25 October 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 – Comments on Statement of Essential Facts
Our client: Tronox Pigment UK Limited ("Applicant")

On 6 October 2026, the Trade Remedies Authority ("**TRA**") published the Statement of Essential Facts ("**SEF**") in the captioned investigation ("**Investigation**") concerning UK imports of rutile titanium dioxide ("**Rutile TiO2**") originating from China.

The Applicant welcomes the TRA's recommendation to impose definitive anti-dumping duties ("**ADDs**") on UK imports of Rutile TiO2 from China. Specifically, the Applicant agrees with the TRA's findings that (1) imports of Rutile TiO2 from China are being dumped; (2) the dumped imports threaten to cause injury to the UK Rutile TiO2 industry; and (3) the Economic Interest Test ("**EIT**") for imposing definitive ADDs is met.

The Applicant also supports the TRA's recommendation to impose a mixed duty consisting of a minimum fixed and an *ad valorem* component, which the Applicant believes will help ensure the effectiveness of the definitive ADDs.

At the same time, the Applicant has concerns with other findings made by the TRA. Specifically, the Applicant is concerned by:

- As concerns the injury analysis, the finding that injury did not yet materialise during the period of investigation ("**POI**"). This finding appears to stand in the way of a Provisional Affirmative Determination ("**PAD**") that would provide the necessary urgent relief for the Applicant, as well as the necessary retroactive ADDs that would counter the stockpiling of UK imports of Rutile TiO2 from China, which endangers the effectiveness of the definitive ADDs recommended by the TRA.

- As concerns the normal value, certain adjustments applied to distorted cost elements should be increased and cost adjustments should be made for additional cost elements. This lack of sufficient adjustment obfuscates part of the dumping.

- As concerns the export price, the lack of deductions made for related parties in the calculation of export price. The lack of deductions reduces the dumping and injury margins.

For those reasons, as detailed below, the Applicant requests that the TRA (1) revise its injury analysis and, consequently, adopt a PAD recommending the imposition of provisional ADDs, as well as recommending retroactive definitive ADDs (Section 1); and (2) revise its dumping and injury margin calculations (Section 2). In addition, the Applicant provides some additional information regarding the EIT (Section 3).

1. The TRA should revise its injury analysis and, consequently, recommend the imposition of provisional ADDs and retroactive definitive ADDs

1. Contrary to the TRA's findings, the Applicant believes the injury indicators show material injury (Section 1.1). Furthermore, the Applicant's financial results and trade data since the end of the POI demonstrates that the threat of injury that the TRA established has materialised (Section 1.2). As a result, the TRA should swiftly adopt a PAD and recommend provisional ADDs (Section 1.3). Like in every other jurisdiction which imposed anti-dumping duties, Chinese importers are responding to the announcement of an anti-dumping investigation by stockpiling TiO2 in the UK, which can be sold duty-free after definitive ADDs are imposed. To avoid further delays to the real-world protection for the UK industry, TRA should recommend retroactive definitive ADDs (Section 1.4).

1.1 The injury indicators show material injury

2. The TRA found that, on balance, the injury indicators did not show material injury to the UK industry during the injury period, which covers 2022 to the POI ("**Injury Period**"). The TRA based that finding on its conclusions that (a) the volume of dumped Chinese Rutile TiO2 did not increase over the Injury Period; (b) some economic injury indicators for the Applicant do not show injury or are mixed.[1] The Applicant disagrees and believes the injury indicators show material injury.

(a) The volume of dumped Chinese Rutile TiO2 shows injury

3. The TRA found that the volume of dumped imports did not increase in absolute or relative terms over the Injury Period.[2] The Applicant disagrees.

4. First, in reaching its conclusion, TRA compared the import volumes at the Injury Period's outset during Covid-19 through to the end of the POI. World Trade Organization ("**WTO**") case law warns against doing precisely such a mechanical analysis,[3] and the TRA did not make a simple end-to-end analysis when assessing other indicators (such as, for instance, stocks). Import volumes were high at the beginning of the Injury Period due to the exceptional market conditions during the Covid-19 period, covering H2 2020 to H1 2022.[4] Using 2022 as a starting point to conclude that there is no increase in

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1 SEF, Section G1.5.3.

2 SEF, paras. 466, 471, and 474.

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

4 Applicant, Application, Section F.1, Sub-section C.1.

imports over the Injury Period understates the true increase in volumes because the Covid-19 period represented an extraordinarily high period of demand for TiO2, which is not reflective of UK demand from 2023 through the POI.

5. The TRA should instead have assessed the development of imports throughout the Injury Period. Chinese imports increased from 9,851 MT in 2023 to 11,888 MT in 2024 and 17,244 MT in 2025.[5] This represents an increase of approximately 75% between 2023 and the POI.

6. Chinese Rutile TiO2 producers imported abnormally large volumes of Rutile TiO2 into the UK market during the Covid-19 period covering H2 2020-H1 2022.[6] Like in every developed country, the Covid-19 period was a "stay at home" economy with consumers directing a large share of their disposable income to home improvement projects like painting. Hence, a more accurate way to assess whether Chinese import have increased would be to compare the post Covid-19 period from 2023 to the end of the POI. During this period imports increased by 75% against a backdrop of near-constant increases in import volumes that started in 2009.[7] As detailed further below, post-POI data underlines this increase in imports: in the four months following the POI, Chinese Rutile TiO2 exports equalled half the export volume of full year 2025.[8] This means that China has doubled the rate of imports since the announcement of the Investigation.

7. Second, longer-term trends show the progressive penetration of Chinese imports into the UK market and put into context the starting point of the Injury Period, i.e., 2022. The TRA noted that Chinese imports had been increasing since at least 2016.[9] This long-term trend provides relevant context for the volume analysis, as it shows that the 2022 peak is part of the Covid-19-induced boom.

