TRONOX

PUBLIC RECORD

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The Director - Investigations
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Titanium dioxide exported from the People's Republic of China

Investigation No. 699

Dear Director,

Please accept this submission on behalf of Tronox Limited ("Tronox"), the applicant and the sole Australian producer of titanium dioxide ("TiO_2"), in response to the submission lodged on behalf of the China National Coatings Industry Association ("CNIA") dated 5 June 2026. The CNIA submission contests the material injury and causation analysis set out in Tronox's application, and seeks a narrowing of the scope of the goods under investigation. For the reasons outlined below, it is submitted that each of the CNIA's contentions is unsustainable, rests on mischaracterisations of the application and included data, or invites the Commission to adopt approaches that would be inconsistent with the Customs Act 1901 ("the Act"), the Ministerial Direction on Material Injury issued under section 269TA of the Act in 2012 ("Ministerial Direction"), and Australia's obligations under the WTO Agreement on Implementation of Article VI of the GATT 1994 ("ADA").

1. The scope of the goods and the like goods assessment

1.1 The CNIA's request misconceives the statutory framework

At section 2 of its submission, the CNIA contends that the scope of the investigation "should be constrained to chloride-TiO_2" because Tronox manufactures exclusively via the chloride process, and that the inclusion of sulfate-route product would "artificially inflate" any dumping margin. In the alternative, it proposes that separate dumping margins be calculated for sulfate-route and chloride-route product and weighted by import volume. Both proposals should be rejected. The first because it is wrong in law and contradicted by the evidence, and the second because the outcome it seeks is already secured through the model control code structure proposed by Tronox and set out in its application.

The goods under consideration are the goods described by Tronox in the application, being titanium dioxide in rutile form, as titanium oxides or in pigments and preparations based on titanium dioxide, containing a minimum of 80 per cent by weight of titanium dioxide calculated on the dry matter. The statutory question that then arises under section 269T(1) of the Act is whether the goods produced by the Australian industry are "like" to the goods under consideration, that is, goods that are identical or that, although not alike in all respects, have characteristics closely resembling those of the goods under consideration.

The Commission's longstanding framework assesses likeness by reference to physical, commercial, functional and production likeness. The application addresses each of these criteria in detail at section A-4.5, demonstrating that Australian-produced chloride-route

rutile pigment and imported Chinese rutile pigment, whether produced by the sulfate or the chloride route, share the same crystalline form, particle size distribution, surface treatments, optical performance, compliance standards, tariff classification, distribution channels, packaging formats and end uses, and compete head-to-head for the same customers. Critically, as the application records, the finished pigment is not distinguishable by process origin once surface-treated and finished, and differences in production route or cost of manufacture are, under the Commission's published approach, indicators only and not determinative where physical, commercial and functional likeness are clearly established.

It is well established in the Commission's practice that goods made by different production processes may nonetheless be like goods where the resulting products possess closely resembling characteristics and compete in the same market. The CNIA does not engage with any element of the like goods framework. It advances no evidence that sulfate-route rutile pigment differs from chloride-route rutile pigment in any characteristic relevant to the statutory test. Its argument is simply limited to sulfate-route product being cheaper, but a price differential driven by production cost is not a basis for excluding directly competitive, functionally interchangeable goods from the scope of an investigation. Were it otherwise, the remedial scheme of Part XVB would be readily circumvented, as anti-dumping measures confined to chloride-route product would simply channel dumped exports through the sulfate route, which the CNIA's own members market as performing equivalently in the very applications in which Tronox's products are sold.

1.2 Previous investigations by the European Union, India, Brazil and Saudi Arabia confirm that sulfate-route and chloride-route TiO2 are like goods and fully substitutable

After similar views were expressed by interested parties to the TiO2 dumping investigations in Brazil, the EU, India and Saudi Arabia, each of those administrating authorities concluded that sulfate-route and chloride-route TiO2 were like and directly substitutable.

The European Commission expressly concluded in its investigation that "there is no convincing evidence to justify that chloride process TiO2 should be removed from the product scope on the basis of basic physical, chemical, and technical characteristics sufficiently different from sulphate process TiO2. Both chloride and sulphate process TiO2 are used in the same industries, sometimes even in the same applications."

The Indian Designated Authority similarly found that "rutile titanium dioxides produced using the sulfate or chloride processes are fully substitutable and compete with each other." It further determined that "both have the same chemical formula and can substitute one another in end uses such as paints, plastics, and rubber industries."

Likewise, the Brazilian Ministry of Development, Industry, Commerce and Services / Foreign Trade Secretariat concluded that 'rutile titanium dioxide produced using the sulfate and chloride processes are fully substitutable and compete with each other. Regardless of the crystal form or production route, the process of finishing the titanium crystals (through additional wet or dry grinding, surface treatment and finishing) is the same."

