



Australian Government
Department of Industry,
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Anti-Dumping
Commission

Australian industry verification report

Verification and case details

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Australian industry	Tronox Limited		
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Verification from	15 June 2026	to	18 June 2026
Investigation period	1 January 2025	to	31 December 2025

The Anti-Dumping Commission will review this report, including its views and recommendations.

This report may not reflect the Anti-Dumping Commission's final position.

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Introduction

Tronox Limited (Tronox) provided data to the Anti-Dumping Commission (the commission) in relation to an investigation into alleged dumping of titanium dioxide exported from the People's Republic of China (China) to Australia (Investigation 699).

A verification team has verified whether the data Tronox submitted is complete, relevant and accurate for use in the investigation. [Anti-Dumping Notice \(ADN\) 2016/30](#) describes the commission's verification procedures.

This report explains the verification team's key findings, including the evidence considered and material issues identified. Where Tronox or the verification team revised the submitted data, this report outlines the nature, extent and outcomes of these revisions.

The commission prepared this report to publish on the electronic public record for the investigation.

Verification teams are authorised to conduct verifications under sections 269SMG and 269SMR of the *Customs Act 1901* (Cth) (the Act).¹

¹ All legal citations in this report are to the *Customs Act 1901* unless otherwise stated.

1 Company background

1.1 Corporate structure and ownership

Tronox is an Australian unlisted public company. It is the parent company of Tronox Management Pty Ltd and Tronox Pigment Bunbury Ltd (amongst other companies). These two entities under Tronox produce titanium dioxide which are like goods to the titanium dioxide exported to Australia from China.

In terms of the production of like goods (being titanium dioxide), Tronox Management Pty Ltd operates the Kwinana pigment plant, and Tronox Pigment Bunbury Ltd operates the Bunbury pigment plant.

In addition to the goods, Tronox mines, produces and sells:

- heavy mineral sands and minerals such as ilmenite, rutile and zircon
- ultrafine and specialty titanium dioxide
- titanium chemicals
- rare earth minerals comprising monazite and xenotime (being by-products from producing raw materials used to make titanium dioxide), and
- other by-products including acids, salts, solids, liquids and gases.

1.2 Related parties

The verification team examined the relationships between Tronox and the parties involved in the production and sale of like goods during the investigation period.

1.2.1 Related suppliers

Tronox mostly purchased raw materials from related suppliers; however, it purchased some raw materials such as rutile from both related and unrelated suppliers. Based on information provided by Tronox, the verification team finds that Tronox's purchases from related parties were not made at arm's length (refer section 7.3 for further detail).

1.2.2 Related customers

Based on information provided by Tronox, the verification team found no evidence that Tronox sold like goods to related customers in Australia.

2 Like goods manufactured in Australia

2.1 Manufacturing in Australia

Tronox identified itself as the sole manufacturer of titanium dioxide in Australia. The verification team found no evidence to suggest that there are other manufacturers of titanium dioxide in Australia.

Tronox is a fully integrated manufacturer of titanium dioxide in Australia. Tronox mines mineral sands containing the minerals used to produce titanium dioxide, and upgrades the minerals to use as feedstock in the production of titanium dioxide pigment.

2.1.1 Production process

Tronox first mines heavy mineral sands which primarily comprise ilmenite, with co-products monazite (the rare earth-bearing mineral), zircon and leucoxene. Tronox then transports the mineral sands to its mineral separation plants.

The mineral sands are processed to produce separated batches of ilmenite, zircon, rutile, leucoxene, staurolite and monazite at Tronox's mineral separation plants. Tronox then transports the separated minerals to its feedstock upgrading plant.

The ilmenite is converted into synthetic rutile at Tronox's feedstock upgrading plant. Tronox then transports the synthetic rutile and a relatively small amount of natural rutile to its Bunbury and Kwinana titanium dioxide pigment plants.

The synthetic and natural rutile is converted into titanium dioxide pigment through chlorination, purification and oxidation at Tronox's two pigment plants. The pigment then undergoes various surface treatments and finishing.

Tronox moves the finished pigment to storage silos and then packages the pigment such that it is ready to be sold to customers.

2.2 Model control codes

The model control code (MCC) structure captures two sub-categories, being the chloride and sulphate production processes. The sales and costs data Tronox submitted complies with the MCC structure detailed in ADN 2026/61.

Tronox manufactures the goods only via the chloride process. Based on discussions with Tronox regarding the MCC sub-categories and production processes, the verification team does not recommend amending the MCC structure.

2.3 Verification of model control codes

The verification team verified the MCCs for Tronox's sales using the product codes from the sales invoices provided, as well as the relevant product specification sheets. The verification team also observed the production process and examined the inputs used to produce the goods. The verification team is satisfied that all Tronox's manufactured goods were produced via the chloride process.

2.4 Like goods

Like goods are defined under section 269T(1) of the Act as:

goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.

The verification team considers that the titanium dioxide manufactured by Tronox is identical to, or has characteristics closely resembling, the goods imported from China, as they possess:

- **Physical likeness:** The primary physical characteristics of the imported goods and Australian-produced goods are similar. Notwithstanding the slight differences in typical properties such as titanium dioxide purity or content and surface treatments (depending on the grade), the Australian-produced goods and imported goods are both white free-flowing powders whose primary chemical composition and content is titanium dioxide.

