



ITTO
INTERNATIONAL TROPICAL
TIMBER ORGANIZATION



This report was prepared by GGSC, with support of ITTO and IPIM, and Focal Points of Indonesia, Malaysia, Thailand, Gabon, Republic of Congo, Ghana, Brazil, Mexico and China.

GTI REPORT 2025

Global Timber Index

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Malaysia

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Gabon

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Thailand

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Ghana

- Forestry Commission

China

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Mexico

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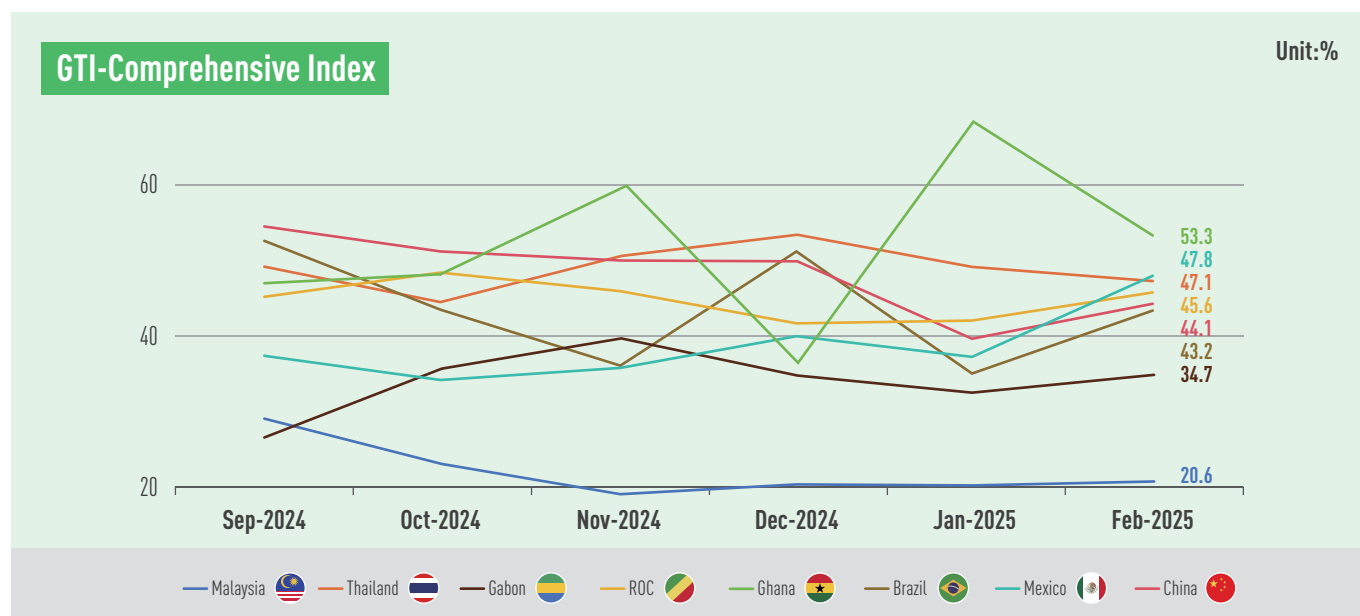


GTI REPORT 2025 FEBRUARY



Overview of the GTI Index

Timber markets in Asia, Africa, and Latin America are showing encouraging signs of a turnaround



The Global Timber Index (GTI) Report for February 2025 reveals encouraging developments in the global timber market. The GTI for Ghana was at 53.3%, above the critical value of 50% for the second consecutive month and signaling an overall improvement in its timber sector. The GTI for Thailand stood at 47.1%, with harvesting, production, and domestic orders all showing positive signs despite a decline in export orders. Compared to the previous month, the GTIs for Mexico (47.8%), the Republic of the Congo (45.6%), China (44.1%), Brazil (43.2%), Gabon (34.7%), and Malaysia (20.6%) rose by 10.7, 3.7, 4.6, 8.3, 2.3, and 0.5 percentage point(s) respectively, indicating an easing in the downward trends in those timber sectors.

Positive signs are evident in some of the GTI sub-indices. Thailand continued to see growth in timber production; Mexico's domestic market improved; in Ghana, the total volume of existing orders was relatively sufficient, providing short-term support for production and business activities in its sector; in addition, Chinese enterprises were relatively optimistic about the overall trend of the timber market over the next six months.

Several countries increased policy support for their timber markets this month. On February 27, Thailand's Ministry of Commerce announced the simplification of export procedures for the export of Thai wooden products. Except for Siamese Rosewood, which remains banned from export, companies are no longer required to obtain a permit to export these wooden products. And it is expected that the cancellation of the requirement to get permit will greatly reduce complicated steps and costs for Thai

wood traders. On February 19, Gabon's Transitional President announced that the government would immediately allocate 30 billion FCFA to revive stalled construction projects, and the move is expected to boost the construction sector's demand for timber. On February 25, Brazil's Chamber of Deputies unanimously approved the Complementary Bill No. 167/2024 (Projeto de Lei Complementar nº 167/2024) and then submitted it to the Senate for review. The bill stipulates the refund of taxes equivalent to 3% of export revenue for micro and small exporting companies, which will ease tax burden on their timber exports.

