REPRESENTATION TO THE TRA

Investigation AD0086 | Rutile titanium dioxide originating in the People's Republic of China

Response to Statement of Essential Facts dated 6 October 2026

Submitted by: Prisma Colour Ltd

Date: 19 October 2026

TRA deadline: before 09:00 UK time on 26 October 2026.

1. Executive summary and requested outcome

Prisma Colour Ltd is a UK manufacturer of masterbatch and polymer compounds and a downstream purchaser of titanium dioxide (TiO_2). We oppose the proposed anti-dumping measures in their present form. Our concern is that the measures may impose substantial costs on UK manufacturers while offering limited benefit to domestic TiO_2 production, particularly where imported and UK-produced grades serve different applications. We ask the Trade Remedies Authority (TRA) to (i) correct and reconcile the import data; (ii) reassess product comparability and injury margins at a sufficiently granular grade level; (iii) examine the domestic producer's capacity utilisation, export sales and realised prices; and (iv) reconsider the Economic Interest Test (EIT) in light of the quantified impact on downstream manufacturing, finished-product imports and employment. We request that the TRA does not finalise its recommendation until these matters have been properly addressed.

2. Material errors and inconsistencies in import-volume reporting

Paragraphs 100, 102 and 104 of the SEF (pages 24–25) state that 2025 Chinese imports totalled 18,542,968 "MT", comprising 1,299,300 "MT" under commodity code 2823 0000 and 17,243,668 "MT" under code 3206 1100. These figures appear to be quantities in kilograms incorrectly labelled metric tonnes. On that interpretation, the corresponding totals are 18,542.968 tonnes, 1,299.300 tonnes and 17,243.668 tonnes. The SEF's estimated in-scope volume of 16,113,839–17,244,960 "MT" would similarly be 16,113.839–17,244.960 tonnes. Paragraph 106 says Chinese exports to the UK represented 3.9%–4.2% of Chinese rutile production of 4.103 million tonnes. Using the corrected tonnage, the share is approximately 0.39%–0.42%. This is a separate tenfold percentage discrepancy. The SEF's 2025 aggregate import value (£32,850,215, paragraph 100) also does not equal the sum of its two stated code-level values (£2,501,638 + £28,680,806 = £31,182,444, paragraph 102): the difference is £1,667,771. These may be reporting/transcription errors rather than errors in every underlying calculation: the SEF's monthly import series elsewhere appears consistent with imports measured in thousands, not millions, of tonnes. Nevertheless, the TRA should publish a corrected dataset, explain the value reconciliation and confirm expressly whether the errors affected import penetration, injury, threat, price or EIT calculations.

3. Product comparability: chloride-process and sulphate-process grades

Our experience of the market is that the UK Tronox facility principally produces higher-durability chloride-process TiO_2 grades used in demanding outdoor-weathering applications, whereas substantial Chinese sulphate-process imports are sold into less demanding uses, including plastic film and general-purpose moulded products such as buckets. These assertions should be tested against actual UK production and import grade mixes; process route alone does not establish performance or interchangeability. Crucially, SEF paragraph 73 (page 18) states that, for the injury-margin calculation, product control numbers (PCNs) distinguishing sulphate and chloride production processes "were collapsed". We submit that combining grades without demonstrating equivalent end-use suitability, weathering durability, surface treatment and commercial substitutability risks misleading price comparisons. We request disclosure of the reasoning and sensitivity analysis for this choice and a grade/application-specific reassessment of the injury margin.

4. Capacity utilisation, export sales and the asserted threat of injury

We understand, subject to independent confirmation, that the UK Tronox plant is operating at or near full capacity and sells significant output across European markets at prevailing international price levels. If established, those facts would be relevant to the nature and imminence of the TRA's asserted threat of material injury. Full capacity would not, by itself, disprove future injury or price suppression; however, the TRA should explain the mechanism by which the imports would cause injury, including whether UK output could expand or whether sales would simply be diverted from other markets. We request an assessment, with appropriate confidential treatment where necessary, of UK plant output and utilisation, available capacity, domestic and export volumes, realised UK versus European prices, profitability, and forward-looking evidence supporting the asserted threat.