Finally, the Saudi General Authority of Foreign Trade "compared titanium dioxide produced by the sulfate process with that produced by the chloride process and found that both have the same chemical formula and can substitute one another in end use such as paints, plastics, and rubber industries."

These conclusions were reached following detailed examination of physical, commercial and functional characteristics, questionnaire responses and on-site verification. The CNIA has advanced no evidence that the Australian position differs materially from the markets examined in those proceedings. On the contrary, Tronox's application demonstrates that Chinese exporters actively market sulfate-route grades as direct equivalents to Tronox's chloride-route products in the same applications.

1.3 The CNIA's members market sulfate-route grades as direct equivalents of Tronox's chloride-route grades

The CNIA's exclusion request is contradicted by the commercial conduct of the very producers it represents. The grade equivalence table at section A-4.4 of the application, compiled from the published technical data sheets of the major Chinese exporters, records that LB Group markets its sulfate-route BILLIONS BLR-698 grade, and CNNC Hua Yuan markets its sulfate-route TIOXHUA R-219 and R-2219 grades, as equivalents to Tronox's chloride-route TiONA 595 in architectural and industrial coatings; that the sulfate-route TIOXHUA R-216 is positioned against TiONA 3, and that the sulfate-route LOMON R-996 is marketed as the functional match for Tronox's premium-durability chloride-route TiONA 696 in demanding exterior, coil and marine applications.

The evidence before the Commission therefore demonstrates that, in the Australian market, sulfate-route Chinese product is offered, purchased and substituted in direct competition with Tronox's chloride-route like goods. Goods that the exporters themselves promote as interchangeable with the Australian industry's products cannot coherently be excluded from an investigation into the injurious effects of those exporters' pricing.

The CNIA's own submission concedes the point. At paragraph 7.2, the CNIA hypothesises that Australian purchasers facing higher construction costs "may" have shifted from Tronox's product to "the more cost-effective sulfate-TiO2". That contention is only possible if sulfate-route imports compete with, and are substitutable for, Tronox's chloride-route product, which is precisely the commercial likeness that the CNIA elsewhere denies in seeking the exclusion. The CNIA cannot simultaneously contend that sulfate-route imports are so dissimilar to Tronox's goods that they fall outside the scope of investigation, and that those same imports are so substitutable that customers switched to them in material volumes to address higher construction costs.

1.4 The fair comparison concern is fully answered by the model control code structure proposed in the application

The only legitimate point within the CNIA's submission, is that a dumping margin should not be derived by comparing the export price of lower-cost sulfate-route product with the domestic selling price (or constructed normal value) of higher-cost chloride-route product, is uncontroversial, and it is already addressed in the application. At section A-4.11, Tronox proposed a model control code structure in which production process (sulfate "S"; chloride "C") is a mandatory key category for both sales and cost data. Under the Commission's standard methodology, export prices and normal values are established and compared at the model control code level, with any residual differences affecting price comparability addressed by adjustment under section 269TAC(8) of the Act, consistently with the fair comparison obligation in Article 2.4 of the ADA. The weighted-average outcome the CNIA proposes at paragraph 2.6 of its submission is, in substance, what the model control code

framework produces. There is accordingly no risk of the "artificial inflation" the CNIA suggests, and no reason to narrow the goods description in order to avoid it.

It is further noted that the CNIA's premise, that the inclusion of sulfate-route product inflates the margin, is not borne out even by the conservative estimates in the application. The constructed normal value methodology in section B-4 of the application is built on the costs of LB Group's Jiaozuo facility utilising the chloride process, compared against export prices derived from the whole of the import statistics. To the extent that lower-priced sulfate-route exports are included in the export price denominator while the normal value benchmark reflects chloride-route costs, the actual comparison undertaken by the Commission in using verified exporter data and the proposed model control codes will refine, not inflate, the margin estimates. Tronox welcomes that refinement, which is the ordinary function of the investigation.

2. The injury analysis framework

Before responding to the CNIA's individual "other factor" contentions, it is necessary to address the framework arguments at paragraphs 1.3 to 1.6 of the CNIA submission, because they misrepresent the standard the Commission applies. Under section 269TAE of the Act and the Ministerial Direction, the Minister (and the Commissioner in making recommendations) must be satisfied that the Australian industry has suffered material injury and that the dumping was a cause of that injury. The Ministerial Direction confirms that material injury is:

- injury that is not immaterial, insubstantial or insignificant;
- that the injury must be greater than that likely to occur in the normal ebb and flow of business;
- that injury caused by other factors must not be attributed to dumping; and
- of central relevance to the CNIA submission, that dumping need not be the sole cause of injury to the industry.

The Ministerial Direction further directs that the greater impact of injury during periods of economic downturn and reduced rates of growth is itself a relevant element of injury.