8. Third, in any event, an increase in dumped imports is not a prerequisite for a finding of material injury. WTO case law confirms that an investigating authority may find that dumped imports caused material injury even where there was no significant increase in volume, or no increase at all, in absolute or relative terms.[10]

9. Finding material injury even if import volumes did not increase significantly over the entirety of the Injury Period but did increase dramatically over the final three years of the Injury Period is consistent with Article 3.4 of the WTO Anti-Dumping Agreement. The TRA is well supported legally in finding material injury where the totality of evidence points toward material injury even if one or more individual factors falls short.[11]

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5 SEF, para. 465.

6 Applicant, Application, Section F.1, Sub-section C.1.

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

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

9 SEF, para. 466, Figure 16.

10 WTO Panel Report, *Korea – Anti-Dumping Duties on Pneumatic Valves from Japan*, WT/DS504/R, adopted 30 September 2019, as modified by Appellate Body Report WT/DS504/AB/R, para. 7.257.

11 WTO Panel Report, *European Communities – Anti-Dumping Duties on Imports of Cotton-Type Bed Linen from India – Recourse to Article 21.5 of the DSU by India*, WT/DS141/RW, adopted 24

10. In sum, the Applicant requests the TRA to find that the volume analysis for dumped Chinese imports supports a finding of material injury.

(b) The economic injury factors for the Applicant show material injury

11. In assessing the economic injury factors for the Applicant, the TRA concluded that, while "some of the factors do indicate injury, other factors indicate a lack of injury or are inconclusive", the "economic injury factors assessment does not demonstrate that UK industry has suffered from material injury."[12] Specifically, the TRA found that many economic injury indicators show injury:[13]

- Actual and potential decline in output
- Actual and potential decline in capacity utilization
- The magnitude of the margin of dumping
- Actual and potential negative effect on employment
- Actual and potential negative effect on the ability to raise capital or investment
- Actual and potential negative effect on growth

12. The TRA further found that other performance injury indicators are mixed:[14]

- Actual and potential decline in sales
- Actual and potential decline in profits
- Actual and potential decline in market share
- Actual and potential decline in return on investment ("**ROI"**)
- Factors affecting the domestic prices of like goods
- Actual and potential negative effect on inventories

13. Finally, the TRA found that some performance injury indicators did not show injury:[15]

- Actual and potential decline in productivity
- Actual and potential negative effect on cash flow
- Actual and potential negative effect on wages

14. The Applicant disagrees with the TRA's conclusion that, on balance, these economic injury indicators do not show material injury. As noted, the fact that one or more factors do not, when considered individually, point towards injury does not preclude an overall finding of material injury.[16]

April 2003, as modified by Appellate Body Report WT/DS141/AB/RW, DSR 2003:IV, p. 1269, para. 6.163.

12 SEF, para. 591.

13 SEF, para. 588.

14 SEF, para. 590.

15 SEF, para. 589. The Applicant does not address "Recovery from the effects of past dumping," as this is not an expiry review.

16 WTO Panel Report, *European Communities – Anti-Dumping Duties on Imports of Cotton-Type Bed Linen from India – Recourse to Article 21.5 of the DSU by India*, WT/DS141/RW, adopted 24 April 2003, as modified by Appellate Body Report WT/DS141/AB/RW, DSR 2003:IV, p. 1269, para. 6.163.

15. In any event, the Applicant disagrees with the TRA's characterization of certain economic injury indicators as mixed or not showing injury.

16. First, the record shows an actual decline in the UK industry's sales and market share over the Injury Period.[17] Thus, even using the TRA's end-to-end analysis, these indicators show injury and are not, as the TRA concluded, mixed indicators. In addition, sales volumes and market share decreased from 2023 to 2024 and again from 2024 to the POI, which further supports a finding of injury.

17. The TRA appears to have based its conclusion that these indicators are mixed on:

- An increase in the Applicant's UK sales in the POI.[18] This is not determinative in itself and, in any event, reflects survivor bias in view of Venator's bankruptcy.

- The fact that the UK industry's market share was higher in 2023 and 2024 compared to 2022 and the POI.[19] This conclusion is misguided: the UK industry's market share decreased both over the Injury Period and from 2024 to the POI.

18. It follows that the actual and potential decline in sales indicator as well as the actual and potential decline in market share indicator show injury.

19. Second, the Applicant was loss-making throughout the Injury Period.[20] While the amount of the losses was reduced from 2022 to 2024 because the Applicant took all measures that it could to stem the bleeding, it was unable to turn a profit. Persistent losses are a particularly clear sign of injury – not, as the TRA concluded, a mixed indicator. This is also in line with the TRA's prior findings, where it treated persistent losses as "a challenge to the financial and operational health of the UK industry" and listed persistent losses first among the factors showing injury.[21]

20. The perverse consequence of the TRA's finding is that it penalises the Applicant for having taken all steps within its power to reduce the losses – even if the Applicant was unable to turn profitable. That cannot be the intention.

21. In addition, the price pressure from dumped Chinese imports caused another drop in profitability from 2024 to the POI, which underlines that the Applicant's efforts are being overturned by unfair trading practices.

22. It follows that the actual and potential decline in profits indicator shows injury.

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17 SEF, Sections G1.3.1 and G1.3.4.

18 SEF, para. 590.

19 SEF, para. 590.

20 SEF, Figure 20.

21 *See* TRA, *Certain Excavators from China*, AD0047, Final Determination, paras. 592-593 and 719.

