4 August 2026

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

Response to the submission of LB Group Co., Ltd dated 6 July 2026

Dear Director,

This submission is made on behalf of Tronox Limited ("Tronox") in response to the submission lodged on behalf of LB Group Co., Ltd ("LB Group") dated 6 July 2026 ("the LB submission"), which responds to the particular market situation ("PMS") claims in Tronox's application of 27 February 2026. It should be read together with Tronox's consolidated PMS submission dated 3 August 2026 ("the PMS submission"), which sets out the evidence now before the Commission, including the investigation-period price data drawn from the reports of TZ Minerals International Pty Ltd ("TZMI").

The LB submission contends that no particular market situation existed in the Chinese titanium dioxide market during the investigation period, and that any such situation would not, in any event, prevent a proper comparison between domestic and export prices. For the reasons outlined below, neither contention should be accepted. The LB submission is based on generalised assertions, on selective and mismatched price comparisons, and on legal propositions that misstate the applicable tests.

It is also expressly framed "[w]ithout conceding the relevance of these factors or purporting to respond to each factual allegation specifically". The framing matters, because it leaves the primary facts unchallenged. Nowhere does LB Group deny:

- the overlap between its own senior management and Party office, including that its chairperson is a member of the CCP;
- the government subsidies disclosed across fourteen pages of its own annual reports and in its subsequent quarterly filings;
- the export licensing regime applying to titanium goods;
- the withdrawal of the VAT export refund for ilmenite while the refund on titanium dioxide is preserved;
- the captive-mining strategy reflected in its own acquisition of Anning, announced by its marketing director as enabling the group to satisfy essentially all of its sulphate feedstock requirements from captive supply;
- the designation of titanium as a national strategic mineral under the revised Implementation Regulations of the Mineral Resources Law; or
- the offshore resource acquisition of titanium feedstock from Mozambique directed by the State Council's Guiding Opinions on Advancing International Cooperation in Production Capacity and Equipment Manufacturing (2015) under which LB Group

and other Chinese enterprises are called on to 'build production bases in key countries' such as titanium feedstocks.

The LB submission also criticises the application for relying on price comparisons that pre-date the investigation period, yet its own position rests on a single month (May 2025), and on commentary published in March 2026, after the investigation period ended. Further, the submission quotes TZMI where a sentence appears helpful while ignoring TZMI's own like-for-like conclusion, stated in the Titanium Feedstock Price Forecast (Issue 1, 2026), that Chinese domestic feedstock prices remain at least 20% below non-China markets for comparable products.[1]

1. Particular market situation

1.1 Market economy status

LB Group submits that, because Australia has granted China market economy status since 2005, the "starting position" is that normal value should be determined under subsection 269TAC(1). Tronox does not dispute that subsection 269TAC(1) states the general rule, but market economy status does not automatically protect particular Chinese sectors from a market situation finding.

The investigation is required to undertake a sector-specific and evidence-based assessment under subparagraph 269TAC(2)(a)(ii), and the Commission has found particular market situations in Chinese markets on multiple occasions since 2005 where the evidence supported that conclusion. China's general designation is beside the point. The question is whether the situation in the market for these goods renders domestic sales unsuitable.

1.2 The alleged absence of a causal connection

LB Group's principal criticism is that Tronox relies on "mere connections between industry and government" without demonstrating an impact on prices. That criticism misdescribes the application and the PMS submission. Tronox's case does not rest on the mere existence of government involvement. Instead, it traces each instrument of intervention to a specific price or cost channel.

The subsidisation of iron-ore mining flows into the cost of ilmenite because Chinese ilmenite is recovered as a co-product of subsidised hard-rock iron-ore mining by vertically integrated, state-linked producers. The withdrawal of the ilmenite VAT export refund and the export licensing regime restrain the export of the feedstock, trapping supply within the domestic market and depressing its domestic price. The OECD classifies this instrument as an export restriction for exactly that reason.[2] The centralised allocation of mining rights and extraction quotas under the revised Mineral Resources Law regulations places the availability and price of the resource within the determination of the state.

Grants and subsidised credit sustain loss-making capacity that competitive markets would retire, which is how a persistently artificially low domestic price band is maintained. The captive supply of power, steam and sulphuric acid within state-designated chemical parks removes successive cost items from arm's-length price formation.

[1] TZMI, Titanium Feedstock Price Forecast, Issue 1 2026 (licensed for the exclusive use of Tronox Holdings.

[2] Exhibit B-3.48 to the Tronox application.