Both Australian-produced and imported goods are also classified to the same tariff classification.

- **Commercial likeness:** Based on evidence provided by Tronox (such as call reports and customer emails), the Australian-produced titanium dioxide appears to be in direct competition with the titanium dioxide imported from China, as they are sold to the same end users and customers in the Australian market, and customers appear willing to switch between suppliers.

Both Australian-produced and imported goods are typically marketed as “titanium dioxide pigment” or “rutile TiO_2 pigment”, and are marketed using technical data sheets emphasising the same properties such as TiO_2 content, oil absorption, tint strength, and brightness amongst other properties.

- **Functional likeness:** Australian-produced titanium dioxide and titanium dioxide imported from China have comparable end-uses and are used in the same applications, including the production of paints and other coatings, plastics, paper, cosmetics and personal care products, food and pharmaceuticals, and other applications. Depending on the specific grade, Australian-produced titanium dioxide and the titanium dioxide imported from China both have the same recommended applications.

While some end users may prefer particular grades of Australian-produced or imported titanium dioxide for certain applications due to perceived quality or other physical or technical requirements, both Australian-produced and imported goods can generally be, and often are, used in the same industries and applications.

- **Production likeness:** The finished titanium dioxide manufactured by Tronox is manufactured in a similar manner to the finished goods imported from China.

The verification team notes that Tronox manufactures titanium dioxide via the chloride process only, whereas the Chinese exporters manufacture titanium dioxide via either the chloride or sulphate process. The verification team notes that while there are differences in the sulphate and chloride production processes, both processes result in raw titanium dioxide pigment that is further finished through the same or similar finishing processes that ultimately result in the same or similar finished titanium dioxide pigment.

2.5 Like goods assessment

The verification team is satisfied that:

- the titanium dioxide manufactured by Tronox has characteristics closely resembling those of the goods under consideration, being the goods exported to Australia from China,² and
- the titanium dioxide was wholly manufactured in Australia by Tronox.³

Therefore, the verification team is satisfied that there is an Australian industry, consisting of Tronox, which produces like goods in Australia.⁴

² Section 269T(1) (definition of 'like goods').

³ Section 269T(2).

⁴ Section 269T(4).

3 Australian market background

The Australian market for titanium dioxide is supplied by Tronox's domestically produced titanium dioxide, and imports from various countries including China, Saudi Arabia, the United States, Mexico, and various countries in the European Union.

3.1 Australian market structure

3.1.1 Marketing segmentation and end uses

In Australia, titanium dioxide is used in multiple industries to enhance product durability, UV protection and aesthetic appeal by increasing opacity, whiteness and brightness.

Tronox explained that titanium dioxide is used in the following products:

- paints and coatings
- plastics and polymers
- paper
- cosmetics and personal care
- foods and pharmaceuticals
- construction and other industrial applications.

In the Australian market for titanium dioxide, titanium dioxide is mostly sold to the paints and coatings industry, representing the core segment (approximately 70% of sales). Other industries include plastics and rubber (approximately 20% of sales), paper and inks (around 5%), cosmetics and personal care, and food and pharmaceuticals.

Sales are dictated by the production sites of the key coating and plastic manufacturers in Australia. These are predominantly located in Victoria, although notable hubs in NSW, South Australia and Queensland exist.

3.1.2 Distribution arrangements

Tronox explained that distribution of the titanium dioxide in Australia occurs via two channels. The main channel represents direct sales to end users, which comprise various customers that further process the goods. The other sales channel represents sales via distributors, which typically import the goods and sell to customers that mostly consume smaller volumes of titanium dioxide.

3.1.3 Demand

Tronox claims that the main driver of demand for titanium dioxide is demand for products that contain titanium dioxide, such as paints, coatings and plastics. Tronox claims that demand for titanium dioxide in Australia is mostly correlated to activity in the building and construction industry, including home renovations. Tronox further explained that demand is closely linked to infrastructure investment and seasonal construction cycles.

3.2 Competition within the Australian market

Tronox claims that competition within the Australian market is mostly based on price, and customers are readily able to change suppliers. Tronox also stated that when switching between the different grades of titanium dioxide, end users (like paint manufacturers) typically need to undertake testing and consider how the alternative supply of titanium dioxide would perform in their paint products.

4 Verification of sales completeness and relevance

The commission typically verifies sales as complete and relevant by reconciling the revenue and quantity in sales listings to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The verification team verified whether the sales listings Tronox submitted are complete and relevant by reconciling them to Tronox's audited financial statements, consistent with ADN 2016/30.

To verify the relevance and completeness of the sales data, the verification team:

1. Reconciled Tronox's revenue for the two years ending 31 December 2025 (which captures the investigation period) from the audited financial statements to Tronox's accounting system.
2. Reconciled the master sales listings for the two years ending 31 December 2025 to the accounting system.
3. Reviewed the categorisation of the goods and non-goods in the master sales listings for the two years ending 31 December 2025.
4. Reconciled the sales value and volume of the goods from the master sales listing to the Australian sales listing provided with the application for the investigation period. Reconciled the Australian sales relating to the Australian-manufactured goods and imported goods for the two years ending 31 December 2025.
5. Reconciled the sales value and volume of the goods from the master sales listings to the total sales value and volume relating to Tronox's exports for the two years ending 31 December 2025.