The domestic standard reflects Australia's obligations under Article 3 of the ADA. Article 3.5 of the ADA provides that the authorities "shall also examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, and the injuries caused by these other factors must not be attributed to the dumped imports." The Appellate Body explained the content of that obligation in *United States – Anti-Dumping Measures on Certain Hot-Rolled Steel Products from Japan*[1], holding that "in order to comply with the non-attribution language in that provision, investigating authorities must make an appropriate assessment of the injury caused to the domestic industry by the other known factors, and they must separate and distinguish the injurious effects of the dumped imports from the injurious effects of those other factors."

Two consequences follow. First, the obligation to undertake a non-attribution analysis is triggered by factors "other than the dumped imports" that are "at the same time" causing injury to the domestic industry. The matters the CNIA characterises as independent causes

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[1] Appellate Body Report, *United States – Anti-Dumping Measures on Certain Hot-Rolled Steel Products from Japan*, WT/DS184/AB/R, para. 223.

are in truth the effects of, or the industry's documented responses to, the dumped imports themselves. They are therefore not "other factors" at all and not part of the injury narrative petitioner has documented.

Second, the non-attribution analysis obligation requires separation and distinction, not the elimination of every concurrent influence. Consistent with the Ministerial Direction, the presence of other contributing factors, even where established, does not negate causation by dumping, provided injury from those factors is not attributed to the dumped imports. Tronox's application is structured to permit precisely that separation, because it benchmarks the industry's performance against the movement of the market as a whole, thereby isolating the displacement effect of the dumped imports from any demand-side influence common to all suppliers.

2.1 The dumped imports have 'explanatory force' for the price suppression suffered by Tronox

In assessing the price effects of dumped imports, Article 3.2 of the ADA directs the authority to consider whether there has been significant price undercutting, or whether the effect of the imports is otherwise to depress prices to a significant degree or "prevent price increases, which otherwise would have occurred, to a significant degree." The Appellate Body in *China – Countervailing and Anti-Dumping Duties on Grain Oriented Flat-Rolled Electrical Steel from the United States*[2] confirmed that this inquiry requires the authority to consider the relationship between subject imports and domestic prices so as to understand whether the subject imports provide "explanatory force" for the occurrence of significant price depression or suppression. The evidence summarised in the application provides the requisite "explanatory force": dumped imports from China undercut Tronox's prices by an average of 27 per cent across the injury period, with the undercutting margin widening from 18 per cent to 32 per cent in 2023, the very year in which Tronox's profit index collapsed from 100 to negative 17. Moreover, Tronox has provided contemporaneous customer correspondence evidencing that its customers demanded that Tronox meet Chinese import pricing as the condition of retaining business.

The temporal coincidence of the deepest undercutting with the industry's loss-making year, together with documentary evidence of customers benchmarking Tronox's prices against Chinese offers, is precisely the kind of evidence the Appellate Body's analysis contemplates.

2.2 The CNIA's argument concerning the injury period should be rejected

At paragraph 1.4 of its submission, the CNIA contends that the Commission "cannot be satisfied" that dumping caused injury suffered during the earlier part of the injury period (2022 to 2024) "without first satisfying itself that dumping was, in fact, occurring at that earlier point in time."

Tronox agrees with CNIA that the Commission must be satisfied of dumping, injury and causation during the investigation period, and must not simply adopt the applicant's claims. This is why Tronox requests in its application the issuing of comprehensive exporter and particular market situation questionnaires.

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[2] Appellate Body Report, *China – Countervailing and Anti-Dumping Duties on Grain Oriented Flat-Rolled Electrical Steel from the United States,* WT/DS414/AB/R, para. 136.

However, Tronox disagree with the CNIA that the Commission is precluded from having regard to injury trends across the injury period unless dumping margins are separately calculated for each year of that period. In this regard, CNIA misstates both Australian practice and international practice, and should be rejected.

The distinction between the investigation period (for the determination of dumping) and the longer injury analysis period (for the evaluation of the condition of the industry and the trends bearing on causation) is a settled and conventional feature of anti-dumping practice, reflected in the Commission's Dumping and Subsidy Manual and consistent with international practice, including guidance adopted within the WTO Committee on Anti-Dumping Practices recommending that the period of data collection for injury purposes normally extend over several years and include the period of investigation for dumping.

The purpose of the longer period is not to make findings of dumping in respect of earlier years. It is to place the investigation period in context, to evaluate trends in the injury indicators enumerated in section 269TAE(3) of the Act and Article 3.4 of the ADA, and to permit the very separation of causes that Article 3.5 requires. If the logic of the CNIA's argument, is that injury analysis must be confined to periods for which dumping margins are calculated, then it would collapse the injury period into the investigation period and deprive the Commission of the trend evidence that both the Act and the ADA contemplate.