23. Third, the Applicant was unable to make an ROI over the Injury Period.[22] The evolution of the ROI indicator mirrors that of profitability.

24. For the same reasons, the actual and potential decline in ROI indicator shows injury.

25. Fourth, the Applicant's UK sales prices decreased over the Injury Period.[23] Thus, even using the TRA's end-to-end analysis, this indicator shows injury and is not, as the TRA concluded, a mixed indicator.

26. The TRA appears to have based its conclusion that this indicator is mixed on the fact that import prices overall decreased.[24] As the TRA recognises in its price analysis, this is precisely because dumped Chinese imports are setting the prices on the market, by severely undercutting, underselling, depressing, and suppressing the price of fairly traded Rutile TiO2. This explanation thus supports that the evolution of prices shows injury.

27. It follows that the factors affecting the domestic prices of like goods indicator shows injury.

28. Fifth, the Applicant's stocks increased over the Injury Period.[25] The TRA based its conclusion that this indicator is mixed on the decrease in stocks from 2024 to the POI.[26] It is hard to see how this can turn the indicator mixed as POI stock levels are well above 2022 and above 2023 levels.

29. It follows that the actual and potential negative effect on inventories indicator shows injury.

30. Sixth, the three indicators that the TRA found to not show injury – productivity, cash flow, wages – are not counterindications of injury.

31. *Firstly*, as the TRA noted, improved productivity is tainted by Venator's bankruptcy.[27] The Applicant's data shows a decrease in productivity over the Injury Period. *Secondly*, as the TRA noted, the cash flow indicator is affected by the fact that the Applicant is part of a wider group that has been funding the continued operations of the Applicant despite its persistent losses.[28] *Thirdly*, the evolution in wages follows inflation.[29]

32. It follows that there are no counterindications of injury.

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22 SEF, Section G1.3.6.

23 SEF, Section G1.3.8.

24 SEF, para. 590.

25 SEF, Section G3.1.11.

26 SEF, para. 590.

27 SEF, Section G3.1.5.

28 SEF, Section G3.1.10.

29 SEF, Section G3.1.13.

(c) Conclusion

33. In conclusion, even following the TRA's conclusions, there are no counterindications of injury. Certain injury indicators are, in the TRA's view, mixed, but most show injury. On balance, it is thus hard for the Applicant to see how the injury indicators do not show material injury. For that reason alone, the Applicant requests that the TRA find that there is material injury.

34. In any event, the TRA erred in concluding that certain injury indicators are mixed. The facts on the record show that these indicators show injury. It follows that, in any event, the Applicant requests that the TRA find that there is material injury.

1.2 The TRA should find that the threat of injury has materialised since the end of the POI

35. The TRA found the threat of material injury "has not yet occurred, but it is clearly foreseen and imminent."[30] Even if the TRA disagrees that there already was material injury during the Injury Period (which there was[31]), there can be no doubt that the threat of injury has materialised since the end of the POI.

(a) The volume of exports from China shows that injury has materialised

36. First, the TRA found that there was a "likelihood of substantially increased importation" after the end of the POI.[32]

37. This likelihood materialised. Chinese export statistics (and, with the ocean transport delay, UK import statistics) show an exponential increase in Chinese Rutile TiO2 exports to the UK since the end of the POI at persistently injuriously low prices.[33]

38. As *Figure 1* reports, Chinese export volumes of Rutile TiO2 to the UK are significantly higher in 2026 than in the POI. Year on year, exports increased from 12,793 MT in the first nine months of 2025 to a whopping 23,215 MT in the same period in 2026.

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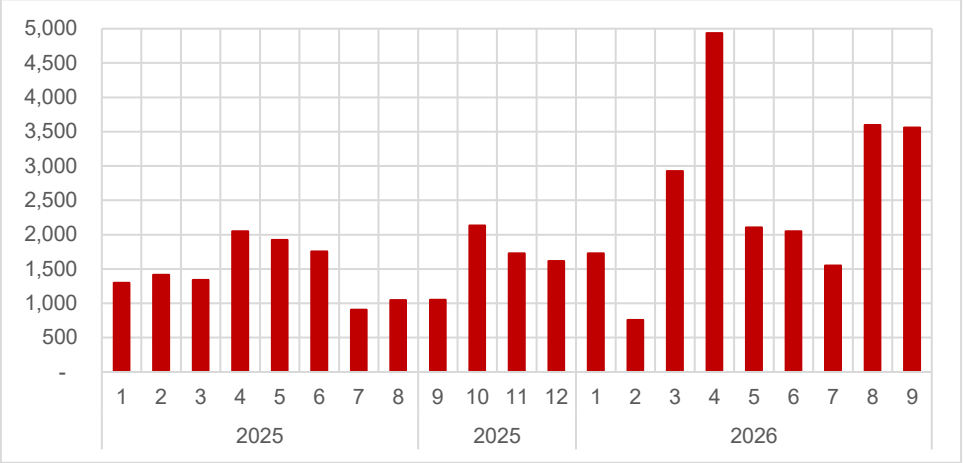
30 SEF, para. 602.

31 *See* above, Section 1.1.