The verification team identified the issues outlined below during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

4.1 Sales completeness and relevance exceptions

Exception 1: Correction of export sales value and volume

Description: Tronox explained that during the years ending 31 December 2022, 2023, 2024, and the investigation period (being 2025), it made export sales of like goods through related entities. Tronox had not included these sales as part of export sales in the 'A3 Turnover' and 'A6.2 CTMS export' appendices submitted as part of its application.

Resolution: Tronox revised the export sales values and volumes in the 'A3 Turnover' and 'A6.2 CTMS export' appendices to include the missing export sales, and the verification team verified this revised data to Tronox's accounting system and Tronox's sales report.

Exception 2: Revisions to net sales revenue for sales of Australian-manufactured like goods on the domestic market

Description: In Tronox's application, Tronox reported net sales revenue in the 'A6.1 CTMS domestic' appendix for the years ending 31 December 2022, 2023, 2024, and 2025. These revenue figures represented the revenue relating to sales of the Australian-manufactured goods sold on the domestic market. For the years 2022, 2023, and 2024, the verification

team found that the net sales revenue values did not reconcile to Tronox's sales report. Tronox advised that this was an error.

Resolution: Tronox provided a revised 'A6.1 CTMS domestic' appendix that included revised net sales revenue values for 2022, 2023, and 2024. The verification team also revised the net sales revenue value for 2025 to reflect the net revenue in the Australian sales listing.

Exception 3: Inclusion of missing rebates in the Australian sales listing

Description: The verification team found that Tronox had not included some rebates relating to sales made to a particular customer from 23 September 2025 to 31 December 2025. Tronox explained that the exclusion of rebates to this customer was due to an error. From its accounting system, Tronox provided an extract relating to the rebates for the relevant customer. In this extract, the verification team was able to identify the missing rebates for the sales made from 23 September 2025 to 31 December 2025.

Resolution: The verification team updated the sales listing to include the relevant sales rebates.

Exception 4: Correction of invoice values for some sales recorded in the Australian sales listing

Description: Prior to verification, the verification team found unusually high unit sales values for three sales recorded in the Australian sales listing. Tronox explained that these unit values were high because of errors when extracting the Australian sales from its accounting system. Tronox stated that the sales values for these three transactions were inadvertently doubled in the Australian sales listing.

Resolution: Tronox revised the Australian sales listing to correct the sales values for the three sales invoices.

4.2 Import sales by company

Tronox sold imported goods on the Australian market over the injury period (2022 to 2025). Tronox separated its sales of Australian-produced goods and imported goods in its application, which reconciled to Tronox's management reports and accounting system. The verification team was able to identify the sales value and volume of imported goods in the Australian sales listing and other sales data provided by Tronox.

4.3 Export sales by company

Tronox exported titanium dioxide to various countries over the injury period (2022 to 2025). Tronox separated its sales and costs relating to goods sold domestically in Australia and goods exported from Australia in its application. Tronox's domestic sales and export sales were reconciled to Tronox's management reports and accounting system.

4.4 Sales completeness and relevance finding

The verification team is satisfied that the sales data Tronox submitted is complete and relevant, including the revisions outlined above.

5 Verification of sales accuracy

The commission typically verifies the accuracy of sales by reconciling a selection of sales transactions down to source documents. ADN 2016/30 further describes this verification process.

The verification team verified whether the detailed sales listing Tronox submitted is accurate by reconciling it to source documents, consistent with ADN 2016/30. The verification team identified the issues outlined below. Details of this process are contained in the verification work program and its relevant attachments in **Confidential Attachment 1**.

5.1 Sales accuracy exceptions

Exception 5: Misclassification of MCC identifier for sales of certain products

Description: Tronox included sales of imports in the Australian sales listing. For sales of two grades that relate to imported goods, the verification team found that the MCC recorded for these grades was incorrect. Tronox explained that the classification was an error.

Resolution: The verification team corrected the MCC for the relevant sales.

Exception 6: Misclassification of delivery terms for one Australian sale

Description: The verification team found that Tronox had classified one transaction in the sales listing as a 'delivered' sale but did not record any inland transport costs for this sale. The verification team found that for this sale, the customer collected the product from Tronox's premises.

Resolution: The verification team reclassified this sale as ex-works.

Exception 7: Revisions to inland transport in the Australian sales listing

Description: In the Australian sales listing submitted in Tronox's application, Tronox reported transport costs. The transport costs related to transport of the goods between Tronox's factories and warehouses, as well as transport of the goods from Tronox's premises (either warehouse or factory) to the customer.

During verification, Tronox provided a system extract of the data separating both forms of transport. The verification team requested that Tronox provide a version of the Australian sales listing that separates both forms of transport, which Tronox provided.

The verification team assessed the revised Australian sales listing that Tronox provided. Upon review of this listing, the verification team found that Tronox used the system values to separately report the two forms of transport. Having regard to the data extracted from the accounting system and relevant source documents, the verification team attempted to reconcile the 'transport to customer' values for 19 sample sales invoices. The verification team found discrepancies in relation to two of those samples. Tronox explained that these discrepancies were a result of differences in cost allocation as compared to the allocations for the other 17 sales samples.