That is a causal chain running from instrument to cost to price, and is not merely "connections". The end-point of that chain, being domestic feedstock and co-product prices persistently below the prices of identical internationally traded products, is documented in Tronox's recent PMS submission at Tables 1 and 2.

The comparison LB Group draws with Australia's Critical Minerals Strategy does not assist it. Australia's strategy does not allocate mining rights centrally, impose extraction quotas, withhold VAT refunds to retain feedstock onshore, require enterprises to establish and resource internal Party organisations, or direct offshore capacity relocation to avoid trade remedies. The relevant question under the Act is not whether governments generally support industry, as they invariably do, but whether the intervention in the market under investigation has rendered its prices unsuitable.

1.3 Chinese ilmenite prices

The factual centrepiece of the LB submission is the contention that Chinese ilmenite prices in 2025 were "largely comparable" with global levels. The contention is built on a comparison, for a single month (May 2025), between the global weighted average sulfate ilmenite import price of US$248 per tonne FOB and the domestic Panzhihua Grade 10# price, which LB Group converts from "below RMB1,800" ex-works to "approximately US$265".

First, the currency conversion is wrong. RMB1,800 converts to approximately US$250 at the exchange rates prevailing in 2025 (around RMB7.2 to the US dollar). The figure of US$265 implies a rate of approximately RMB6.8 that did not prevail at any time during the investigation period. Second, the two prices are not on a comparable basis, with an ex-works, VAT-exclusive price for Panzhihua concentrate being compared against an FOB price benchmarked by TZMI to 50% TiO_2 sulfate ilmenite, without any adjustment for grade, quality or delivery terms. When the European Commission confronted exactly this comparability issue in respect of LB Group's own ilmenite, it resolved it by grade-adjusting the TZMI benchmark, not by treating unlike prices as alike.[3]

Third, the "global weighted average" against which LB Group benchmarks is itself contaminated by the distortion at issue, as China is the largest importing market, and TZMI's investigation-period data shows China-destination sales of identical products pricing some 12% to 19% below other destinations across 2025. The global average is therefore pulled toward the Chinese level.[4] Measured against non-China destinations, the domestic Panzhihua price sits well below, and TZMI's own like-for-like assessment is that Chinese domestic feedstock prices remain at least 20% below non-China markets for comparable products.

Fourth, the TZMI passage LB Group itself quotes records that the Panzhihua price had fallen to "its lowest level since Q4 2020", with the domestic price at a four-and-a-half-year low. That is hardly evidence that the domestic market was pricing comparably with the world.

The range LB Group cites, global ilmenite prices "broadly ranged between US$230 and US$320" in 2025, makes Tronox's point rather than its own. A range of individual trades conceals the destination pattern within it.

[3] Commission Implementing Regulation (EU) 2025/4, recital 165.
[4] Tronox PMS submission, Tables 1 and 2.

On TZMI's data, the trades populating the bottom of that range are overwhelmingly China-bound. Imports from Nigeria entered China at US$[redacted] per tonne CIF in Q4 2025, the lowest weighted average among major suppliers, and ilmenite from Senegal into China fell by approximately US$[redacted] to about US$[redacted] per tonne CIF in the same quarter. The same products delivered to Asia-Pacific markets other than China averaged US$[redacted] per tonne CIF.[5]

1.4 Claimed competitive advantage

LB Group attributes China's cost position to economies of scale, vertical integration and co-production efficiencies said to constitute a "legitimate competitive advantage". Tronox makes three points in response. First, the test under subparagraph 269TAC(2)(a)(ii) is concerned with whether the situation in the market renders domestic selling prices unsuitable, not with a judgment about whether the causes of that situation are worthy. A market situation produced by state-directed integration does not become suitable because integration also confers efficiencies.

Secondly, the integration on which LB Group relies is not the product of private commercial evolution. The five-year plans and the NDRC restructuring catalogue expressly direct consolidation toward integrated chloride-route producers, mining rights are allocated by the state, and the co-production economics rest on subsidised iron-ore mining. So, the efficiency and the intervention are not separable.