32 SEF, para. 594.

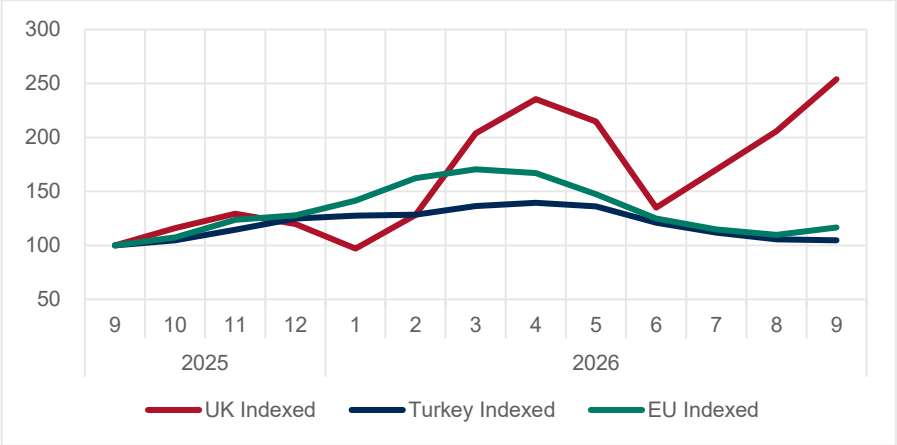
33 *See* Applicant, Letter on importance of swift and strong action, 1 June 2026, paras. 1-5.

Figure 1 - Chinese exports of Rutile TiO2 to the UK (MT)[34]



39. This increase cannot be attributed to anything but an attempt by Chinese importers to circumvent ADDs, a pattern seen in every other anti-dumping investigation. As *Figure 2* shows, over the last year, Chinese exports to the UK have increased by 154%, compared with 17% to the European Union (which has imposed ADDs) and 5% to Turkey (which has not).[35]

Figure 2 – Chinese export volumes of Rutile TiO2 to the UK, the European Union, and Turkey (indexed three-month moving average)



40. Likewise, the increase in Chinese imports cannot be attributed to increased demand. As *Figure 3* shows, following the POI, Chinese exports to the UK have increased significantly if compared to the Applicant's UK sales, which are decreasing since the start of the POI.

34 Source: Chinese export statistics and Applicant's sales, **Annex 1**.

35 Source: Chinese export statistics and Applicant's sales, **Annex 1**.

Figure 3 - Chinese exports to the UK versus Applicant's UK sales (indexed)[36]



41. Increasing imports also reflect product diversion from the many jurisdictions which have, or are in the process of, protecting their domestic producers. As the TRA itself found, Chinese Rutile TiO2 is facing ADDs in multiple key jurisdictions, essentially reducing Chinese exports to these jurisdictions by a volume that is three times as high as UK consumption.[37] This pressure will only get worse. First, the European Union is on the cusp of significantly increasing its ADDs as a result of an anti-absorption investigation. Further, on 16 October 2026, Japan's Ministry of Economy, Trade and Industry and Ministry of Finance also initiated an anti-dumping investigation into Rutile TiO2 from China.[38]

42. The influx also reflects, as the TRA found, that inventories held by Chinese Rutile TiO2 producers have increased, and that Chinese export controls on sulphuric acid will lower Chinese production costs and encourage low-priced exports.[39]

43. According to the Applicant's most recent information, Chinese capacity was reported at approximately [*5-7 million*] MT in 2025, with production at around [*4.5-6.5 million*] MT, against a mere domestic consumption of [*2.5-4.5 million*] MT.[40] To make matters worse, announced projects in China would add around [*4-6 million*] MT of further capacity, with recent capacity announcements showing "no sign of reversal" despite the lack of demand.[41]

44. For completeness, in line with the TRA's findings,[42] Chinese export prices remained at the significantly injurious levels observed during the Injury Period for the first four months of 2026.[43] As of May 2026, prices increased slightly. However, tellingly, the evolution of

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36 Source: Chinese export statistics and Applicant's sales, **Annex 1**.

37 SEF, paras. 569-570.

38 Japanese Ministry of Economy, Trade and Industry, Initiation of the Investigation of Anti-Dumping Duty on Pigments and Preparations Based on Rutile Titanium Dioxide Originating in the People's Republic of China, 16 October 2026, **Annex 2**.

39 SEF, paras. 575-579.

40 [*Sensitive information removed – A market intelligence provider*], **Annex 3**, p. 27.

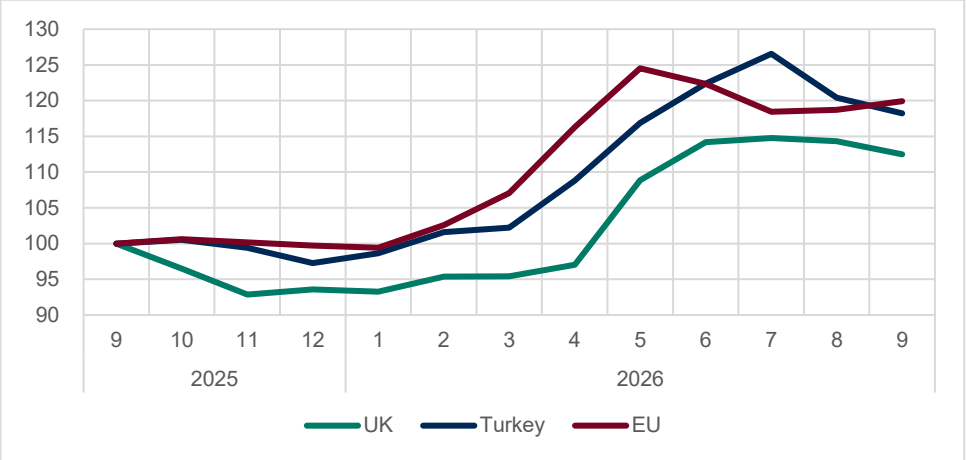
41 [*Sensitive information removed – A market intelligence provider*], **Annex 3**, p. 27.

42 SEF, paras. 486 and 491.

43 *See* Chinese export statistics and Applicant's sales, **Annex 1**, tab: price.

Chinese export prices to the UK, the European Union, and Turkey shows that Chinese Rutile TiO2 producers continue targeting the UK with the lowest prices.