In any event, the evidentiary premise of the CNIA's argument is absent here. Tronox does not ask the Commission to assume that pre-investigation-period imports were dumped. It presents evidence of a continuous and intensifying pattern of price undercutting from 2022 through 2025 (averaging 27 per cent and peaking at 32 per cent), of Chinese export pricing behaviour across the period consistent with China's structural TiO_2 production overcapacity, falling capacity utilisation and negative per-tonne producer margins, and of dumping during the investigation period itself at estimated margins of 48 per cent (31 per cent before any feedstock adjustment). The Commission will establish dumping for the investigation period through its exporter questionnaires and verification; the injury-period data will then illuminate the trajectory of harm those imports caused. Nothing in section 269TAE or the ADA requires more.

3. The "self-imposed injury" contentions invert cause and effect

Section 3 of the CNIA's submission advances four contentions under the umbrella of "self-imposed" injury:

- that Tronox's rising per-unit fixed costs are not attributable to imports;
- that declining export volumes reveal a loss of competitiveness;
- that Tronox's production and inventory decisions were strategic choices; and
- that Tronox's pricing conduct was self-defeating and inconsistent with its "price ceiling" claim.

Each of CNIA's contention is addressed in turn below. In each case, CNIA misclassifies injury *symptoms* (or the domestic industry's rational responses to dumping) as injury *causes*. The Act and the ADA establish a framework in which declining sales volumes, lost economies of scale, inventory accumulation, suppressed prices and forgone profits are indicators used to measure the existence and depth of injury. They are the evidentiary manifestations of dumping's effect on the domestic industry. Article 3.5 of the ADA is directed to "factors other than the dumped imports". It does not permit an interested party to recast the industry's

injuries, or its reasonable commercial responses to dumped competition, as intervening causes that break the causal chain. To accept the CNIA's approach would be to hold that any industry that responds rationally to dumping by defending volume, by managing unit costs, or by protecting price points where it can, thereby disqualifies itself from relief.

3.1 Per-unit fixed costs

The CNIA contends that Tronox's per-unit fixed cost increase were caused by market demand contraction and would have occurred "even in the absence of Chinese imports". The available data refutes this claim. Over the injury period the Australian market contracted by approximately 2 per cent. Had Tronox's volume loss been demand-driven, its sales would have tracked the market. Instead, Tronox's domestic sales volumes fell 16 per cent, eight times the market contraction and 14 percentage points below the market trend, while dumped imports from China rose 63 per cent and all other imports fell 45 per cent.

The arithmetic supports only one explanation, which is that Tronox's lost volume was displaced by, and transferred to, dumped Chinese imports. The reduction in economies of scale, and the consequent increase in per-unit fixed costs, are the mechanical consequence of that displacement. It is the displacement, not the modest movement in aggregate demand, that requires explanation, and the only factor in evidence capable of explaining it is the sustained 27 per cent average price undercutting by the dumped imports. The application makes exactly this point, that in a slightly contracting market, and absent the undercutting, Tronox could reasonably have maintained stable sales volumes and thereby absorbed its fixed cost base.

The CNIA's reliance on section 269TAE(2A)(f) of the Act is also misplaced. That provision requires the Minister to have regard to factors including productivity and export performance in evaluating the condition of the industry. It does not convert the existence of such factors into a defence to causation. The Commission's standard methodology already quarantines export performance from the domestic injury assessment, as the application provides separate cost-to-make-and-sell data for domestic and export sales (Confidential Appendices A6.1 and A6.2), and the injury indicators relied upon, including domestic sales volumes, domestic prices, domestic profit and profitability, are assessed by reference to the Australian market. The non-attribution discipline the CNIA invokes is therefore already embedded in the architecture of the application.

3.2 Export performance does not explain domestic displacement

The CNIA contends that Tronox's declining export volumes indicate a global loss of competitiveness "unrelated to any alleged dumping", and that Tronox could have redirected unsold Australian production into its global network. First, as noted above, the injury to be assessed under section 269TAE is injury to the Australian industry in the Australian market. Export performance is segregated in the data precisely so that it cannot contaminate the domestic analysis. A decline in export sales says nothing about why Tronox lost 16 per cent of its domestic volume in a market that contracted only 2 per cent while dumped imports grew 63 per cent.

Second, the CNIA's redirection theory ignores the global conditions documented in its own submission and in the application. The CNIA itself relies on TZMI's findings of global oversupply and soft demand. The application documents, in addition, the imposition of anti-dumping measures on Chinese TiO_2 in the European Union, India, Brazil and Saudi Arabia,

alongside pre-existing United States tariffs, displacing in the order of 750 kilotonnes of annual Chinese exports into the remaining unprotected markets. The proposition that Tronox could have solved its domestic injury by selling displaced Australian volume into third-country markets that were simultaneously absorbing redirected Chinese exports at dumped prices is commercially unreal, and it is in tension with the CNIA's own oversupply narrative. The same global pricing pressure that the CNIA invokes to excuse its members' export pricing necessarily constrained the export alternatives available to Tronox.