Thirdly, efficiency cannot explain the price evidence. A genuine cost advantage would manifest in lower prices to all customers, and cannot explain why identical internationally traded feedstock products clear at prices 10% to 19% lower when, and only when, the destination is China.[6]

1.5 Overcapacity

LB Group submits that oversupply is a global phenomenon and that Chinese output declined in 2025 for the first time in over two decades. The global oversupply is, in substance, Chinese oversupply. China accounts for the majority of world capacity, added approximately 16.5% to its capacity in 2024 alone notwithstanding sustained sector losses, and exported approximately 1.90 million tonnes in 2024. Since 2023, some 632,000 tonnes of capacity outside China has permanently closed.[7]

By comparison, outside China, market discipline has operated exactly as LB Group describes, with unprofitable capacity exiting the market. Inside China, capacity has continued to grow through the same loss-making period, and the surplus has been pushed onto export markets. A one-year dip in output against a still-growing capacity base, record exports and falling utilisation is not evidence of a self-correcting market. LB Group's own cited source is titled 'China's Titanium Dioxide Output Declines as Capacity Surplus Grows'.

Events since the investigation period reinforce the point. Notwithstanding weak global demand and the anti-dumping measures now in force in multiple jurisdictions, Chinese exports have accelerated again. China exported 185.3 thousand tonnes of titanium dioxide in

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[5] TZMI, Titanium Feedstock Price Forecast, Issue 1 2026, pp 18 and 20.
[6] Tronox PMS submission, Tables 1 and 2.
[7] Tronox PMS submission, section 2.5 - updated market data.

June 2026, an increase of 40.5% over the 131.9 thousand tonnes exported in June 2025 and 21.3% over the 152.8 thousand tonnes exported in May 2026, taking exports for the first half of 2026 to approximately 1.07 million tonnes, some 17% above the same period of 2025.[8] An industry undergoing market-driven correction does not lift its exports at that rate in the face of duties across multiple markets.

Nor is the capacity base likely to correct. Independent analysis prepared for Tronox by [redacted] projects Chinese nameplate capacity growing from approximately 5.13 million tonnes in 2025 to approximately 6.55 million tonnes by 2030, being net additions of approximately 1.42 million tonnes, against projected closures of only about 100,000 tonnes over the entire period.[9] [redacted] assesses that the cross-subsidies available to the integrated Chinese producers make meaningful capacity exit unlikely. The nine closures on which LB Group relies fall to be weighed against a projected pipeline of additions roughly fifteen times larger than all projected exits.

1.6 Claimed competitiveness of the domestic market

LB Group argues that the domestic market "retains competitive conditions" because prices respond to demand, producers are affected unevenly, and nine producers ceased production in 2025. The argument proceeds from a false premise about the legal test. A particular market situation does not require that the market be insulated from supply and demand dynamics. The Panel in *Australia – A4 Copy Paper* confirmed that a market situation need not be unusual or exceptional.[10] Prices may move with demand, and producers may fare differently, within a band whose level is itself artificially low, and demand-responsiveness within the band says nothing about the suitability of the band.

The producer exits on which LB Group relies in fact corroborate Tronox's case. The exits are concentrated among small, non-integrated sulphate producers, the very capacity the NDRC Catalogue for Guiding Industry Restructuring (2024 edition) designates for restriction and elimination, while the state-linked integrated majors continued to expand through the same period. Administratively directed culling of non-preferred capacity is not market discipline.

As to sulphuric acid, LB Group's reliance on reports of a domestic acid price surge rests on commentary published in March 2026, after the investigation period. The investigation-period record is that Chinese sulphate producers' delivered acid cost was recorded by TZMI at a uniform level of approximately US$[redacted] per tonne, well below the range paid by sulphate-route producers in competitive markets[11].

The observation that over half of China's sulphate production relies on imported sulphur raises a further question. Where sulphur is purchased at world prices, yet the recorded delivered acid cost sits below competitive-market prices throughout the period, is this consistent with the subsidised and captive acid supply described in the application, and evidence of an undistorted market?

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[8] Confidential Exhibit 1.5-1: J.P. Morgan (North America Equity Research), Titanium Dioxide: China June Exports Higher Y/Y and M/M (20 July 2026), Table 1 (source: China General Administration of Customs).
[9] Confidential Exhibit 1.5-2: [redacted], analysis of Chinese expected nameplate capacity additions and closures by technology route, 2025–2030E, prepared for Tronox (April 2026).
[10] Panel Report, Australia – Anti-Dumping Measures on A4 Copy Paper, WT/DS529/R.
[11] TZMI, TiO2 Pigment Producers Comparative Cost & Profitability Study 2025.