Figure 4 - Chinese export prices of Rutile TiO2 to the UK, the European Union, and Turkey (indexed three-month moving average)



(b) The Applicant's economic injury factors show that injury has materialised

45. The Applicant's data for the key economic injury factors shows that the threat of injury has materialised.

46. **Table 1** reports the Applicant's production volume, UK sales volumes, and UK sales values. Production volumes remained stable from 2025 to Q1-Q3 2026, but sales continued to drop. The Applicant made UK sales of [*10-15,000*] MT in Q1-Q3 2026 as compared to [*11-16,000*] MT in Q1-Q3 2025, which is a decrease of [*8-12*]%. This shows that the volume gap on the UK market that Venator's bankruptcy temporary left was not filled by the Applicant but by Chinese imports. As an aggravating factor, this increase in sales and resultant market share of Chinese Rutile TiO2 imports is occurring against a backdrop of relatively weak UK demand.

47. Similarly, Q1-Q3 2026 sales values were [*6-9*]% below Q1-Q3 2025 levels. Since the start of the Injury Period, the Applicant's average sales price thus declined progressively [*by ~10% from 2022 to Q1-Q3 2026*] [*Sensitive information removed – Applicant's business data*], despite inflation of ~18% over this period.[44] This trend demonstrates the sustained pressure on the UK industry's sales prices by Chinese dumped imports.

[44] Bank of England, Inflation calculator, available here.

Table 1 – Applicant's production and UK sales					
	2022	**2023**	**2024**	**2025**	**Q1-Q3 2026**
Production volume (index)	100	88	109	99	75
UK sales volume (index)	100	170	205	185	129
UK sales value (index)	100	161	186	163	118

48. As **Table 2** reports, the Applicant remained loss-making also in Q1-Q3 2026. While profitability for Q1-Q3 2026 improved slightly as compared to the POI, price pressure from dumped Chinese Rutile TiO2 continues to stand in the way of the Applicant returning to profitability, let alone target profit levels. The situation looks even worse at earnings before income tax levels, where losses for Q1-Q3 2026 amounted to [*8-12*]%.

49. **Table 2** further shows that, in Q1-Q3 2026, cashflow again turned negative.

Table 2 – Applicant's NOPAT and cashflow					
	2022	**2023**	**2024**	**2025**	**Q1-Q3 2026**
NOPAT on UK sales (index)	-100	-72	-21	-44	-38
Cashflow (index)	-100	-124	46	174	-204

(c) Conclusion

50. Since the end of the POI, the threat of injury that the TRA established has materialised. Chinese Rutile TiO2 producers are targeting the UK market with massive volumes of injuriously low priced TiO2. This has caused further deterioration in the Applicant's economic injury indicators, in particular as concerns sales volumes and sales values, and cashflow, while the Applicant continues to face losses. For those reasons, the Applicant requests the TRA to find that the threat of injury has materialised.

1.3 The TRA should adopt a PAD and recommend the imposition of provisional ADDs

51. The TRA found that Rutile TiO2 imports from China are being dumped.[45] It also found that the dumped imports are causing a threat of material injury to the UK industry.[46] On

45 SEF, para. 17.

46 SEF, para. 602.

that basis, the TRA recommends definitive ADDs. According to the case schedule, these are foreseen for March 2027.[47] The TRA has not yet adopted a PAD.[48]

52. Under paragraphs 11(3)-(4), 13(3)(a), and 13(4)(a) of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 ("**Act**"), the TRA may recommend provisional ADDs if it is satisfied that provisional ADDs are "necessary to prevent injury being caused during the investigation to a UK industry." That condition is met because (1) there was material injury during the Injury Period;[49] and (2) in any event, the threat of injury that the TRA established has materialised since the end of the POI.[50]

53. Without provisional ADDs, the injury suffered by the Applicant will significantly worsen until the imposition of definitive ADDs. In addition, Chinese Rutile TiO2 is being stockpiled on the UK market,[51] which will further delay the effect of the definitive ADDs.

54. For those reasons, the Applicant requests that the TRA adopt a PAD and recommend provisional ADDs.

1.4 The TRA should recommend the retroactive imposition of definitive ADDs

55. In addition to adopting a PAD, the TRA should also recommend the retroactive imposition of the definitive ADDs in order to avoid a delay in the effectiveness of the definitive ADDs in mitigating the injury caused to the Applicant.[52] Unless ADDs are imposed retroactively, Chinese importers will be selling down their massive stockpile of duty-free inventory for months long after the ADDs become definitive.

56. Pursuant to paragraph 19(3)(a)(i) of Schedule 4 to the Act, definitive ADDs may apply for up to 90 days before the entry into force of provisional ADDs. That date must not be earlier than the date on which a notice under paragraph 29(1) of Schedule 4 to the Act was published. In the present case, such a notice was published on 26 March 2026.[53]

57. Regulation 91(2) of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 ("**D&S Regulations**") sets out three conditions for the retroactive imposition of definitive ADDs. These conditions are met.

- Awareness of dumping: Given that, at the time the Investigation was initiated, there were anti-dumping investigations on Chinese Rutile TiO2 in Brazil, the European Union, India, and Saudi Arabia – some of which were (also) brought by the Tronox Group to which the Applicant belongs, importers were or should have been aware that Chinese Rutile TiO2 was being dumped and of the resulting injury. This is all the more true because many large UK importers of Rutile TiO2 are multinational groups

47 TRA, AD0086, External timeline.

48 SEF, para. 19.

49 *See* above, Section 1.1.

50 *See* above, Section 1.2.

51 *See* above, Section 1.2(a).

52 *See* above, Section 1.2(a).