Third, the suggestion that the Australian industry is obliged to mitigate dumping injury by exporting finds no support in the Act or the ADA. The remedial question is whether dumped imports caused material injury in the Australian market, not whether the injured industry might have offset that injury elsewhere.

3.3 Production and inventory

The CNIA asserts that Tronox "increased its production output" despite declining sales, causing "substantial accumulation of finished goods inventory from 2023 to 2025", and that this was a "strategic decision" not attributable to dumping. This description doesn't hold up against the available evidence.

The production index in the application shows that Tronox cut production by 18 per cent in 2023, a substantial supply-side response to the loss-making conditions of that year, before restoring output to approximately its 2022 level in 2024 and 2025. Across the entire injury period, production rose by only 3 per cent. The CNIA's image of an industry relentlessly expanding output into a falling market is a misdescription.

The finished goods inventory data tells the same story. The inventory index fell to 80 in 2023, reflecting the production cut, and rose to 110 by 2025 as the displacement of Tronox's domestic sales by dumped imports intensified. Inventory accumulation in these circumstances is not an external strategic choice, and instead it is the physical residue of sales lost to undercutting imports. Article 3.4 of the ADA and the Commission's settled practice identify inventories as one of the factors and indices having a bearing on the state of the industry. The CNIA's argument, taken to its conclusion, would treat every volume-related injury indicator as self-inflicted whenever the industry does not instantaneously shutter capacity in response to dumped competition.

In summary, the inventory accumulation at Tronox described by CNIA is injury made visible: the physical residue of domestic sales displaced by dumped imports, and confirmatory evidence of causation rather than an answer to it.

3.4 Pricing conduct

The CNIA contends that Tronox "paradoxically" claims a price ceiling while having increased its selling prices between 2022 and 2024, and that Tronox should instead have cut prices to clear volume, and that the maintenance of "premium pricing" indicates the absence of material injury. The contention rests on a misunderstanding of the forms of price injury recognised by Article 3.2 of the ADA and section 269TAE of the Act. Price injury is not confined to price depression (falling prices), as it extends to price suppression, the prevention of price increases which otherwise would have occurred, and it is this price suppression, alongside undercutting, that the application alleges and the data establish.

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The data presented in the application demonstrates the suppression with arithmetic clarity. Between 2022 and 2023, Tronox's unit cost to make and sell rose 21 per cent, driven in part by input cost inflation, whilst the unit selling price rose only 3 per cent. Across the full injury period, cumulative cost increases of 12 per cent were met with cumulative price increases of 1 per cent, a cost-price gap of 18 percentage points at its 2023 peak and 11 percentage points at the end of the period. The consequence is recorded in the profit indices, where profit fell from 100 to negative 17 in 2023 and ended the period 59 per cent below its 2022 level, with profitability 55 per cent below. A nominal price movement of 1 to 3 per cent over a period in which unit costs rose by up to 21 per cent is not evidence of an unconstrained price premium. It is evidence of a binding price ceiling.

The "paradox" the CNIA perceives disappears once the correct category of price suppression, not depression, is applied. That is, Tronox's claim is not that prices fell, but that the 27 per cent average undercutting by dumped imports prevented Tronox from recovering its cost increases through prices, as it otherwise would have done. That is precisely the injury Article 3.2 contemplates, and the contemporaneous customer correspondence evidences the mechanism by which the ceiling was enforced, with customers requiring Tronox to respond to Chinese import pricing as the condition of retaining supply.

In further suggesting that Tronox should have reduced prices to meet the dumped competition, and that its failure to do so "self-imposed a price floor on its goods", the CNIA is essentially arguing that the Australian industry ought to have absorbed the full margin of dumping into its own prices in order to preserve volume. With undercutting averaging 27 per cent against an industry already operating at suppressed margins (and at a loss in 2023), matching the dumped prices was not commercially available without converting volume injury into deeper and immediate profit destruction.

An industry confronted by significant and genuine dumped competition faces only injurious options, lose volume at sustained prices, or hold volume at damaging prices, or some blend of the two. Whichever blend the industry chooses, the injury flows from the dumping. An industry that decides not to chase dumped prices downward does not break the causal link or forfeit relief, and the Ministerial Direction's recognition that profits forgone are a relevant injury consideration confirms that an industry does not forfeit relief by declining to chase dumped prices downward.

3.5 The introduction of imported grades was injury mitigation, not market segmentation

Finally, the CNIA contends that Tronox's introduction of imported grades at discounted prices to defend price-sensitive accounts shows that Chinese imports merely serve a distinct, price-sensitive segment that Tronox's domestic production "has not adequately supplied", and that such segmentation is "an ordinary feature of market operation". The contention again inverts the evidence.

