suffered by the Applicant.

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⁸ Tinergy, Announcement 2026-035, 12 August 2026, **Annex 4**.

⁹ ChemExWorld, "China Titanium Approves RMB 11B Expansion," 12 August 2026, **Annex 5**.

¹⁰ ChemExWorld, "China Titanium Approves RMB 11B Expansion," 12 August 2026, **Annex 5**.

¹¹ See Applicant, Application, Section A.3.5, Sub-section A.

¹² See EnergyTrend, "Chinese material suppliers are expanding production capacity for iron phosphate and LFP due to surging demand," 5 May 2022, ("the existing suppliers for chemicals such as titanium dioxide (TiO₂) are leveraging their advantages related to the access to phosphate minerals and the processing of phosphorous-based materials to build up production capacity for cathode materials used in LFP batteries."), **Annex 6**. ChemExWorld, "China Titanium Approves RMB 11B Expansion," 12 August 2026, **Annex 5**.

¹³ Tinergy, Announcement 2026-035, 12 August 2026, **Annex 4**; Tinergy, Annual Report, 2025, **Annex 7**, p. 2.

¹⁴ Tinergy, Announcement 2026-035, 12 August 2026, **Annex 4**; Tinergy, Annual Report, 2025, **Annex 7**, p. 2.

¹⁵ See Applicant, Application, Section A.3.5, Sub-section A. See also Bloomingglobal, "China's Titanium Dioxide Industry Faces Challenges in 2025 with Production Capacity Approaching 7 Million Tons," 24 December 2024, **Annex 8**.

¹⁶ See Tinergy, Annual Report, 2025, **Annex 7**, p. 2.