Resolution: Tronox provided a revised sales listing which separated costs relating to transport of the goods between Tronox's plants and warehouses, and transport of the goods from Tronox's warehouse or factory to the customer. Noting the discrepancies identified above, the verification team also corrected the transport values in the Australian sales listing for two sales transactions.

5.2 Sales accuracy finding

The verification team is satisfied that the sales data Tronox submitted is accurate, including the revisions outlined above. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

6 Verification of CTMS completeness and relevance

The commission typically verifies cost to make and sell (CTMS) as complete and relevant by reconciling the total cost to make (CTM) and selling, general and administrative (SG&A) expenses in cost listings to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The verification team verified whether the domestic and export CTMS listings Tronox submitted are complete and relevant by reconciling them to audited financial statements, consistent with ADN 2016/30.

To verify the relevance and completeness of the cost data, the verification team:

1. Reconciled the cost of goods sold for the year ending 31 December 2025 from the audited financial statement to the accounting system.
2. Reconciled the cost of goods sold to the cost to make for the period using the accounting system.
3. Reconciled the cost to make of the goods to the plant-specific costs using the accounting system.
4. Verified the allocation of the accounting system cost to make data to the domestic and export CTMS listings for the goods, provided as part of the application.

The verification team verified the relevance and completeness of the SG&A data as follows:

1. Reconciled the SG&A expenses and cost of sales (in which freight and warehousing costs were recorded) as recorded in Tronox's audited income statement for the year ending 31 December 2025 to Tronox's detailed income statement for the same year.
2. Reconciled the total SG&A expenses and cost of sales for Tronox to the sum of the SG&A expenses and cost of sales for all entities that are ultimately owned by Tronox.
3. Reconciled the total SG&A (including freight and warehousing) for 'Australia' to the total for the Australian operations comprised of 'Australia Pigment' and other Australian operations.
4. Reconciled the total SG&A expense and total freight and warehousing costs recorded for the Australian pigment operations to the SG&A expenses (including freight and warehousing) allocated in the CTMS domestic and export listings.

The verification team identified the issues outlined below during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

6.1 Exceptions during verification of completeness and relevance of CTMS data

Exception 8: Revised SG&A expenses in the CTMS listings

Description: At the verification visit, Tronox advised that errors had been made in preparing the SG&A data reported in the A6 CTMS listings. Tronox also revised its export sales quantities. These revisions resulted in changes to the domestic and export sales volume ratios used to allocate SG&A expenses between domestic and export sales.

At the visit, the verification team requested that Tronox review its allocation of SG&A expenses between export and domestic sales, as it appeared that certain expenses may be solely related to export or domestic sales and therefore should be allocated as such.

Resolution: Tronox provided a revised allocation of its SG&A expenses, and updated the CTMS listings for export and domestic sales accordingly. The verification team also reallocated some SG&A expenses, which were allocated to both domestic and export sales, to export sales.

6.2 CTMS completeness and relevance finding

The verification team is satisfied that the revised CTMS data is complete and relevant.

Details of this verification process are contained in the verification work program, including its relevant attachments, at **Confidential Attachment 1**.

7 Verification of CTMS accuracy

The commission typically verifies CTMS as accurate by reconciling a selection of volume, cost and other key data in the CTM and SG&A listings down to source documents. ADN 2016/30 further describes this verification process.

The verification team verified whether the CTM and SG&A listings Tronox submitted are accurate by reconciling them to source documents, consistent with ADN 2016/30. The verification team identified the issues outlined below. Details of this process are contained in the verification work program and its relevant attachments in **Confidential Attachment 1**.

7.1 Cost to make and sell accuracy exceptions

Exception 9: Revised allocation of cost to make data in the cost listings

Description: Tronox explained that there were some complications in reporting the costs relating to the Kwinana plant due to a move to a new form of accounting system reporting that commenced in 2024. Tronox stated that as a result, some variable costs reported in the application data for 2024 and 2025 were overstated.

Further, as explained previously as part of the exceptions for sales, Tronox corrected the export sales volumes in the application appendices for the years 2022, 2023, 2024, and 2025. As a result of this, Tronox also had to revise its cost allocations to domestic and export sales as the allocations were based on sales quantities.

Resolution: Tronox provided revised CTMS listings for domestic and export sales.

7.2 Cost allocation method

Table 1 outlines how Tronox allocated each cost component.

Cost component	Allocation method applied
Raw materials	Tronox allocated raw material costs based on actual consumption costs incurred for each pigment plant. Tronox allocated costs to the Australian and export sales based on their relative proportion of the total sales quantity by plant.
Scrap/by-products	Tronox allocated scrap costs based on actual consumption costs incurred for each pigment plant. Tronox allocated costs to the Australian and export sales based on their relative proportion of the total sales quantity by plant.
Labour	Tronox allocated labour costs based on actual costs incurred for each pigment plant. Tronox allocated costs to the Australian and export sales based on their relative proportion of the total sales quantity by plant.
Manufacturing overheads	Tronox allocated manufacturing overhead costs based on actual consumption costs incurred for each pigment plant. Tronox allocated costs to the Australian and export sales based on their relative proportion of the total sales quantity by plant.
Variances (for standard costs)	Tronox uses standard costs as a cost basis and effectively reports actual costs by capturing the standard to actual cost variance within its accounting system.