The customers in question were Tronox's existing accounts, supplied from Tronox's Australian production, which Tronox was at risk of losing to dumped import offers. The use of imported product, at discounted prices, to retain those accounts while protecting the price architecture of its Australian-made grades was a mitigation response to dumped pricing, and the lost margin on the imported volumes and Australian production displaced within Tronox's own sales mix, are themselves components of the injury. Tronox discloses this response in its application precisely so that the Commission can take it into account, and it is not, as the CNIA would have it, an admission that Chinese imports occupy a separate market.

The 'separate market' theory does not fit with the rest of the CNIA's own case or with the evidence presented in Tronox's application. The like goods evidence summarised at section 1 above establishes head-to-head competition across applications and customer types, whilst the CNIA suggests direct switching from Tronox product to imported sulfate product at paragraph 7.2 of its submission. Further, the displaced local volumes, with Tronox down 16 per cent, dumped imports up 63 per cent, in a market down 2 per cent, demonstrates that the volumes gained by Chinese imports came overwhelmingly from sales previously made by Tronox and by third-country suppliers (whose volumes fell 45 per cent), and not from some previously unserved segment. There is, on the evidence, one market in which price is the dominant purchasing factor and in which dumped pricing has redistributed share.

4. Domestic market contraction does not explain the injury

At section 4 of its submission, the CNIA contends that the 2 per cent contraction in the Australian market identified in the application must account, "at least in part", for Tronox's declining volumes, rising unit fixed costs and inventory accumulation. This argument falls well short. A contraction of 2 per cent in aggregate demand, distributed proportionately, would have reduced Tronox's volumes by approximately 2 per cent, and not the 16 per cent fall experienced by Tronox.

Demand contraction is, by its nature, origin-neutral, as it impacts all suppliers in the market alike. It is therefore structurally incapable of explaining a redistribution of share in which one origin's volumes rise 63 per cent while the domestic industry's fall 16 per cent and all other origins' fall 45 per cent. The contraction explains, at most, a small fraction of the industry's volume decline, with the balance and overwhelming majority, being displacement by dumped imports. This is the separation and distinction of effects that Article 3.5 of the ADA requires, and it is achieved transparently on the evidence contained in the application.

Moreover, the Ministerial Direction expressly directs that the greater impact of injury during periods of economic downturn and reduced rates of growth is to be considered as an element of injury. Far from diluting Tronox's case, the softness in demand on which the CNIA relies, intensifies the injurious effect of the dumped imports. In a flat or contracting market, every tonne of dumped volume is necessarily taken from an incumbent supplier, and the industry's diminished ability to absorb fixed costs magnifies the financial consequence of each lost sale. The CNIA's reliance on the contraction therefore supports, rather than undermines, the materiality of the injury caused by the dumped imports.

5. Energy costs do not displace causation

At section 5 of its submission, the CNIA contends that wholesale electricity costs in Western Australia's South West Interconnected System doubled between 2021 and 2024, that TiO_2 production is energy-intensive, and that injury attributable to energy cost increases must not be attributed to dumping. Three responses are submitted.

First, the factual premise is overstated as a measure of Tronox's actual cost experience. The CNIA relies on a report concerning wholesale electricity price movements in the SWIS generally, and offers no evidence as to Tronox's actual contracted energy costs, which will be established through verification of the cost-to-make-and-sell data. The aggregated position is that Tronox's total unit cost to make and sell rose 21 per cent in 2023 and stood 12 per cent above 2022 levels by 2025, material movements, fully disclosed in the application, but of an entirely different order to the "doubling" narrative on which the CNIA's argument depends.

Second, and more fundamentally, the CNIA's argument misunderstands the structure of the injury claim. Tronox does not attribute its cost increases to the dumped imports. It attributes to the dumped imports the inability to recover those cost increases through prices. Input cost inflation and price suppression injury are complementary, not competing explanations.

In a market undistorted by dumping, an industry-wide input cost shock is passed through, in whole or substantial part, to prices, as Tronox attempted in 2023, and it was the 27 per cent average undercutting by dumped imports, widening to 32 per cent in that year, that anchored Tronox's achievable prices and converted the cost shock into the losses recorded in the profit indices. The Commission's task under Article 3.5, as explained in *US – Hot-Rolled Steel*, is to separate and distinguish the effects, with the effect properly assigned to energy costs being the increase in the cost base, and the effect properly assigned to the dumped imports being the suppression of the price response. Both assignments can be, and in the application are, made without any attribution of the former to the latter.

Third, energy cost movements in Western Australia, like the demand contraction addressed above, are incapable as a matter of logic of explaining the redistribution of market share to Chinese imports. A domestic cost increase does not compel customers to switch supplier unless a lower-priced alternative is offered, and the lower-priced alternative in this case is the dumped imports. The CNIA's energy argument, even taken at its highest, therefore collapses into the price suppression analysis already set out.

