

UNITED STATES TARIFF COMMISSION

TITANIUM DIOXIDE FROM WEST GERMANY

MANUFACTURED BY

FARBENFABRIKEN BAYER A.G.

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



**TC Publication 172
Washington, D.C.
April 1966**

UNITED STATES TARIFF COMMISSION

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**Address all communications to
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Washington, D.C. 20436**

31 F.R. 5852
April 15, 1966

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 Federal Register (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 1/ 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_2), 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 crystalline 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_2 , each type and grade is generally designed for a particular purpose.

In the United States about 60 percent of all 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 TiO_2 is used mainly in paper and rutile is used mainly in paint.

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

The domestic industry producing 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 TiO_2 at uniform delivered prices ^{1/} throughout the national market. The delivered price of domestic first-class rutile-type 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 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 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 TiO_2 , with the exception of imported beater-grade anatase type TiO_2 which generally is sold at the price set by the domestic industry. The West German TiO_2 , the subject of this investigation, has only recently entered the U.S. market. The subject TiO_2 , as well as TiO_2 from several other foreign countries, when sold at prices somewhat lower than the price of comparable domestic 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

^{1/} 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 TiO_2 ; and many domestic users of 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 TiO_2 because the nominal savings do not warrant the attendant risks.

The maximum amounts of 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 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 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 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 TiO_2 producers. The significant difficulties being experienced by the complainant in establishing a TiO_2 business are not attributable to imports of TiO_2 from West Germany.

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:

A handwritten signature in cursive script, appearing to read "Donn N. Bent".

DONN N. BENT
Secretary

