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Subject	**Investigation 699 – LB Group – Submissions on particular market situation**	
To	The Director - Investigations 2, Anti-Dumping Commission	
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1 Introduction

1.1 This submission is made on behalf of LB Group Co., Ltd (**LB Group**) in Anti-Dumping Commission Investigation 699 – Titanium dioxide from China. LB Group, formerly Lomon Billions Group, is a global chemical manufacturer headquartered in Henan, China, and an exporter of titanium dioxide (**TiO2**) to Australia.

1.2 This submission responds to the particular market situation claims made by Tronox Limited (**Tronox**) in its application dated 27 February 2026 (**Application**), in relation to the alleged dumping of TiO2 exports by Chinese manufacturers during the period from 1 January 2025 to 31 December 2025 (**Investigation Period**).

1.3 As the Anti-Dumping Commission (**Commission**) is aware, in determining any dumping margin, the Commission must use the normal value of the goods exported to Australia unless it is satisfied that an exception applies. Pursuant to section 269TAC(2)(a)(ii) of the *Customs Act 1901* (Cth) (**the Act**), Tronox alleges that a particular situation in the Chinese market has rendered domestic TiO2 selling prices unsuitable for establishing a normal value.[1]

1.4 In determining that the normal value cannot be ascertained by reason of a particular market situation, the Commission must be satisfied that (a) a particular market situation existed in the country of export, and (b) that the particular market situation prevented a proper comparison between the normal value and the export price of the goods. This assessment requires the Commission to undertake a fact-specific and case-by-case analysis.[2] In accordance with paragraph 6 of article 6 of the Anti-Dumping Agreement,[3] the Commission must also satisfy itself of the relevant matters, including by conducting its own investigations, and should not merely proceed in reliance on the materials provided by Tronox.

1.5 In response to Tronox's particular market situation claims, LB Group advances the following submissions which are expanded upon in the proceeding sections:

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1 Tronox Limited, *Application for the publication of dumping and/or countervailing duty notices,* Investigation 699 (27 February 2026), 44 (**Tronox Application**).

2 Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper,* WTO Doc WT/DS529/R (4 December 2019) [7.21].

3 Marrakesh Agreement Establishing the World Trade Organization, opened for signature 15 April 1994, 1867 UNTS 3 (entered into force 1 January 1995) annex 1A ('Agreement on the Implementation of Article VI of the General Agreement on Tariffs and Trade' (ADA)) art 6.6.

(a) Tronox's assessment of the existence of a particular market situation in China is ill-founded;

(i) the connections identified by Tronox between industry and government do not give rise to a particular market situation and lack necessary causal evidence;

(ii) Chinese ilmenite prices were largely comparable to those of global representative markets in 2025;

(iii) China has a legitimate competitive advantage in TiO2 production derived, in part, from its economies of scale and vertical supply chain integration;

(iv) TiO2 overcapacity in the Chinese market reflects global trends and is not the result of any particular market situation;

(v) the domestic market operates competitively and is influenced by domestic demand and macroeconomic factors;

(b) A particular market situation would not, in any case, prevent a proper comparison between Chinese domestic and exported TiO2 prices;

(i) price differences between domestic and exported TiO2 are primarily caused by normal market factors; and

(ii) input and production costs largely impact domestic and exported TiO2 equally.

2 Tronox's assessment of a particular market situation is ill-founded

Alleged connections between industry and government

2.1 In its Application, Tronox advances generalised claims about the nature of China's government and economy. Tronox points to broad connections between industry and government, overarching laws and policies, and economic strategy to assert that a particular market situation exists in China that renders the normal value of TiO2 inapplicable.

2.2 At the outset, LB Group respectfully notes that China has enjoyed market economy status in Australia since 2005. Accordingly, as the Commission will be aware, the starting position is that the normal value of the goods should be adopted pursuant to section 269TAC(1) of the Act. This position should only be altered where fact- and industry-specific grounds arise to suggest that a particular market situation exists. Generalised propositions about the nature of China's government and economy should not be considered as prima facie evidence of a particular market situation, especially in circumstances where Australia has afforded market economy treatment to China.