5. Finished white masterbatch imports and competitive distortion

White masterbatch containing approximately 70% TiO_2 is an important downstream application. Prisma Colour faces competition from imported finished white masterbatch, including product supplied by the Israeli manufacturer Tosaf. We have observed offers for finished 70% white masterbatch at prices below the raw material cost of our own manufactured 70% white masterbatch; documentary price comparisons will be supplied where available and must be made on equivalent delivery, tax, quality and commercial terms. A duty imposed on Chinese-origin TiO_2 input, without a corresponding cost burden on competing imported finished masterbatch, may encourage UK customers to substitute imported masterbatch for UK-made masterbatch. The TRA should establish the relevant customs classification and

duty treatment of imported finished masterbatch, then quantify potential displacement of UK production, lost value added and employment. The fact that a significant competitor is based in Israel makes this a broader downstream competitiveness issue, not merely a question of Chinese finished-goods imports.

6. Quantified impact on Prisma Colour and UK jobs

Prisma Colour purchases approximately 800 tonnes of TiO_2 annually. The SEF (page 9, paragraph 24) proposes mixed duties of 48.29% ad valorem, minimum £0.66/kg for specified cooperating exporters, and 63.66% ad valorem, minimum £0.87/kg for other exporters. The applicable duty is subject to the precise legal calculation, exporter and customs value; the minima are not necessarily the final duty payable.

Scenario (illustrative)	**Additional cost on 800 t**
£0.66/kg minimum	£528,000 / year
£0.87/kg minimum	£696,000 / year

Accordingly, if the full 800 tonnes were dutiable at the higher minimum rate, the annual cost would be approximately £700,000. This is an exposure scenario, not a verified forecast: the actual cost depends on the Chinese-origin share of purchases, exporter rates, transaction values, sourcing changes and any ability to pass costs through. Prisma Colour anticipates that a material unrecovered increase could reduce profitability and lead to job losses. For a 70% white masterbatch formulation, the minimum-duty increments alone would be approximately £462–£609 per tonne of finished masterbatch at £0.66–£0.87/kg, before considering any higher ad valorem liability. This is a material cost burden in a price-sensitive market.

7. Economic Interest Test and requests for further analysis

SEF section I (beginning page 137) recognises that the EIT addresses the wider UK economic interest. We submit that the analysis should expressly address downstream users of TiO_2, including UK masterbatch and compound manufacturers, their employment and investment, and the possibility that measures shift manufacturing and value added abroad rather than materially increase UK pigment production. The proposed measures would seriously affect the numerous middle and smaller sized coatings manufacturers in the UK. We ask the TRA to: (a) correct the volume, percentage and value discrepancies identified above and show which calculations use which data; (b) rerun or test injury comparisons using appropriately differentiated grades and applications; (c) examine the UK producer's capacity, export activity and prices; (d) quantify the impact on downstream manufacturers, including imported finished white masterbatch competition; and (e) reconsider whether the proposed remedy satisfies the EIT, including less harmful alternatives or adjustments available under the statutory framework.

8. Dumping methodology: constructed normal value and transparency

The Statement of Essential Facts does not, on the analysis presently available to us, demonstrate dumping by a straightforward comparison of Chinese export prices with actual domestic selling prices for comparable titanium dioxide sold in China. Instead, the TRA found that a particular market situation (PMS) affected the suitability of domestic prices and relied on constructed normal values in its dumping calculations. We recognise that constructing normal value may be permitted under the applicable trade-remedies rules where the relevant legal tests are satisfied. However, the distinction is important: a finding based on constructed costs and profit is not the same as direct evidence that Chinese exporters sell titanium dioxide to the UK more cheaply than they sell comparable goods in their home market. Given the potentially substantial cost to UK downstream manufacturers, we request that the TRA clearly identify the evidence and legal basis for rejecting domestic prices, explain the cost inputs, adjustments and profit assumptions used in constructing normal value, and publish non-confidential sensitivity analyses showing how the dumping margins would change under reasonable alternative assumptions. The TRA should also explain how differences in grades, production processes and end uses were treated in the comparison. We ask the TRA to address whether the resulting margins are robust enough to justify the proposed measures, particularly in light of the downstream economic consequences and the concerns set out in sections 3, 5, 6 and 7 of this submission.

Source: TRA, Statement of Essential Facts, AD0086, 6 October 2026, particularly paragraphs 24, 70–73, 99–106 and section I.

Company-specific market observations and financial impacts set out in this submission are based on Prisma Colour's own commercial experience and internal information.