Table 1: Cost allocation method

7.3 Related party suppliers

Various entities under Tronox are involved in producing intermediate raw materials and feedstock that is used to produce titanium dioxide. These raw materials are sold between Tronox's entities in accordance with agreed internal transfer pricing.

Tronox sources most of the raw materials used to produce titanium dioxide within the group of related entities in Australia. For one raw material, Tronox sourced the raw material from both related entities and from an unrelated entity in Australia.

The verification team compared the purchase prices of synthetic rutile sourced from related entities and the unrelated entity. The verification team found material and consistent differences in prices of the raw material sourced from related and unrelated entities.

Based on Tronox's explanation of the internal transfer pricing, and based on the comparison of prices of raw materials sourced from related and unrelated entities, the verification team considers that the purchases of raw materials used to produce titanium dioxide were influenced by the relationship between the related Tronox entities involved in the production of raw materials (feedstock) and titanium dioxide pigment. The verification team therefore considers the transfer of raw materials and feedstock within Tronox to be not at arm's length. Nevertheless, based on the internal transfer pricing structure, the cost to manufacture the raw material and feedstock was fully captured and absorbed in the production of titanium dioxide.

7.4 Cost to make and sell accuracy finding

The verification team is satisfied that the revised CTMS data is accurate and reasonably reflects the costs associated with the manufacture and sale of the goods.

Details of this verification process are contained in the verification work program, including its relevant attachments, at **Confidential Attachment 1**.

8 Economic condition

8.1 Tronox's injury claims

In its application, Tronox claimed that the Australian industry has experienced injury in the form of:⁵

- loss of sales volume
- reduced market share
- price suppression
- loss of profit and reduced profitability
- loss of revenue, and
- increased finished goods inventory.

Tronox claimed that material injury from dumped imports has been evident since at least 2022, however, the full extent of injury allegedly became markedly apparent and acutely felt by Tronox in 2023.

8.2 Approach to injury analysis

The analysis detailed in this chapter is based on Tronox's verified information and data over the period from 1 January 2022 to 31 December 2025.

The verification team found that Tronox exports a significant volume of titanium dioxide produced in Australia, and also imports titanium dioxide which it sells in Australia. For the purposes of assessing injury, the verification team has focused on Tronox's Australian sales of its Australian-produced titanium dioxide. The verification team has separately identified Tronox's imports and exports to ensure injury caused by the applicant's own import and export behaviour is not attributed to dumping.

8.3 Volume effects

8.3.1 Sales volume

In its application, Tronox claimed that the rise in dumped Chinese imports had a direct impact on its sales. As Chinese imports increased by approximately 63% over the injury period, Tronox's sales volumes declined by about 16%. Tronox claims that this confirms that Chinese imports are displacing domestic production, capturing a larger portion of the available demand in the Australian market.

Tronox claims that its market share declined by 13%, while the market share of Chinese imports expanded by about 67%.

Tronox claims that imports from other countries declined by about 45%, yet total imports still rose because the total import volume was almost entirely driven by the increase in Chinese imports.

Tronox claims that the slight market contraction over the injury period amplifies the adverse effects of the increase in Chinese imports, as competition intensified for a share of the contracting market. Tronox claims that its sales volumes decreased at a greater rate than

⁵ Electronic public record for Investigation 699 (EPR 699), document no [1](#).

the market, underscoring how imports are not just filling gaps but actively eroding the Australian industry's position.

Figure 1 below shows that Tronox's sales volumes of both its Australian-produced titanium dioxide and imported titanium dioxide have decreased over the injury analysis period.