2.3 LB Group nevertheless submits that the generalised claims made in Tronox's Application do not themselves give rise to a particular market situation and, in any case, Tronox has not sufficiently established a causal link between these assertions and any inability to establish domestic pricing.

Tronox's claims do not give rise to a particular market situation

2.4 Without conceding the relevance of these factors or purporting to respond to each factual allegation specifically, LB Group submits the following in response to the generalised claims made by Tronox in section III of the Application:

(a) mere connections between industry and government do not give rise to a particular market situation;

(b) Tronox has not provided any evidence to suggest that alleged connections between government and industry, including any overlap between company managerial positions and government officeholders, or state ownership of industry producers, have affected TiO2 pricing decisions or caused material price distortions;

(c) that the Chinese government has listed priorities relating to TiO2 production in its national economic plans does not suggest, let alone give rise to, a particular market situation. Rather, these priorities reflect the legitimate importance of the TiO2 market to the Chinese economy, in circumstances where China is the world's largest producer of TiO2 and where TiO2 is a vital global resource. In a comparable manner, the Australian government lists titanium as a designated critical mineral and has a Critical Minerals Strategy for 2023-2030 that sets out objectives for sector growth;

(d) National Economic and Technological Development Zones (**NETDZs**) have been a feature of Chinese economic strategy since the 1970s and primarily seek to encourage foreign direct investment. A key facet of the NETDZs is export promotion. The relevance of these zones to the domestic pricing of TiO2 is therefore unclear. Tronox has failed to provide any evidence regarding the number of TiO2 producers located in NETDZs or any connection between assistance provided to manufacturers in these zones and the distortion of TiO2 sale prices. Further, in its Application, Tronox alleges that policies favouring domestic sales have caused a particular market situation which appears to contradict its, seemingly arbitrary, reliance on NETDZs as a factor contributing to this market situation.

Insufficient evidence to establish a causal connection

2.5 Mere government influence will not give rise to a particular market situation in the absence of any demonstrated impact on competitive conditions or price distortion. Relevantly, the Commission's Dumping and Subsidy Manual (**Manual**) provides that "[i]n investigating whether a market situation exists due to government influence, the Commission will seek to determine whether the impact of the government's involvement in the domestic market has materially distorted competitive conditions".[4]

2.6 Through its scattergun approach, Tronox has made allegations with respect to numerous facets of Chinese government and policy, without particularisation of the tangible impacts of these factors upon either TiO2 manufacturers or pricing.

2.7 By way of example, LB Groups submits the following:

(a) Tronox alleges that government grants "provided a significant and material benefit to the major Chinese TiO2 producers and distorted the price and costs of the subject goods".[5] Tronox has otherwise been unable to demonstrate any causal link between the receipt of government grants and TiO2 price distortions. The provision of grants is a well-recognised mechanism for supporting vital domestic industries. The Australian government, for example, provides downstream incentives and tax offsets that benefit critical mineral processing. In the absence of any evidence showing that this has influenced domestic pricing and market competition, LB Group submits that the awarding of grants reflects legitimate government strategy to support a domestic industry with increasing importance to China's economy and does not, in itself, give rise to a particular market situation;

(b) Tronox further claims that China's bankruptcy, corporate and property laws impact the normal operation of market forces and that "there is no evidence readily available showing that the TiO2 sector is shielded from this treatment … or the corresponding

4 Anti-Dumping Commission, *Dumping and Subsidy Manual* (December 2021), 29 (**Dumping and Subsidy Manual**).

5 Tronox Application, 54.

market distortions flowing from such treatment".[6] Tronox has neglected to provide any positive evidence to ground this claim. In reality, in 2025 nine TiO2 manufacturers ceased production or shut down operations, while two new enterprises commenced production in China.[7] That is, there is no cogent connection between China's corporations law and the operation of manufacturers, let alone TiO2 pricing.

2.8 Broadly, Tronox also submits that the factors identified in its Application demonstrate that the "TiO2 sector in China is subject to Chinese government interventionist policy under which the Chinese government and the CCP interfere and influence prices and costs, thereby not allowing them to reflect market factors"[8] without adequately particularising how such policy prevents normal market operation or providing sufficient evidence to suggest that manufacturers have, in practice, altered pricing in response to government intervention.