6. Global trends and the performance of Tronox's global parent are not "other factors" displacing causation

At section 6 of its submission, the CNIA refers to the 2023 softening of global TiO_2 demand, the 2023 financial results of Tronox Holdings plc (including a 17 per cent revenue decline, reduced gross margins, record-low utilisation rates and a fire at the Botlek, Netherlands steam plant), and global feedstock oversupply, contending that these matters explain Tronox's domestic performance and that Chinese pricing merely "reflect[ed] these macroeconomic conditions". The contentions should be rejected for the following reasons.

First, the injury to be assessed under Part XVB of the Act and Article 4.1 of the ADA is injury to the Australian industry producing like goods, being Tronox's Australian production operations, assessed on the basis of the Australian entities' own verified sales, cost and profit data. The consolidated results of Tronox Holdings plc aggregate operations across six continents, are not indicative of the condition of the Australian industry, and events at overseas facilities such as the Botlek steam plant being in the Netherlands, have no demonstrated connection to the Australian cost-to-make-and-sell data that the Commission will verify. If the CNIA contends that any specific global-group event flowed into the Australian entities' costs or sales, it should identify the mechanism and the evidence, although none is offered.

Second, the global demand softness of 2023 is already captured, so far as it bears on Australia, in the Australian market size data, with the Australian market contracting approximately 2 per cent across the injury period.

Third, the CNIA's global oversupply evidence corroborates, rather than contradicts, the application. The CNIA's submission at paragraph 6.5 acknowledges Chinese overcapacity while contending the surplus is global. The application documents on the basis of TZMI data, the same source on which the CNIA relies, that:

- Chinese nameplate capacity reached 5.9 million tonnes in 2025 against falling domestic Chinese demand,
- operating rates fell to 79 per cent,
- Chinese producer inventories reached historical highs,
- per-tonne producer profitability turned sharply negative, and
- average Chinese export prices fell 9.87 per cent year-on-year in the first nine months of 2025 while anti-dumping measures in the European Union, India, Brazil and Saudi Arabia progressively closed major third-country markets.

The Chinese TiO_2 manufacturing industry carrying structural overcapacity, negative margins at home and shrinking access to protected markets has precisely the incentive structure that produces dumped exports into the remaining open markets, of which Australia is one. The CNIA's observation at paragraph 6.3 that macroeconomic softness was "proven to not be affecting China" is contradicted by available evidence, as the application documents a 4 per cent year-on-year decline in the Chinese housing market and double-digit contraction in effective capacity utilisation. The relative price "competitiveness" of Chinese imports in Australia is not the product of macroeconomic divergence, and instead it is the product of export pricing at levels estimated at 31 to 48 per cent below properly constructed normal values.

Finally, CNIA's global price weakness argument also fails. If prevailing low world prices explained Chinese export pricing into Australia, one would expect Chinese export prices to track those global benchmarks rather than sit 31 to 48 per cent below constructed normal value. The gap between export price and normal value is the measure of dumping, and that gap exists independently of whether global TiO_2 prices were generally depressed. A world in which all prices are low is not a world in which dumping disappears. It is a world in which a producer with structural overcapacity, negative domestic margins and closing third-country markets due to anti-dumping measures has every incentive to export at prices that recover variable cost and nothing more to unprotected markets like Australia.

7. Construction sector conditions do not displace causation, and the sulfate-preference hypothesis is speculation

At section 7 of its submission, the CNIA relies on the decline in Australian dwelling commencements since 2020-21, contending that reduced construction activity must have affected Tronox's domestic operations, and hypothesises that higher construction costs "may" have led purchasers to prefer cheaper sulfate-route TiO2 that Tronox does not manufacture.

The first contention adds nothing to the market-contraction argument already addressed. Whatever the trajectory of dwelling commencements, the net effect of all demand-side influences on the Australian TiO2 market, including construction activity, renovation and maintenance cycles, industrial coatings, plastics, paper and other end uses, is observed directly in the market size data, which record a contraction of approximately 2 per cent. The dwelling-commencement statistic is, at best, one input into a market outcome that is already measured. It cannot be counted again as an independent cause. Again, as the 2 per cent demand movement cannot explain a 16 per cent volume decline coinciding with a 63 per cent increase in dumped imports, addresses this point.

The second contention is speculation, unsupported by any volume, price or customer evidence, and it is inconsistent with the CNIA's own scope submission. Approximately 80

per cent of Chinese TiO_2 production is sulfate-route. Any shift in Australian import purchases toward sulfate-route product is more plausibly explained by the composition of Chinese export supply than by a hypothesised Australian customer preference for an inferior product class. That supply composition is itself a function of the structural overcapacity documented in the application, with Chinese producers carrying excess sulfate capacity and negative domestic margins have precisely the incentive to price aggressively into export markets regardless of route.

