# UNITED STATES TARIFF COMMISSION

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# TITANIUM DIOXIDE FROM WEST GERMANY

# MANUFACTURED BY

# FARBENFABRIKEN BAYER A.G.

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# Notification to the Secretary of the Treasury on Investigation No. AA1921-46 under the Antidumping Act, 1921, as Amended

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TC Publication 172 Washington, D.C. April 1966

# UNITED STATES TARIFF COMMISSION

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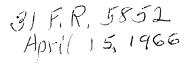
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Address all communications to United States Tariff Commission

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Washington, D.C. 20436

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UNITED STATES TARIFF COMMISSION Washington

[AA1921-46]

April 12, 1966

#### TITANIUM DIOXIDE FROM WEST GERMANY

Determination of No Injury or Likelihood Thereof

On January 14, 1966, the Tariff Commission was advised by the Assistant Secretary of the Treasury that titanium dioxide, pigment grade, from West Germany, manufactured by Farbenfabriken Bayer A.G., Leverkusen, Germany, is being, or is likely to be, sold in the United States at less than fair value as that term is used in the Antidumping Act. Accordingly, the Commission, on January 14, 1966, instituted an investigation under section 201(a) of the Antidumping Act, 1921, as amended, to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

Public notices of the institution of the investigation and of a public hearing to be held in connection therewith were published in the <u>Federal Register</u> (31 F.R. 779 and 31 F.R. 1021). The hearing was held on March 1 and 2, 1966.

In arriving at a determination in this case, due consideration was given by the Commission to all written submissions from interested parties, all testimony adduced at the hearing, and all information obtained by the Commission's staff. On the basis of the investigation, the Commission <u>1</u>/ has unanimously determined that an industry in the United States is not being, and is not likely to be, injured, or prevented from being established, by reason of the importation of titanium dioxide, pigment grade, from West Germany, manufactured by Farbenfabriken Bayer A.G., Leverkusen, Germany, sold at less than fair value, within the meaning of the Antidumping Act, 1921, as amended.

#### Statement of Reasons

Titanium dioxide (TiO<sub>2</sub>), an inert, solid, metal oxide, is the major white pigment in use today in the manufacture of a variety of products. It is produced in two basic types--anatase and rutile--which differ in the cyrstalline structure of the molecules. Both types are marketed in several grades. The various grades are produced by adding small quantities of such compounds as aluminum oxide, silica, or zinc oxide to improve color retention, chalking resistance, dispersibility, and other properties. Although there is some interchangeability between grades and types of TiO<sub>2</sub>, each type and grade is generally designed for a particular purpose.

In the United States about 60 percent of all  $\text{TiO}_2$  is used in the manufacture of paint and related products and about 15 percent is used in paper. Other uses include the manufacture of floor coverings (e.g., linoleum and similar products), rubber products, coated fabrics, printing inks, and plastics. Anatase  $\text{TiO}_2$  is used mainly in paper and rutile is used mainly in paint.

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<sup>1/</sup> Commissioner Talbot did not participate in the determination because of illness.

The domestic industry producing  $\text{TiO}_2$  is a rapidly growing industry with an expanding national market. Several new plants have been established in recent years. The plants which constitute the domestic industry generally offer their  $\text{TiO}_2$  at uniform delivered prices  $\underline{1}/$ throughout the national market. The delivered price of domestic firstclass rutile-type  $\text{TiO}_2$  of all grades has continued for a number of years at 27 cents per pound. The delivered price of domestic first-class anatase-type  $\text{TiO}_2$  of all grades, except beater-grade for paper making, has continued for a number of years at 25 cents per pound. The domestic beater-grade until November 1965 was sold at 25 cents per pound; since that date it has been sold for 22-1/2 cents per pound.

Almost all imported first-class  $\text{TiO}_2$  of either type is sold at prices generally ranging from 1 to 2 cents per pound less than the price of comparable domestic  $\text{TiO}_2$ , with the exception of imported beater-grade anatase type  $\text{TiO}_2$  which generally is sold at the price set by the domestic industry. The West German  $\text{TiO}_2$ , the subject of this investigation, has only recently entered the U.S. market. The subject  $\text{TiO}_2$ , as well as  $\text{TiO}_2$  from several other foreign countries, when sold at prices somewhat lower than the price of comparable domestic  $\text{TiO}_2$ , is so priced because the importers thereof generally cannot offer immediate deliveries; their technical services, if any, are of considerably less value to domestic

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<sup>1/</sup> The term "delivered price", used in conjunction with domestic sales of  $TiO_2$  means f.o.b. shipping point with freight allowance to destination. Shipping losses are at the risk of the buyer.

purchasers of  $\text{TiO}_2$ ; and many domestic users of  $\text{TiO}_2$  will not use the imported products because of the uncertainty of an adequate continuous supply. Many domestic manufacturers of high-priced products refuse to buy foreign  $\text{TiO}_2$  because the nominal savings do not warrant the attendant risks.

The maximum amounts of  $\text{TiO}_2$  which the importers have obtained, may now obtain, and expect to obtain, from the subject West German manufacturer are very nominal when compared with the past, present, and anticipated production and sales of domestic  $\text{TiO}_2$  in the United States. Any injury that may have been suffered to date, and any injury that is likely to be suffered in the foreseeable future, by the domestic industry by reason of the subject imports of West German  $\text{TiO}_2$  is, or would be, at the most, de minimis.

The complainant's claim that an industry is prevented from being established by reason of the subject imports of  $\text{TiO}_2$  is untenable. In view of the degree of homogeneity of the product, of the uniform pricing practice followed by the domestic producers without regard to the geographic location of their plant or customers, and in view of the fact that several new plants have been established in recent years, there is no legal or economic justification for considering the complainant's plant an industry separate and distinct from other domestic  $\text{TiO}_2$  producers. The significant difficulties being experienced by the complainant in establishing a TiO<sub>2</sub> business are not attributable to imports of TiO<sub>2</sub> from West Germany.

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The Commission's determination and the above statement of reasons in support thereof are published pursuant to section 201(c) of the Antidumping Act, 1921, as amended.

By the Commission:

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DONN N. BENT Secretary