53 UK Department for Business & Trade, Trade remedies notice 2026/14: registration of imports of rutile titanium dioxide originating from China, 26 March 2026, available here.

that are also active in these other jurisdictions. In any event, LB Group's principal UK importer is a related entity.[54]

- Massive imports in a short period: The TRA established that there was a significant increase in the volume of UK imports of Chinese Rutile TiO2 since the end of the POI.[55] Recent Chinese export statistics show that the volume of imports has further increased and will continue to further increase massively.[56]

- Undermining of the remedial effect of ADDs: Chinese Rutile TiO2 producers' inventories have grown since the POI and are set to continue growing exponentially.[57] This stockpiling has but one objective: delay the market effect of the provisional ADDs and, consequently, the remedial effect of the definitive ADDs.

58. For those reasons, the Applicant requests that the TRA recommend the retroactive imposition of the definitive ADDs for a period of 90 days prior to the entry into force of the provisional ADDs.

2. The TRA should revise its dumping and injury margin calculations

59. The Applicant considers that the TRA should revise its dumping and injury margin calculations. Specifically, the TRA should revise the adjustments for certain costs that it used to construct the normal value of Rutile TiO2 from China (Section 2.1). Further, the TRA should adjust additional cost elements (Section 2.2). Finally, the TRA should revise its export price calculations by making additional deductions for related parties in the calculation of export price (Section 2.3).

2.1 The TRA should revise the adjustments for certain costs used to construct normal value

60. The Applicant welcomes the TRA's finding that a particular market situation ("**PMS**") exists in the Chinese Rutile TiO2 sector as well as the TRA's approach of adjusting input cost elements for Chinese Rutile TiO2 producers that do not reflect market-determined costs by reference to costs in a representative third country and to international prices, costs, or benchmarks.

61. However, the Applicant considers that the adjustments for certain input costs should be increased.

(a) Other raw materials: sulphuric acid

62. The TRA found that the costs of sulphuric acid sourced in China are distorted as compared to global benchmarks. The TRA compared costs of sulphuric acid reported by

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54 SEF, para. 657.

55 SEF, para. 556.

56 *See* above, para. 39. *See* also above, para. 43.

57 SEF, para. 576. *See* above, Section 1.1(b) and Applicant, Comments on importance of swift and strong action, 1 June 2026. *See* also Applicant, Response to Billion Europe's submission of 12 August, 1 September 2026.

LB Group or average prices in China with global average benchmark prices from Global Trade Tracker. On that basis, the TRA applied adjustments of 8.2% for sulphuric acid.[58]

63. The TRA should revise its adjustment to the price of sulphuric acid, at least for LB Group. For the two LB Group entities that reported sulphuric acid purchase prices, the company-level adjustments were at 3.09 and 4.10%,[59] against the TRA's benchmark of 953.20 RMB/MT.

64. However, LB Group's own 2025 annual report shows that LB Group purchased sulphuric acid at an average price of 266.55 RMB/MT in the first half of 2025 and 377.09 RMB/MT in the second half of 2025.[60] That yields a simple average of 321.82 RMB /MT, which is roughly one third of the global benchmark price of 953.20 RMB/MT that the TRA used. The Applicant requests the TRA to adjust upwards the cost of sulphuric acid accordingly.

65. In sum, the Applicant requests the TRA to revise the adjustment for sulphuric acid costs in China.

(b) Energy: Natural gas and steam

66. The TRA found that energy costs, including electricity, natural gas and steam costs, are affected by a PMS in China.[61] The Applicant agrees with the TRA's finding that energy costs in China are affected by a PMS and welcomes the TRA's adjustment to electricity costs.[62] However, the TRA should revise its benchmarks for natural gas and steam.

67. First, for natural gas, the TRA used a benchmark cost in the representative country Brazil. The TRA stated that it could not find reliable data for the POI. Instead, the TRA used a secondary source covering prices from 2023 to 2026 that suggests natural gas prices in Brazil were only 14.49% higher than prices in China.[63]

68. That finding does not align with prior TRA findings about natural gas in an investigation with the same POI. The TRA previously used a Brazilian natural gas benchmark of 0.745 RMB/kWh against a Chinese average price of 0.28 to 0.36 RMB/kWh.[64] The TRA should use the same POI-specific Brazilian industrial gas prices, consistent with its previous determinations, and adjust the undistorted price for natural gas accordingly.

69. Second, for steam, the TRA treats steam as a combination of the gas and electricity distortions.[65] The TRA should use instead a methodology that reflects LB Group's steam production process, which is based on coal- and gas-fired boilers.[66] The TRA should

58 SEF, paras. 322 and 432.

59 SEF, para. 426.

60 LB Group, Annual Report 2025, **Annex 4**, p. 26.

61 SEF, paras. 279, 284 and 288.

62 SEF, paras. 275-279.

63 SEF, paras. 280-284.

64 TRA, *Glass containers from China*, AD0087, Provisional Affirmative Determination and Recommendation of Guarantee, para. 219.

65 SEF, para. 288.

66 LB Group, 2024 Corporate Social Responsibility Report, **Annex 5**, p. 32.

therefore apply the natural gas and coal distortions and adjust the undistorted price of steam accordingly.[67]

70. In sum, the Applicant requests the TRA to revise the adjustments for natural gas and steam costs in China.

2.2 The TRA should adjust additional cost elements

71. The Applicant welcomes the TRA's findings that a PMS exists for waste disposal costs and research and development ("**R&D**") costs in the Chinese Rutile TiO2 sector. The TRA did not adjust these costs because it could not identify benchmarks.

72. The Applicant considers that, because a PMS exists, the TRA should make adjustments for these costs based on the benchmarks set out below.