Comparative pricing of ilmenite

2.9 In its Application, Tronox claims that Chinese ilmenite prices were below those of representative markets. This claim relies on a comparison between Chinese prices in 2023 and the average global import price in 2022 and is therefore an inaccurate reflection of the comparative pricing of ilmenite. Further, Tronox's comparison does not provide evidence that Chinese prices were below representative markets during the Investigation Period, the period relevant to the Commission's assessment of any dumping margin.

2.10 LB Group submits that, in fact, domestic ilmenite prices were within comparable ranges of global benchmarks in 2025. In May 2025, the global weighted average price of sulfate ilmenite imports was US$248 / tonne FOB, with chloride ilmenite imports at US$290 / tonne FOB.[9] TZ Minerals International Pty Ltd (**TZMI**) reported in May 2025 that "[t]he average domestic price for Grade #10 Panzhihua ilmenite fell below RMB1,800 (ex-works, exclusive of VAT) [approximately US$265] in the first week of May, its lowest level since Q4 2020, reflecting a combination of subdued domestic consumption, challenging export markets and high inventory levels".[10] This pricing is largely comparable with global ilmenite prices in 2025, which broadly ranged between US$230 and US$320, with discrepancies influenced by legitimate market factors including the form of ilmenite sold.

2.11 In *Investigation 557 – Copper tube from China, Korea* (**Investigation 557**), the Commission found that no particular market situation existed, in part because domestic Chinese prices were broadly consistent with global benchmarks. In line with this reasoning, LB Group submits that Tronox's claims should not be accepted and, in any event, the titanium feedstock uplift applied by Tronox to its constructed normal value should be disregarded.

Legitimate competitive advantage

2.12 China is the world's largest producer of TiO2. Accordingly, it has a competitive advantage in TiO2 production derived, at least in part, from its economies of scale and vertical supply chain integration.[11]

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6 Ibid, 53.

7 Blooming, *China's Titanium Dioxide Output Declines as Capacity Surplus Grows* (Web Page, 13 January 2026) <https://www.bloominglobal.com/media/detail/chinas-titanium-dioxide-output-declines-as-capacity-surplus-grows>.

8 Tronox Application, 49.

9 TZ Minerals International Pty Ltd, *Mineral Sands Report* (Issue 357, July 2025), 15.

10 TZ Minerals International Pty Ltd, *Mineral Sands Report* (Issue 356, June 2025), 3.

11 The Oregon Group, *China's titanium dominance: vertical supply chain, cost edge, and global ripple effects* (Web Page, 2 December 2025) <https://theoregongroup.com/commodities/titanium/chinas-titanium-dominance-vertical-supply-chain-cost-edge-and-global-ripple-effects/>.

2.13 These factors enable domestic producers to use byproducts of the production process for other purposes, for example production of lithium ion batteries, and suffer lower wasted costs, separate to any government assistance. This legitimate advantage should not be dismissed in favour of a particular market situation finding.

2.14 In addition, Tronox alleges that the subsidisation of iron ore mining distorts and lowers the cost of cross-produced titanium feedstock, contributing to the existence of a particular market situation. Cross-production is an economic strategy which is used to support China's ilmenite production. China supplements its beach sand mining of titanium feedstock with hard-rock mining, a process that is typically more resource-intensive. Within hard rock, titanium is often found alongside iron in titaniferous ores, and therefore, cross-production mitigates inefficiency in mineral production.

2.15 A particular market situation should not be found to exist merely on the basis that these commercial strategies, even if subject to a degree of government influence, impact domestic TiO2 pricing by increasing efficiency and seeking to benefit from China's legitimate competitive advantage.

