

GTI-PRODUCERS REPORT

MONTHLY

GGSC-No. 08/2024

Tracking and monitoring the timber market
trend of the ITTO Producers.



The pilot countries for the GTI-Producers include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, and Mexico. In 2022, the total production quantity of logs and sawnwood in the eight countries mentioned above was 289 million cubic meters, accounting for **63.7%** of the 37 ITTO producers' total quantity.

Introduction to the GTI-Producers

GTI-Producers is a specialized prosperity index for ITTO producers, reflecting the development trend of timber harvesting and primary processing in producers represented by the pilot countries.

1. Calculation Method

The GTI-Producers was compiled using a weighted composite index method. That is, taking all timber producing countries of GTI pilot countries as a whole, each country's weight is determined based on the proportion of logs and sawnwood production quantity. GTI-Producers is calculated based on the weight.

Data basis: The data is from ITTO database, and the logs and sawnwood production quantity is the data over the 5 years (2018-2022). GGSC evaluates the weights annually to determine whether to adjust them.

Formula:

$$\text{GTI-Producers} = 52\% \times \text{GTI-Brazil} + 28\% \times \text{GTI-Indonesia} + 7\% \times \text{GTI-Thailand} + 6\% \times \text{GTI-Malaysia} + 4\% \times \text{GTI-Mexico} + 1\% \times \text{GTI-Gabon} + 1\% \times \text{GTI-ROC} + 1\% \times \text{GTI-Ghana}$$

Please refer to the GTI Monthly Report so as to find the calculation method of GTI index for each producing country.

2. Interpretation

The value of the GTI-Producers is between 0-100%, and 50% is the critical value of the index.

GTI-Producers reading above 50 percent indicates that the industry prosperity is generally expanding; below 50 percent indicates that it is generally declining.

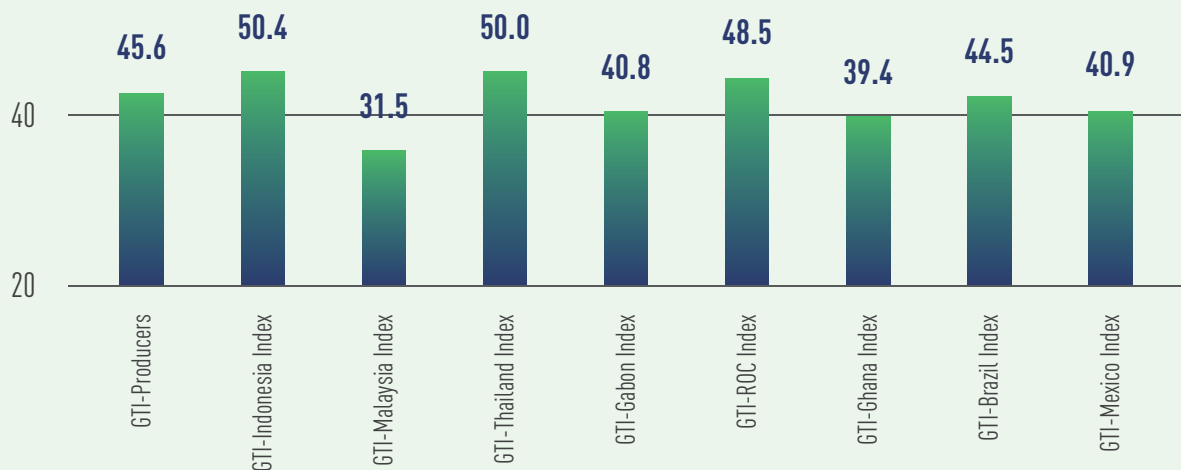
3. Index Representativeness

The pilot countries of the GTI-Producers include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico. In 2022, the total production of logs and sawnwood in the eight countries mentioned above was 289 million cubic meters, accounting for 63.7% of the 37 ITTO producers' total quantity.

GTI-Producers Report for August 2024



GTI-Producers in July 2024 (%)



In August 2024, the GTI-Producers registered 45.6% and had stayed below the critical value (50%) for four consecutive months, indicating a continued downturn for the overall prosperity of the timber harvesting and primary processing industries in the pilot producing countries. Specifically, the timber sector in both Indonesia and Thailand was relatively stable compared to the previous month, while sluggish performance was observed in other countries.

