

GTI-PRODUCERS REPORT

MONTHLY

GGSC-No. 10/2024

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



ITTO
INTERNATIONAL TROPICAL
TIMBER ORGANIZATION



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

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.

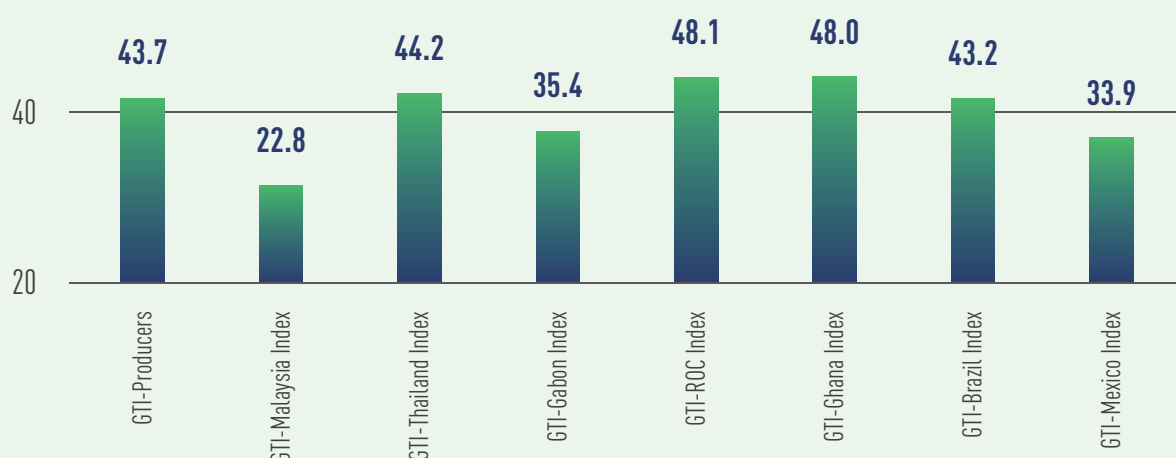
3. Index Representativeness

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 October 2024



GTI-Producers in October 2024 (%)



In October 2024, the GTI-Producers registered 43.7% and had stayed below the critical value (50%) for six consecutive months, indicating a continued downturn for the overall prosperity of the timber harvesting and primary processing industries in the pilot producing countries.

In Asia, the GTI indexes for Thailand and Malaysia registered 44.2% and 22.8%, respectively, both in the contraction range below the critical value. In Thailand, the volume of timber harvesting declined for two consecutive months, the production remained relatively stable, while the volume of new orders slightly decreased. In Malaysia, both supply and demand sides of the timber sector were contracting, and in particular, the volume of harvesting had been decreasing significantly for three consecutive months, due to weak domestic and international demand, and unfavorable weather. In addition, the Malaysian government has imposed restrictions on harvesting in order to fulfill its commitment to forest conservation, which also contributed to the decline in harvesting.

In Africa, the GTI indexes for the Republic of the Congo (ROC), Ghana, and Gabon were at 48.1%, 48.0%, and 35.4%, respectively, all in the contraction range below the critical value, however, the contraction in the timber markets of the three countries had all eased. In Ghana, there was a slight decline in harvesting,

production, and orders. In Gabon and ROC, the volume of harvesting had decreased for two consecutive months, however, the production volume held steady when compared to the previous month. On the demand side, ROC's export performance was relatively stable, while the domestic market contracted slightly. As to Gabon, both domestic and international demand had been declining for several months. Due to insufficient demand in the global timber market, rising raw material prices, and limitations in local logistics facilities, African enterprises still faced significant operation and production pressures.

In Latin America, the GTI indexes for Brazil and Mexico registered 43.2% and 33.9%, respectively, both in the contraction range below the critical value. The timber sector in both countries saw a decline in harvesting, production, and orders, when compared to the previous month. The main reason is unfavorable weather affected the efficiency of harvesting, and insufficient market demand resulted in reduced orders and a slowdown in enterprises' production. Additionally, the timber sector in both countries faced logistics challenges. For example, GTI-Brazil enterprises reported slow export clearance and high maritime freight costs. And in Mexico, the increase in traffic had strained capacity at seafreight gateways and pushed average import container dwell time to 11 days, well beyond the seven-day grace period before storage charges kick in.

Overview of GTI Indexes for Pilot Countries (%)



	2024.05	2024.06	2024.07	2024.08	2024.09	2024.10	MoM	Performance
GTI-Producers	39.2	48.0	41.2	45.6	49.1	43.7	-5.4 ↓	Contract
GTI-Indonesia Index	42.1	51.5	46.4	50.4	50.4 (Estimate)	50.4 (Estimate)	0	Expand
GTI-Malaysia Index	30.1	33.3	25.7	31.5	29.0	22.8	-6.2 ↓	Contract
GTI-Thailand Index	43.1	59.5	48.4	50.0	49.1	44.2	-4.9 ↓	Contract
GTI-Gabon Index	37.2	41.2	46.4	40.8	26.3	35.4	9.1 ↑	Contract
GTI-ROC Index	40.7	43.2	48.1	48.5	44.9	48.1	3.2 ↑	Contract
GTI-Ghana Index	-	-	46.8	39.4	46.7	48.0	1.3 ↑	Contract
GTI-Brazil Index	37.9	46.5	39.2	44.5	52.3	43.2	-9.1 ↓	Contract
GTI-Mexico Index	42.5	47.2	37.0	40.9	37.1	33.9	-3.2 ↓	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)



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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.



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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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