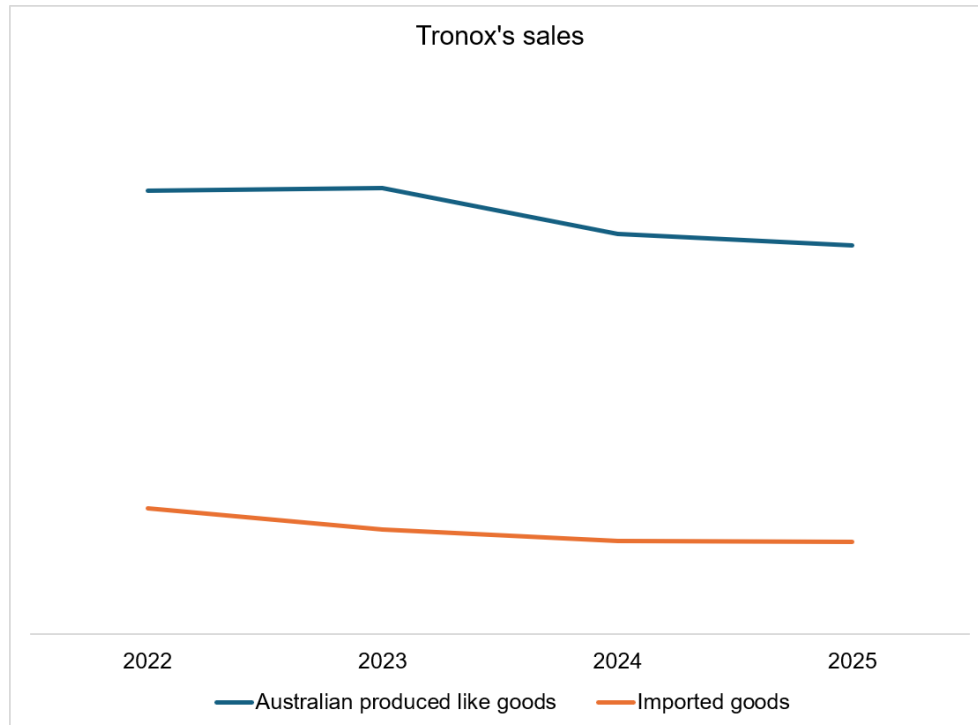


Figure 1: Tronox's sales volumes in Australia (tonnes)⁶

The verification team found that Tronox's sales of imported titanium dioxide decreased at a greater rate than its sales of its Australian-produced titanium dioxide over the whole period examined, except in the investigation period. In the investigation period, Tronox's sales volumes of its Australian-produced goods decreased by about 3% relative to the volumes in the previous year (2024), and decreased by about 9.7% relative to the average annual volume over the period 2022 to 2024. Tronox's sales volumes of its imported titanium dioxide decreased by about 1.2% in the investigation period relative to the volumes in 2024, and decreased by about 14.6% in the investigation period relative to the average annual volume over the period 2022 to 2024.

The verification team found that sales to Tronox's five largest customers by volume increased in 2023 relative to 2022, and decreased from 2023 to 2025. The verification team found that Tronox's sales to all other customers decreased at a greater rate than to its five largest customers over the injury period. The significant decrease in sales to all other customers over the injury period resulted in the proportion of sales to these customers decreasing from about a fifth in 2022 to about 13% in 2025, and also resulted in sales to the five largest customers comprising a greater share of Tronox's total sales.

Based on the information contained in Tronox's sales listing and other information (such as records of customer call reports) provided by Tronox at the verification visit, the verification team found that Tronox has lost sales volumes to certain customers that appear to source

⁶ Confidential Attachment 2.

(or have sourced) titanium dioxide from China at prices that have undercut Tronox's prices. The verification team notes that most of these customers are outside Tronox's five largest customers by sales volume and belong to the broader customer group in which Tronox experienced the greatest decline in sales volume over the injury period.

In its submission of 30 April 2026, Tronox provided two examples of lost sales allegedly due to price undercutting by dumped Chinese imports.⁷ The verification team confirmed that Tronox has ceased selling titanium dioxide to these two customers following the investigation period.

Based on the analysis outlined above, the verification team considers that Tronox has experienced injury in the form of loss of sales volume over the injury period and in the investigation period.

8.3.2 Revenue forgone due to loss of sales and market share

In support of its application, Tronox had estimated the revenue it has forgone due to the loss of sales volume and market share.

Tronox claims that in a market unaffected by dumping, it could have maintained its 2022 market share, or at a minimum, it might have sustained an average market share observed over the injury period.

Tronox provided estimates of forgone revenue based on its 2022 market share at 2025 prices, and forgone revenue based on its average market share across the injury analysis period (2022 to 2025) at 2025 prices.

The verification team notes that Tronox based this estimate on its own estimate of market share, which may not be consistent with the commission's final estimate based on ABF data.⁸ The verification team also notes that there is an error in the calculation of revenue forgone as a percentage of revenue. The verification team corrected this error, and the verification team's estimate, based solely on Tronox's sales and market share relating to its domestic production, is summarised below.

	Revenue forgone as % of total sales revenue derived from Australian production
Revenue forgone based on 2022 market share at 2025 prices	11%
Revenue forgone based on average market share in injury period at 2025 prices	6%

Table 2: Revenue forgone due to loss of sales volume and market share⁹

8.4 Price effects

In its application, Tronox claims that its prices remained flat over the injury period because of the constraining effect that Chinese imports had on prices. Tronox claims that undercutting

⁷ EPR 699, document no [4](#).

⁸ For the purposes of this report, the verification team has not estimated market share based on ABF data and has relied on Tronox's estimate of market share as provided in its application.

⁹ Confidential Attachment 2.

by dumped imports from China ‘effectively anchored industry’s market prices’, and the persistently low import prices created a ‘price ceiling’ effect where Tronox risked further volume erosion if it raised prices.

Figure 2 below shows Tronox’s weighted average domestic selling prices and cost to make and sell relating to Australian-produced goods over the injury period.