In Asia, the GTI indexes for Indonesia and Thailand rose to 50.4% and 50.0%, respectively, slightly exceeding or reaching the critical value, indicating that the overall performance of the timber sector in both countries held steady. The GTI index for Malaysia registered 31.5%, still in the contraction range below the critical value, however, the contraction had slowed down. Compared to the previous month, GTI-Indonesia sample enterprises saw a significant increase in timber harvesting, production volume, and export orders. GTI-Thailand sample enterprises also reported a large increase in timber harvesting and new orders. The timber market in Malaysia was not active in terms of supply and demand, with some sample enterprises reporting that production and transportation volumes were approaching saturation, and there was a lack of consumer demand in the timber market.

In Africa, the GTI indexes for the Republic of the Congo (ROC), Gabon, and Ghana were at 48.5%, 40.8%, and 39.4%, respectively, all in the contraction range below the critical value. Compared to the previous month, the harvesting volume

increased in Gabon, held steady in ROC, and decreased significantly in Ghana. On the demand side, the volume of orders for GTI sample enterprises in all the three countries decreased compared to the previous month, so the enterprises were seeking to expand into markets such as Asia and the Middle East, and wanted to enhance communications with international clients. In the meantime, they were also hoping for support from the government in the form of tax reductions and enhanced marketing efforts for the timber sector.

In Latin America, the GTI indexes for Brazil and Mexico registered 44.5% and 40.9%, respectively, both in the contraction range below the critical value, however, the contraction had narrowed. The exchange rate of the US dollar against the Brazilian real had not yet stabilized, which had a certain negative impact on the sales opportunities in Brazilian domestic market. However, the number of existing orders held by GTI-Brazil sample enterprises increased compared to the previous month, providing momentum for following production. As to the timber sector in Mexico, the production activities of enterprises had also slowed down at the time when the country was experiencing government change.

Overview of GTI Indexes for Pilot Countries (%)



	2024.5	2024.6	2024.7	2024.8	MoM	Performance
GTI-Producers	39.2	48.0	41.2	45.6	4.4 ↑	Contract
GTI-Indonesia Index	42.1	51.5	46.4	50.4	4.0 ↑	Expand
GTI-Malaysia Index	30.1	33.3	25.7	31.5	5.8 ↑	Contract
GTI-Thailand Index	43.1	59.5	48.4	50.0	1.6 ↑	Stable
GTI-Gabon Index	37.2	41.2	46.4	40.8	-5.6 ↓	Contract
GTI-ROC Index	40.7	43.2	48.1	48.5	0.4 ↑	Contract
GTI-Ghana Index	-	-	46.8	39.4	-7.4 ↓	Contract
GTI-Brazil Index	37.9	46.5	39.2	44.5	5.3 ↑	Contract
GTI-Mexico Index	42.5	47.2	37.0	40.9	3.9 ↑	Contract

ITTO Producers



Africa (14)

- Angola
- Benin
- Cameroon
- Central African Republic
- Congo
- Côte d'Ivoire
- Democratic Republic of the Congo
- Gabon
- Ghana
- Liberia
- Madagascar
- Mali
- Mozambique
- Togo

Asia & Pacific (10)

- Cambodia
- Fiji
- India
- Indonesia
- Malaysia
- Myanmar
- Papua New Guinea
- Philippines
- Thailand
- Viet Nam

Latin America (13)

- Brazil
- Colombia
- Costa Rica
- Ecuador
- Guatemala
- Guyana
- Honduras
- Mexico
- Panama
- Peru
- Suriname
- Trinidad and Tobago
- Venezuela (Bolivarian Republic of)



ITTO
INTERNATIONAL TROPICAL
TIMBER ORGANIZATION

About ITTO

The International Tropical Timber Organization, ITTO for short, is an intergovernmental organization promoting the sustainable management and conservation of tropical forests and the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests. It located in Yokohama, Japan. At present, there are 76 ITTO members countries. ITTO's membership represents about 90% of the global tropical timber trade and more than 80% of the world's tropical forests.



全球林产品绿色供应链倡议
GLOBAL GREEN SUPPLY CHAINS INITIATIVE

About GGSC

Global Green Supply Chains Initiative (GGSC) is part of the Legal and Sustainable Supply Chains (LSSC) Programme, which was approved at the 53rd session of the International Tropical Timber Council for being included into the Biennial Work Programme (BWP) of International Tropical Timber Organization (ITTO). Launched in 2018 by leading Chinese enterprises in forest products industry, GGSC became an international initiative in 2019. Since then, GGSC has been acting as a global platform for serving the sustainable development of the forest products industry.

Declaration

GTI-Producers Report is compiled based on the data provided by the timber enterprises in timber producing countries. The data can not be used in investment decision-making, but can help to understand the timber industry trend.

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