The source of the 2026 surge also matters. Market analysts attribute it to a global sulphur and sulphuric acid supply shock produced by a triple disruption: the war in Iran and the interruption of shipments through the Strait of Hormuz, export restrictions imposed by China itself, and tighter export quotas applied by Russia and Turkey.[12] A post-period global supply shock of that character says nothing about the competitive state of the Chinese domestic acid market during the investigation period. If anything, it points the other way. China's response to the shortage was to restrict exports of sulphuric acid and reserve supply for its domestic processors, which is the same instrument of input reservation that Tronox has identified in respect of ilmenite.

1.7 Investigation 557

LB Group relies on the Commission's finding in Investigation 557 (copper tube from China and Korea) that no particular market situation existed, in part because Chinese domestic prices were broadly consistent with global benchmarks. The reliance is misplaced, because the factual predicate of that finding is absent here. Copper is an exchange-traded commodity: the Chinese domestic copper price necessarily tracks the London Metal Exchange, domestic-to-world consistency was objectively verifiable, and the input market offered no mechanism for sustained domestic divergence.

A further feature of Investigation 557, not mentioned by LB Group, is that the sole cooperating Chinese exporter imported the copper it used in its export production and purchased domestic copper only for its domestic sales.[13] The exporter's input sourcing itself separated the two markets, and any distortion in domestic copper prices could not carry into the cost of the exported goods. That separation was central to the Commission's ability to find that no market situation affected the comparison.

No such separation exists here, as the Chinese titanium dioxide producers draw the same state-allocated, substantially captive domestic feedstock for both domestic and export production. Titanium feedstocks have no public exchange price and are sold only under confidential long-term contracts. The resource is allocated by the state, and during the investigation period, identical products consistently sold 10–19% cheaper into China than to other markets, and domestic prices were even lower still.

Investigation 557 merely demonstrates that where domestic prices demonstrably track world prices there may be no market situation. Whereas in this case, they plainly do not, and the same reasoning points in the opposite direction. Each case turns on its own facts, as the A4 Copy Paper Panel emphasised.

2. Proper comparison

2.1 Product mix

LB Group contends that price differences between domestic and export sales are attributable to product mix, in that exports are weighted toward sulphate-route product while domestic sales carry a higher share of chloride-route product. The contention misunderstands how the

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[12] See, eg, Kpler - Sulphur & sulphuric acid in 2026: The feedstock crisis cascading through copper, nickel & fertilisers; Akin Gump Strauss Hauer & Feld LLP - When Supply Chains Break: Force Majeure, Hardship and the Sulfuric Acid Crisis.

[13] SEF 557.

comparison is undertaken. Normal value and export price are compared at the level of like goods, model by model and grade by grade, with adjustments to ensure comparability. Differences in the aggregate mix of what is sold in each market are accommodated by that methodology and cannot explain price differences within the same grade.

The differential-pricing evidence on which Tronox relies does not depend on mix, as the producers' price-increase announcement directed only at overseas markets was not confined to any grade, and the below-cost export pricing documented in the application persisted across the product range. If LB Group's position is that, grade for grade, its domestic and export prices are aligned, that is a proposition its own records can prove or disprove, and it should be tested at verification.

2.2 Input costs affect both markets equally

LB Group's remaining argument is that any input cost distortion would affect domestic and export prices equally, so that a proper comparison remains possible. Tronox accepts that the particular market situation must affect proper comparison, and the evidence confirms it in this case. The mechanism by which distorted costs feed domestic prices differently from export prices is set out in Tronox's PMS submission and is factual, not theoretical. In the domestic market, dozens of producers whose survival is not disciplined by commercial failure compete for volume within an artificially low price band, so cost distortions pass through to domestic prices in full.

Export prices are formed in different conditions of competition, against international producers whose costs are undistorted, and the record shows they are set on a different basis, most directly, by the producers' own announcement of price increases confined to overseas markets. A cost distortion common to both revenue streams does not produce a common price effect where the conditions of competition in the two markets differ. That is the fact-specific examination the A4 Copy Paper Panel required, and Tronox has provided it.

The waste-disposal example LB Group offers illustrates the error in its approach, as the question is not whether waste-disposal costs differ between domestically sold and exported product, but whether the totality of the distorted cost base has produced domestic prices that cannot properly be compared with export prices. The second limb is assessed on the situation as a whole, not input by input.

3. Conclusion

The LB Group submission does not contest the primary facts on which Tronox's particular market situation case rests, produces no evidence from LB Group's own records, and presents its case on a mismatched single-month price comparison, a miscalculated currency conversion and post-period commentary, while glossing over TZMI's like-for-like conclusion.

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