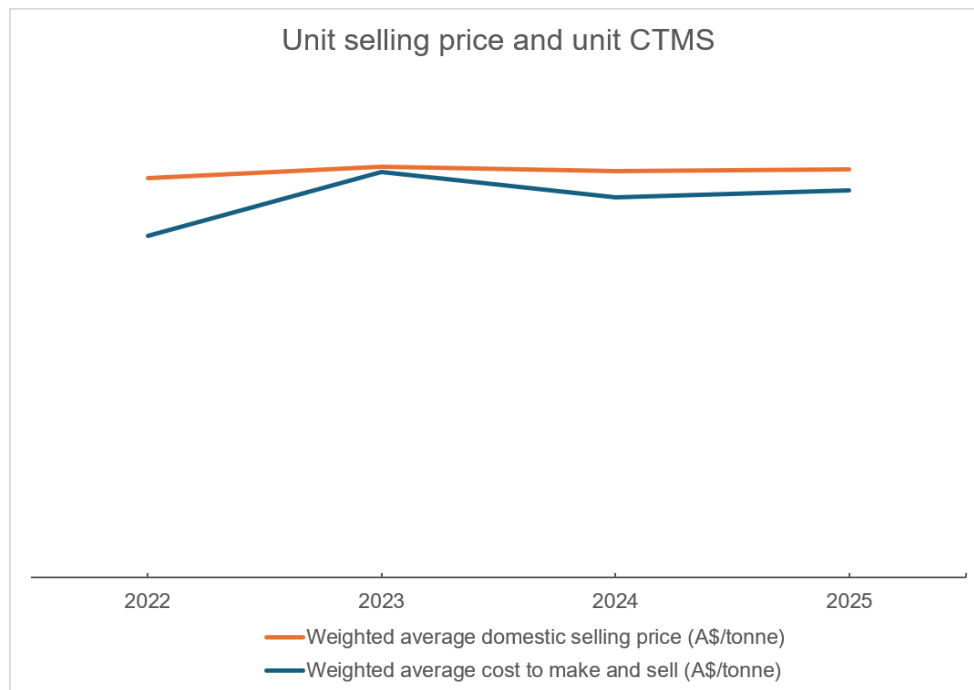


Figure 2: Tronox’s unit selling price and unit CTMS¹⁰

Figure 2 shows that Tronox’s prices have remained flat over the period, consistent with its claims in the application. Figure 2 also shows that Tronox experienced price suppression in 2023 and in 2025. As noted in section 8.7, the price suppression evident in 2023 cannot be solely attributed to competition from imported goods from China.

Based on the verified data, the verification team found that Tronox had reduced its prices in the December 2025 quarter for some of its largest customers. This is further indicative of price suppression in the investigation period.

Based on this analysis, the verification team considers that Tronox has experienced injury in the form of price suppression in the investigation period.

8.4.1 Allegation made in application relating to the direct effect of Chinese pricing on Tronox’s pricing

In its application, Tronox provided evidence of the purported direct effect of Chinese import prices on the industry’s own selling prices. This evidence related to the extension of an existing supply agreement between Tronox and one of its largest customers. In the extended agreement, the price of a certain grade of titanium dioxide was decreased significantly relative to another grade of titanium dioxide sold to the same customer.

Tronox claims that the discount agreed in relation to sales of this grade was aimed at retaining volumes to this customer. Tronox alleges that the discount was a direct response to

¹⁰ Confidential Attachment 2.

earlier feedback from this customer that it was considering Chinese-made alternatives for some of its products, with potentially two-thirds of sales of the subject grade to this customer being transitioned away to Chinese producers.

The verification team found that the grade the subject of this claim is not manufactured in Australia but is imported by Tronox from a related entity. Further, the verification team found that Tronox has been selling this grade to this customer over many years. Therefore, the example in the application of the price discount on this particular grade, allegedly discounted in response to competition from Chinese imports, does not demonstrate that Tronox is being injured in respect of its like goods produced in Australia.

8.5 Profit and profitability

In its application, Tronox claims that dumped imports from China have directly eroded the industry's profit and profitability by intensifying price competition and have contributed to volume displacement. Tronox claims that over the injury period, average profitability remained well below the profitability in 2022, reflecting the cumulative material injury caused by sustained price undercutting and volume displacement from dumped imports since 2023.

Tronox claims that price undercutting by dumped Chinese imports has led to a decrease in Tronox's sales volumes and indirectly increased its unit fixed costs through reduced economies of scale. The increase in unit fixed costs pushed up average total costs, eroding profitability in the face of reduced revenue stemming from lost sales volumes.

Figure 3 shows Tronox's profit and profitability on its Australian-produced titanium dioxide sold in Australia over the injury period.