TiO2 overcapacity in the Chinese market reflects global trends

2.16 In its Application, Tronox claims that government influence has resulted in excess capacity in the domestic TiO2 market, which has contributed to the existence of a particular market situation. However, oversupply in the TiO2 market is not unique to China; rather, the global market has experienced a volume surplus. In its September 2023 report, TZMI forecasted that the global titanium feedstock market would be "oversupplied for the next few years in the absence of supply side response to control production".[12]

2.17 In reality, in 2025 China's total TiO2 output experienced its first annual decline in domestic production in more than two decades.[13] Lower domestic demand has also exacerbated oversupply in the Chinese market in recent years, likely contributing to the reduced output in 2025. These factors are not indicative of the existence of a particular market situation, but rather, are the result of normal market forces and trends in the global TiO2 market.

The domestic market is competitive and influenced by external factors

2.18 As stated above, in assessing whether government influence has given rise to a particular market situation, the Commission must be satisfied that any such influence has distorted competitive conditions in the domestic market.[14]

2.19 China's domestic TiO2 market is competitive, with pricing influenced by domestic demand and changes in end-customer industries. TiO2 prices are not shielded from market fluctuations by government intervention.

2.20 By way of example, China's domestic market experienced weakened demand in 2025. Shanghai Metals Market (**SMM**) found, in its 2025 analysis, that "the continuous weakening of titanium ore prices this year was mainly due to weak demand from the titanium dioxide market and its downstream coatings industry, which account for a significant share".[15] The domestic TiO2 market experienced a continuous decline beginning in March 2025,[16] with price

12 TZ Minerals International Pty Ltd, *Mineral Sands Report* (Issue 335, September 2023), 3.

13 Above n 7.

14 Dumping and Subsidy Manual, 29.

15 Shanghai Metals Market, *[SMM Analysis] 2025 Titanium Market Review & 2026 Outlook: Entire Industry Chain Under Pressure, Waiting for Turnaround* (Web Page, 5 January 2026) <https://news.metal.com/newscontent/103702351-smm-analysis-2025-titanium-market-review-2026-outlook-entire-industry-chain-under-pressure-waiting-for-turnaround>.

16 John Zadeh, *China's Titanium Dioxide Industry Faces Export Crisis in 2025* (Web Page, 20 June 2025) <https://discoveryalert.com.au/chinas-titanium-dioxide-market-crisis-2025/>.

stabilisation depending "heavily on domestic demand recovery, particularly in the construction and manufacturing sectors".[17]

2.21 Market conditions are further influenced by changes in input and raw material costs. SMM further found that, "[i]f raw material prices decline in the future, coupled with continuous industry capacity expansion, the titanium dioxide market may continue to operate at low levels with a weak trend".[18] In contrast to the claims made by Tronox, the domestic sulfuric acid market "experienced sustained price surges, placing significant cost pressure on the sulfate-process titanium dioxide industry".[19] These factors reflect the impact of normal market forces and corresponding price pressures upon the TiO2 industry.

2.22 In addition, while China is the country with the largest production of TiO2, the Chinese market is influenced by global macroeconomic factors. Over 50% of China's sulfate-TiO2 is reliant on imported sulfur. Geopolitical conflict has tightened global sulfur supplies and increased sulfuric acid costs.[20] Producers have correspondingly raised domestic prices to maintain margins. Export market disruptions coupled with weak domestic demand have further contributed to pricing decisions.

2.23 These effects are not experienced equally amongst producers. While "[l]arge producers can leverage their quality reputation and stable supply history to resist some pricing pressure … smaller factories are essentially price-takers, accepting whatever the market will bear just to move inventory".[21] Discovery Alert further reported that "[c]ompanies that can align their production capabilities with local market needs while maintaining quality standards will be best positioned to weather the current storm".[22]

2.24 If a particular market situation existed at the level that Tronox is alleging, domestic TiO2 production would be largely immune from domestic and global market factors, with government intervention stabilising fluctuations. That producers are affected by market factors, are not affected evenly, and are required to alter production capabilities in response to these factors, suggests that the market retains competitive conditions.