(a) Waste disposal costs

73. The TRA found that a PMS affects waste disposal costs in China. However, the TRA declined to make a corresponding adjustment because the material disposed of as waste outside of China is often resold as by-products for Chinese producers, and this prevented the TRA from identifying a suitable benchmark.[68]

74. The TRA should not leave waste disposal costs unadjusted because it cannot find a suitable benchmark. Waste disposal is a significant cost in the Rutile TiO2 sector, especially for the sulphate method used by most Chinese Rutile TiO2 producers, which generates important waste streams.[69] Leaving unadjusted a cost that the TRA has found to be distorted results in understating the undistorted constructed normal value.

75. First, adjusting waste disposal costs is consistent with UK trade law, and the TRA's practice. Regulation 13(3) of the D&S Regulations permits the TRA to adjust costs when amounts for costs of production do not reflect what the exporter's costs would be if they were substantially determined by market forces. Regulation 13(4) allows the TRA to have regard to international prices, costs or benchmarks and to "any other factors it considers relevant" to calculate the necessary adjustment.

76. On that basis, the TRA has previously adjusted costs in cases in which a benchmark was not readily available. For example, in the Investigation, for steam costs, the TRA found that direct benchmarking was impossible because of Chinese industrial parks' systems, treated the steam distortion as equal to the wider energy distortion, and applied the relevant mix of the electricity and gas adjustments.[70]

77. Second, adjusting waste disposal costs is also consistent with WTO case law. WTO case law provides that investigating authorities may be required to use a "best efforts"

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67 Regulation (EU) 2024/1923, recitals 233 and 235.

68 SEF, paras. 272 and 314.

69 SEF, para. 90.

70 *See* above, para. 69.

proxy for a benchmark, even if such a benchmark is not perfect.[71] This case law reflects that it would be "incongruous" to make an investigating authority choose between making no calculation and using imperfect benchmark data.[72]

78. If helpful, the Applicant stands ready to provide the TRA with undistorted benchmarks for the cost of waste disposal from the Tronox Group.

79. For those reasons, the Applicant requests the TRA to adjust the waste disposal costs in China.

80. Finally, although the SEF does not detail the TRA's approach to dealing with by-products that are sold in China (but would be waste in the United Kingdom), the Applicant underlines that the sale of any such by-products should not be deducted from the constructed normal value, because doing so would introduce another distortion into the constructed normal value calculation that is the direct result of lax or non-existent environmental regulations.

(b) R&D costs

81. The TRA found that a PMS exists for R&D costs, but it did not make an adjustment because it did not have "verifiable benchmark data."[73]

82. By analogy to waste disposal costs, the Applicant requests that the TRA adjust R&D costs reported by the Chinese producers using a representative benchmark. If helpful, the Applicant stands ready to provide the TRA with undistorted benchmarks for the R&D costs at the Tronox Group.

2.3 The TRA should revise its export price calculations to account for related party sales

83. The TRA based LB Group's export price on the price at which Rutile TiO2 was sold to an unrelated party in the United Kingdom under Regulation 15(1)(a) of the D&S Regulations. However, LB Group's export sales passed through two related parties: Billions Hong Kong ("**BHK**"), a related trader in Hong Kong, and Billions Europe ("**BEL**"), an associated importer in the United Kingdom.

84. The TRA should decrease LB Group's export price on the basis of Regulations 15(2) and 16(2) of the D&S Regulations to adequately account for those relationships.

85. As an initial point, the TRA's rationale for not reducing LB Group's export price despite the intra-group sales through BHK and BEL is misguided.

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71 WTO Panel Report, *United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China*, WT/DS379/R, adopted 25 March 2011, as modified by Appellate Body Report WT/DS379/AB/R, para. 10.187.

72 WTO Panel Report, *United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China*, WT/DS379/R, adopted 25 March 2011, as modified by Appellate Body Report WT/DS379/AB/R, para. 10.187.

73 SEF, para. 313.

- For BEL's purchase price, the TRA compared the price from BHK to BEL with the price from BHK to unrelated parties and found that the difference was "immaterial" so that Regulation 15(2) does not apply.[74] The Applicant disagrees. The TRA's comparison relates to sales from BHK to unrelated parties outside the United Kingdom, reflecting different pricing structures. The simple fact remains that BEL's purchase price is a transfer price, which is not an arm's length price. The point is that an independent UK importer performing BEL's functions would have incurred SG&A costs and made a profit.

- For BHK's purchase price, the TRA deducted the SG&A costs, but not the profit, because "the overall profit is therefore similar whether a sale is made through BHK or direct."[75] The Applicant disagrees. The point is that an independent third-country trader performing BHK's functions would have made a profit.

86. The association between LB Group's exporting entities, BHK, and BEL is the reason why the TRA recommended a mixed duty, i.e., to mitigate "the risk that artificial transfer pricing could minimise *ad valorem* duty payments."[76] The same transfer price issue should be addressed in the relevant deductions from the export price.

87. Instead, the TRA should make deductions to the export price for LB Group. Doing so would reflect the approach of other investigating authorities, such as the European Commission ("**Commission**").

88. For instance, the Commission found that BHK and BEL, two third-country traders from an EU perspective, "perform functions similar to those of an agent working on a commission basis."[77] That means that they market the products, deal with customers, arrange logistics, negotiate sales, issue invoices and assume the corresponding commercial risks, and they receive a markup for doing so.[78] On that basis, the Commission adjusted the export price by deducting BHK's SG&A costs and a notional profit margin of 6.89% (based on the profit of an unrelated importer) and BEL's SG&A costs and that same notional profit of 6.89%.[79] This reflects the Commission's standard approach, which has been upheld by the Court of Justice of the European Union,[80] and by the WTO Appellate Body.[81]

89. In sum, the Applicant requests the TRA to revise the export price calculations by making deductions for the profit of BHK and the SG&A costs and profit of BEL.