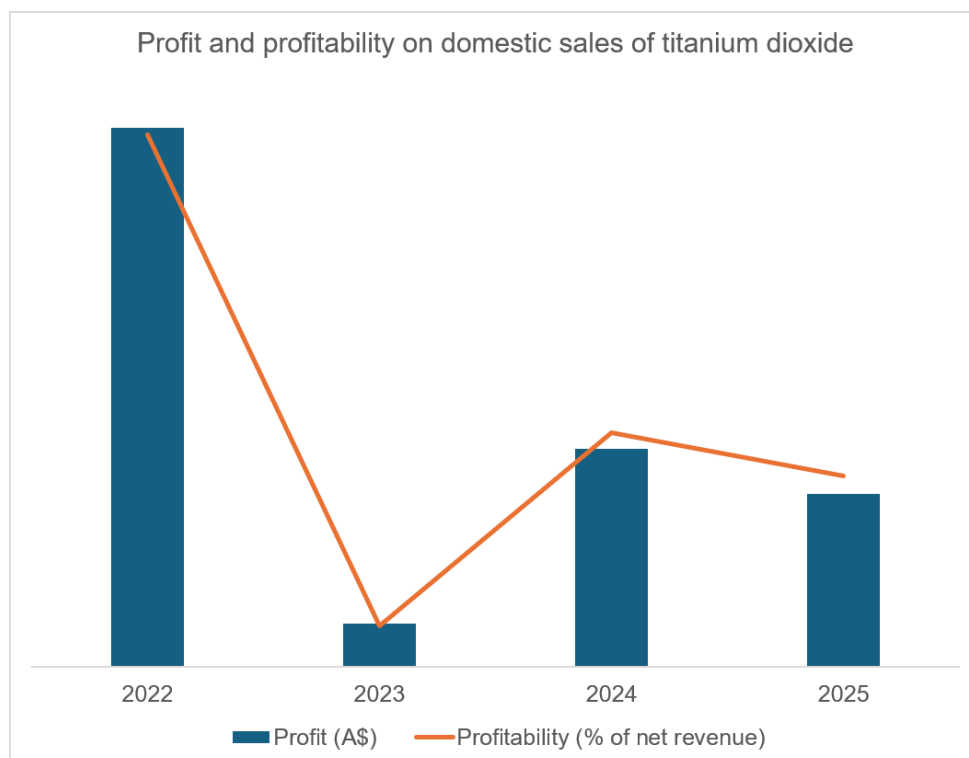


Figure 3: Tronox's profit and profitability on Australian-produced titanium dioxide¹¹

¹¹ Confidential Attachment 2.

As shown in the figure above, it is evident that profit and profitability decreased in 2023, increased in 2024, and decreased in 2025. The decrease in profit and profitability observed in 2023 can be explained by significantly lower production volumes, which resulted in higher unit production costs (refer section 8.7 for explanation of lower production volumes in 2023).

Profit and profitability decreased in 2025 because costs increased at a greater rate than prices. Further, Tronox's sales volumes and production volumes of its domestically produced goods decreased, further leading to a deterioration in profit and profitability.

Based on this analysis, the verification team considers that Tronox has experienced injury in the form of loss of profit and reduced profitability over the injury period and in the investigation period.

8.6 Other economic factors

In its application, Tronox claims that the impact on revenue and finished goods inventory provides further evidence of injury that can be attributed to dumped imports from China.

Table 3 below shows the trend in the other economic factors based on Tronox's verified data.

Other economic factors (CY 2022 = 100)				
	2022	2023	2024	2025
Value of assets	100	83	94	94
Capital investment	100	189	252	171
Research and development expenditure	100	27	48	99
Revenue on domestic sales of like goods produced in Australia	100	103	92	89
Return on investment (operating income % of revenue)	100	8	44	36
Production volume	100	82	103	103
Capacity utilisation (based on budgeted capacity for CY 2021)	100	82	103	103
Capacity utilisation (based on annual budgeted capacity)	100	104	121	120
Productivity (total factor productivity)	100	81	86	86
Employment (number of employees)	100	100	105	101
Employment (number of hours worked)	100	105	109	108
Wages paid	100	105	111	119
Accounts receivable	100	123	140	163
Finished goods inventory (closing stock)	100	84	97	109

Table 3: Other economic factors¹²

As can be seen from the table above, revenue decreased over the injury period, and decreased in 2025 relative to 2024. The decrease in revenue is consistent with the decrease in sales volumes over the same period.

Finished goods inventory also increased in 2024 and 2025. Tronox claimed that it continued to increase production volumes despite reduced sales volumes due to dumped imports. The finished goods inventory also includes production and inventory relating to exported goods, which make up the bulk of Tronox's sales. The verification team observes that Tronox's

¹² Confidential Attachment 2.

exports increased from 2023 to 2025, while its domestic sales decreased over the same period. Therefore, the increase in inventory over this period can be explained in part by the decrease in domestic sales.

8.7 Injury caused by factors other than dumping

The verification team found that Tronox's production volume decreased significantly in 2023 relative to the production volume in 2022. The production volume in 2023 was also lower than the production volume in the other years examined over the injury period.

The significantly lower production volumes in 2023 resulted in higher unit production costs and therefore the observed price suppression and loss of profit and profitability in 2023.

Tronox explained that the decrease in production in 2023 was due to an instruction from Tronox US to slow production due to the macro-economic climate. Tronox stated that 'one of the 4 lines was taken off-line'. When pressed, Tronox indicated that this relates to the Kwinana pigment plant, which has 5 chlorinators and 4 oxidisers. Tronox stated that in the December quarter of 2022 and into 2023, there was a management decision to turn one of each off, which reduced titanium tetrachloride production and subsequently, raw pigment production. This in turn reduced the finished pigment throughput rate due to lower upstream production.

Given the explanation provided for the lower production volumes, the price suppression, loss of profit and reduced profitability observed in 2023 cannot be principally attributed to competition from Chinese imports.

8.8 Conclusion

Based on the analysis of the information contained in the application and obtained and verified during the visit, the verification team considers that Tronox has experienced injury in the form of:

- loss of sales volume
- price suppression
- loss of profit and reduced profitability
- loss of revenue, and
- increased finished goods inventory.

9 Attachments

Confidential Attachment 1	Verification work program
Confidential Attachment 2	Economic condition of the Australian industry