

UNITED STATES TARIFF COMMISSION

[AA1921-36]

TC Publication 125

April 21, 1964

TITANIUM DIOXIDE FROM JAPAN

Determination of No Injury or Likelihood Thereof

On January 21, 1964, the Tariff Commission was advised by the Assistant Secretary of the Treasury that titanium dioxide from Japan 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 24, 1964, 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 Federal Register (29 F.R. 1497 and 29 F.R. 2618). The hearing was held on March 23, 1964.

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 has unani-
mously 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
from Japan, sold at less than fair value, within the meaning of
the Antidumping Act, 1921, as amended.

Statement of Reasons

Titanium dioxide (TiO_2) is the major white pigment in use
today in the manufacture of a variety of products, principally
paper and paint. It is produced in two basic types, anatase (used
mainly in paper) and rutile (used mainly in paint). Each type is
manufactured in a variety of grades which differ in their content
of TiO_2 and of additives introduced to modify specific physical
properties. There is, however, considerable interchangeability
between different grades of anatase and between different grades
of rutile, and even some interchangeability between some grades
of anatase and some grades of rutile.

Although the articles covered by this investigation consist
of both anatase and rutile types, most of the imports from Japan
(about 85 percent in 1963) have been anatase.

The domestic industry markets a wide range of grades of both
anatase and rutile types. Domestic producers quote identical

delivered prices, which vary uniformly with the quantity sold, for each type (irrespective of grade), to all points in the United States: In carload lots of 30 tons or more, domestic anatase type sells for 25 cents per pound and domestic rutile for 27 cents. Except for the elimination in December 1963 of a one-half cent per pound extra charge for TiO_2 sold for shipment west of the Rocky Mountains, domestic producers have not changed their prices for several years. This change was a direct result of the completion, by a domestic producer, of the first titanium dioxide plant west of St. Louis, Mo.

Domestic producers of TiO_2 , unlike the importers, provide a wide range of services. The value of these services to the customers varies, depending upon their requirements; it tends to be of greater value to manufacturers of paints than to manufacturers of paper.

Titanium dioxide produced domestically is sold at prices that are about 2 cents per pound higher than those for TiO_2 imported from Japan and other foreign countries. Most of the TiO_2 imported from Japan -- which is marketed throughout the United States -- is sold at prices which are about the same as those for TiO_2 imported from other countries.

Except for TiO_2 from Japan and France, titanium dioxide has not been found to be selling at less than fair value. In particular,

the Treasury Department specifically found that imports from Italy, the United Kingdom, and Finland (the principal foreign supplier of anatase) were not being sold at less than fair value.

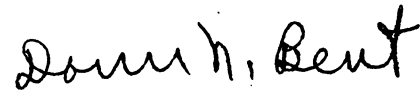
Imports of TiO_2 from Japan sold at less than fair value have never supplied more than an insignificant share of the U.S. consumption of either the anatase or the rutile type.

The domestic industry overall has shown continuous growth, though the growth has not been as great in anatase as in rutile. Changes in the market pattern (both geographically and by type of TiO_2) and technological developments are exerting strong influences; thus far, however, they have not been accompanied by price adjustments. These influences, in conjunction with the marketing practices (product offerings, sales engineering, pricing, et cetera) of the domestic industry and the impact of greater quantities of imports not sold at less than fair value, largely account for the circumstances giving rise to the complaints of the domestic industry. The Commission finds that the imports from Japan sold at less than fair value have neither caused nor are likely to cause material injury to a domestic industry within the meaning of the Antidumping Act.

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This determination and statement of reasons are published pursuant to 201(c) of the Antidumping Act, 1921, as amended.

By the Commission:

A handwritten signature in black ink that reads "Donn N. Bent". The signature is written in a cursive style with a large, prominent 'D' and 'B'.

Donn N. Bent
Secretary