If Australian purchasers moved toward sulfate-route imports, they did so because those imports were being offered at dumped prices, and not because of some autonomous preference shift that operates independently of Chinese pricing behaviour. The alleged "switch" is not an 'other factor' within Article 3.5. It is a downstream consequence of the dumping itself. Beyond that, the CNIA's internal inconsistency remains: if, as it contends at section 2 of its submission, sulfate-route product is not comparable to Tronox's chloride-route goods, customers could not have switched between them; if, as it contends at paragraph 7.2, customers did switch on price, then sulfate-route imports compete directly with the Australian like goods and the switching is itself price-driven displacement. Either way, the premise does not constitute a distinct other factor.

8. The CNIA's "no dumping" and de minimis assertions are unsupported by evidence

The CNIA asserts, at paragraphs 1.5, 2.4 and 8.1 of its submission, that its members' exports were not dumped or were dumped at less than de minimis margins, and that the application "proceeds on the basis" that dumping occurred. These are mere assertions. The CNIA, whose membership includes, on its own description, Chinese manufacturers exporting to Australia, has provided the Commission with no export price data, no domestic Chinese selling price data, no cost data and no transaction documentation. By contrast, the application sets out:

- a reasoned estimate of export prices derived from Australian import statistics (averaging US$2,120 per tonne FOB for the twelve months to December 2025),
- a constructed normal value built on independent TZMI cost modelling for the largest Chinese producer's chloride-route facility, supplemented by SG&A and profit ratios from that producer's own published annual report, and
- resulting dumping margin estimates of 48 per cent, or 31 per cent even before the conservative 32 per cent feedstock uplift derived from LB Group's own disclosed differential between its imported and domestic titanium ore purchase prices.

A margin of 31 per cent on wholly unadjusted third-party cost data exceeds the de minimis threshold in section 269TDA(1) of the Act by more than fifteen times. The Commissioner, having examined the application, was satisfied under section 269TC that there appeared to be reasonable grounds for the publication of a dumping duty notice and initiated this investigation. The Consideration Report cited by CNIA itself reflects that assessment.

As to paragraph 1.3 of the CNIA submission and its reference to Article 6.6 of the ADA, Tronox agrees that the Commission must satisfy itself as to the accuracy of the information on which its findings are based. That is the function of the verification program to which Tronox has committed its own data, and of the questionnaire process to which the CNIA's members are now invited. The obligation cuts in both directions as it requires the

Commission to test the CNIA's untested assertions no less than the application's documented estimates.

9. Conclusion and Recommendations

For the reasons set out above, it is submitted that the CNIA submission:

- identifies no "other factor" whose injurious effects are commingled with, or have been attributed to, the dumped imports in the application;
- that its scope contentions are contrary to the like goods evidence and are in any event fully accommodated by the model control code structure Tronox proposed; and
- that its no-dumping and termination contentions are unsupported by evidence.

The 16 per cent decline in the Australian industry's domestic sales volumes within a market that contracted only 2 per cent, coinciding with a 63 per cent increase in dumped imports undercutting the industry's prices by an average of 27 per cent, and producing profit and profitability outcomes 55 to 59 per cent below 2022 levels, demonstrates material injury caused by dumping within the meaning of section 269TAE of the Act, the Ministerial Direction and Article 3 of the ADA.

Tronox respectfully requests that the Commission:

- reject the CNIA's request to amend the description of the goods under consideration;
- adopt the model control code structure proposed in the application, with production process (sulfate/chloride) as a mandatory key category for sales and cost data, thereby ensuring like-with-like comparisons of export prices and normal values;
- reject the CNIA's request that the investigation be terminated under section 269TDA of the Act;
- proceed with verification of the Australian industry's sales, cost and injury data, including the matters bearing on price suppression, defensive imports and inventory movements addressed in this submission;
- issue comprehensive exporter questionnaires, and supplementary particular market situation questionnaires to exporters and to the Government of China, and assess the CNIA's no-dumping assertions by reference to the completeness and verifiability of its members' responses;
- in conducting the non-attribution analysis required by section 269TAE of the Act and Article 3.5 of the ADA, distinguish between the genuine "other factors" and the injury indicators and mitigation responses that the CNIA has mischaracterised as independent causes, and assess the former by reference to the market-relative displacement evidence summarised in this submission; and
- have regard, in its materiality assessment, to the Ministerial Direction's recognition that dumping need not be the sole cause of injury, that profits forgone are a relevant injury consideration, and that injury sustained during periods of economic downturn carries greater impact.

Tronox would welcome the opportunity to provide any further information the Commission may require, to facilitate verification of any matter addressed in this submission, and to meet with the investigation team at the Commission's convenience.

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