3 Any particular market situation does not prevent a proper comparison

3.1 In determining whether the normal value should be disregarded, the mere existence of a particular market situation is insufficient. The Commission must also be satisfied that any particular market situation prevents a *proper comparison* between the domestic and export pricing of the goods. In *Australia – Anti-Dumping Measures on A4 Copy Paper*, the World Trade Organisation found that "the phrases "particular market situation" and "permit a proper comparison" function together to establish a condition for disregarding domestic market sales as the basis for normal value" and further, that "[i]f domestic sales *do* permit a proper comparison, then they cannot be disregarded as the basis for normal value, regardless of the existence of the particular market situation and its effects".[23]

17 Ibid.

18 Above n 15.

19 Ibid.

20 Shanghai Metals Market, *[SMM Analysis] Titanium Dioxide Prices Rise Amid Cost Pressures and Geopolitical Tensions* (Web Page, 24 March 2026) <https://news.metal.com/newscontent/103822242-smm-analysis-titanium-dioxide-prices-rise-amid-cost-pressures-and-geopolitical-tensions>.

21 Above n 16.

22 Ibid.

23 Above n 2 [7.27].

3.2 LB Group submits that even if (which is not the case) a particular market situation exists, this situation would not prevent a proper comparison between domestic and exported TiO2 pricing.

Price differences between domestic and exported TiO2 are caused by normal market factors

3.3 To the extent price differences exist between domestic and exported TiO2, these differences are attributable to normal market factors.

3.4 Chinese producers export greater amounts of lower-cost sulfate TiO2 (comprising approximately 81% of China's TiO2 exports in 2024) [24] and sell a higher percentage of chloride-TiO2 domestically. This factor would, at least in part, influence price differences between exported and domestically sold TiO2 and is not in itself influenced by any particular market situation, but rather, largely driven by demand.

3.5 Further, as outlined above, the domestic market is subject to competitive conditions influenced by domestic and global economic factors, including changes in end-customer industries which have a greater impact on domestic pricing. Global factors including foreign demand and oversupply in the international market would have a disproportionate impact on TiO2 exports. These changes would result in differences in the respective prices of domestic and exported TiO2, unrelated to any market situation resulting from government intervention.

3.6 Even if (which is not the case) a particular market situation exists, a proper comparison should not be inhibited where price differences are the result of normal market factors. LB Group should not be prejudiced by the operation of market conditions.

Input and related costs affect domestic and exported TiO2 pricing equally

3.7 LB Group does not accept the particular market situation claims made by Tronox with respect to the input and production costs of sulfuric acid, ilmenite, other titanium-bearing ores, energy and waste disposal.

3.8 But even if Tronox's claims about that were justified, LB Group submits that market situations relating to these input costs would affect domestic and exported TiO2 pricing equally as similar inputs are utilised to produce goods destined for domestic and export markets.

3.9 The Manual provides that, "government influence on [input] costs can only disqualify the sales if those costs can be shown to be affecting the domestic prices".[25] Tronox has failed to demonstrate how any market situation relating to these input costs has distorted the price at which TiO2 is sold domestically, relative to export prices. By way of example, Tronox alleges that Chinese producers enjoy the benefit of lower waste disposal costs as a result of government intervention. In the absence of evidence suggesting that waste disposal costs affect product destined for the domestic market in a manner different to product which is exported, the factor has little impact on the Commission's ability to undertake a proper comparison.

3.10 In Investigation 557*,* a factor relevant to the Commission's finding that no particular market situation existed was the absence of evidence to suggest that the Chinese government's policies had influenced domestic selling prices.[26] LB Group submits that Tronox's claims with respect to input and production costs similarly cannot be substantiated and do not have any distinct effect on the domestic pricing of TiO2.

[24] Above n 11.

[25] Dumping and Subsidy Manual, 29.

[26] Anti-Dumping Commission, *Statement of Essential Facts No. 557* (14 September 2021), 68.

4 Conclusion

4.1 LB Group submits that (a) no particular market situation existed in the Chinese TiO2 market during the Investigation Period, and (b) if that is wrong, and there was a particular market situation, then that situation does not prevent a proper comparison by the Commission between domestic and exported TiO2 prices.

4.2 Tronox's allegations are founded on generalised statements, insufficient evidence, and no apparent causal link between alleged government influence and the existence of any particular market situation.

4.3 Accordingly, LB Group respectfully requests that, in determining any dumping margin, the Commission disregard the approach to construction of normal value contended for by Tronox and instead assess the normal value of the goods in accordance with section 269TAC(1) of the Act.