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74 SEF, paras. 436-437.

75 SEF, paras. 443-444.

76 SEF, para. 668.

77 Commission, Regulation 2024/1923, recital 252.

78 Commission, Regulation 2024/1923, recital 252.

79 Commission, Regulation 2025/4, recital 189.

80 Court of Justice of the European Union, Judgment of 26 October 2016, *PT Musim Mas v Council*, C-468/15 P, EU:C:2016:803, para 85.

81 The WTO Appellate Body considered this in line with WTO law in WTO Panel Report, *EU – Fatty Alcohols (Indonesia)*, WT/DS442/R, paras. 7.88, 7.97 and 7.103; Appellate Body Report, WT/DS442/AB/R, paras. 6.2–6.4.

3. The TRA should consider additional information regarding the EIT, which militates in favour of the mixed duty

90. The Applicant welcomes the TRA's conclusion that the EIT is met in the present case.[82] The Applicant provides the following additional information, which the TRA may consider adding to its EIT analysis and which militates in favour of the mixed duty.

91. To assess the likely impact of the proposed definitive ADDs, the TRA could also consider the impact of Brazilian ADDs on imports of TiO2 from China. The Brazilian situation provides evidence that ADDs have a positive effect on the domestic TiO2 industry and its supply chain.

92. In Brazil, provisional ADDs were imposed in October 2024 and definitive ADDs in November 2025. Since then:

- Investment and production increased: Tronox Brazil's capital expenditure in Brazil rose by [*30-50% from 2023 to 2026*]. Its production rose by [*25-50%*]. Capacity utilisation reached [*80-95%*].[83]

- Supply diversified with no shortages: The market share of Chinese TiO2 fell from [*60-85*]% to [*25-35*]%, while the Brazilian domestic industry's share rose from [*15-25*]% to [*20-40*]% and that of other origins from [*10-20*]% to [*35-50*]%. Imports from Mexico, the United States, and Saudi Arabia all gained share on the Brazilian market, which new suppliers also entered.[84]

- Downstream price effects have been negligible: The estimated impact of the ADDs on key downstream sectors is [*0.6-1.1*]% on paint prices, [*0.013-0.019*]% on construction prices and [*0.0023-0.0032*]% on the IPCA consumer price index.[85]

- The supply chain has been preserved: Several upstream and downstream businesses depend on a viable Brazilian domestic TiO2 industry. These include a [*Sensitive information removed – Tronox Brazil's business operations*] that relies on Tronox Brazil as a customer, [*Sensitive information removed – Tronox Brazil's business operations*] that is not economically viable without sales to Tronox Brazil, and users that depend on Tronox Brazil for supply.[86]

93. The Applicant believes that the Brazilian situation provides a blueprint for what can happen in the United Kingdom if definitive ADDs are imposed.

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82 SEF, para. 734.

83 Tronox Brazil, Presentation to Brazilian investigating authority, **Annex 6**.

84 Tronox Brazil, Presentation to Brazilian investigating authority, **Annex 6**.

85 Tronox Brazil, Presentation to Brazilian investigating authority, **Annex 6**.

86 Tronox Brazil, Presentation to Brazilian investigating authority, **Annex 6**.

94. At the same time, the Brazilian situation also demonstrates the importance of robust ADDs that are strictly enforced. Despite the relatively strong ADDs protecting the Brazilian market from dumped Chinese TiO2, Chinese TiO2 exporters remain the second-largest supplier to Brazil. Chinese exporters maintained that market share by decreasing their prices, despite inflation.[87] The continued presence of Chinese TiO2 in such high volumes and at ever lower prices on the Brazilian market suggests that Chinese TiO2 exporters are absorbing the ADDs. This is precisely what is happening in the European Union. To address the absorption, the Commission initiated an anti-absorption investigation on 25 August 2026 and, in addition, adopted enhanced monitoring to prevent LB Group from circumventing the EU ADDs on Chinese TiO2 via the United Kingdom.[88]

95. In the Applicant's view, these practices strongly militate in favour of the mixed duty of an *ad valorem* component with a minimum fixed level that the TRA proposed in the SEF.[89] The mixed duty will build in at least some protection from absorption.

4. Conclusions

96. For the above reasons, the Applicant respectfully requests that the TRA:

- As concerns injury:
  - Find that there is material injury.
  - Find that the threat of injury has materialised.
  - Adopt a PAD and recommend provisional ADDs.
  - Recommend the retroactive imposition of the definitive ADDs.
- As concerns the dumping and injury margins:
  - On the normal value side:
    - Revise the adjustment for sulphuric acid costs in China.
    - Revise the adjustments for natural gas and steam costs in China.
    - Adjust the waste disposal costs in China.
    - Adjust R&D costs reported by the Chinese producers.
  - On the export price side: Revise the export price calculations by making deductions for the profit of BHK and the SG&A costs and profit of BEL.
- As concerns the EIT: Consider additional information regarding the EIT, which militates in favour of the mixed duty.

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87 Tronox Brazil, Presentation to Brazilian investigating authority, **Annex 6**.

88 *See* Commission, Notice of reopening the anti-dumping investigation concerning imports of titanium dioxide originating in the People's Republic of China, C/2026/4533, 25 August 2026; Commission Implementing Regulation (EU) 2026/2064 of 17 September 2026 amending Implementing Regulation (EU) 2025/4 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of titanium dioxide originating in the People's Republic of China.

89 SEF, para. 747.