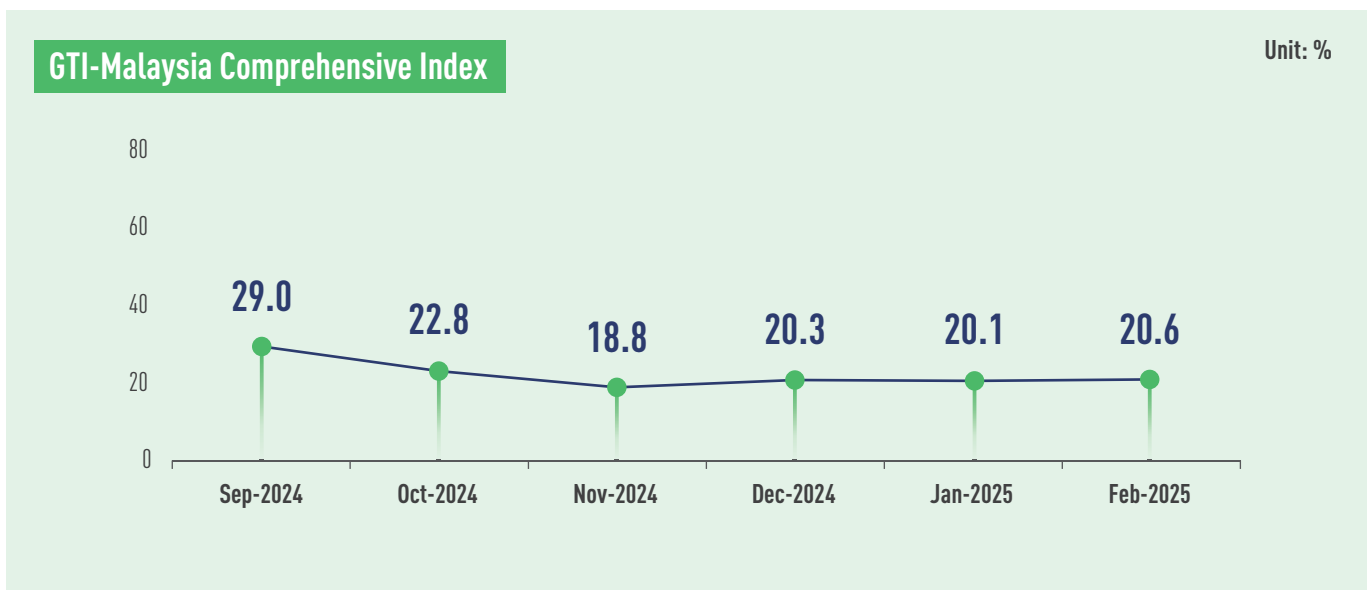
In the realm of sustainable forest management, GTI pilot countries also made some progress. Brazil's National Biodiversity Commission (Conabio) established national biodiversity targets for the period 2025 to 2030, including a target of achieving zero deforestation in the country. Mexico's National Forestry Commission (CONAFOR) released "Operational Rules of the Sustainable Forest Development Programme for Well-Being 2025" (Reglas de Operación del programa Desarrollo Forestal Sustentable para el Bienestar 2025), aiming to support owners, legitimate possessors and inhabitants of forest areas to implement actions that contribute to the protection, conservation, restoration and sustainable management of forests. Congo's web portal for the Project "Operationalization of the National System for Measurement, Notification and Verification (SYNA-MNV) of the Republic of the Congo" had completed more than eighty percent of its construction. The portal is a platform for showcasing Congo's forest monitoring data, featuring three core functions: querying photographic and statistical data, disseminating information, and generating reports.

1. The Global Timber Index (GTI) is an index system that comprehensively reflects the overall trend of global timber production and trade. It is completed by the participation of major ITTO timber producers and consumers members. The survey covers timber harvesting, trade, manufacturing including production, orders, imports and exports, employees, inventory and raw material prices and other business indicators. It is of a great significance as a guide to business operations, industry investment, and will aid formulation of national policies.

2. The GTI index reflects the monthly prosperity trend of a country's timber market. It does not reflect the competitiveness of a country's timber market, can not be used for ranking or comparing the timber market among countries.



GTI-Malaysia Index in February 2025



Malaysia's timber product exports rose 4.9 per cent in 2024 to RM22.9 billion, up from RM21.85 billion in 2023, according to the Plantation and Commodities Ministry of Malaysia. This positions the timber industry as the third largest contributor to commodity exports after palm oil and rubber. Sarawak recorded a nearly 10 per cent decline in export earnings from the timber sector, amounting to approximately RM2.84 billion in 2024, compared to RM3.14 billion in 2023. And the decrease in year-on-year export receipts was primarily due to a significant drop in revenue from plywood and log exports. Currently, Malaysia is developing a national carbon credit system for the forestry sector, termed the Forest Carbon Offset (FCO) mechanism, to promote transparent carbon trading and prevent greenwashing. It is said that the FCO mechanism will serve as Malaysian primary mechanism for generating carbon credits in the forestry sector for domestic and international markets.

In February 2025, the GTI-Malaysia index registered 20.6%, an increase of 0.5 percentage point from the previous month, was below the critical value (50%) for 28 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Malaysia index shrank from last month.

As for the twelve sub-indexes, one index (inventory of finished products) was at the critical value, while the remaining eleven indexes (harvesting, production, new orders, export

orders, existing orders, purchase quantity, purchase price, inventory of main raw materials, employees, delivery time, and market expectation) were all below the critical value. Compared to the previous month, the indexes for harvesting, production, export orders, existing orders, employees, and market expectation increased by 5.0-7.2 percentage points; the indexes for inventory of finished products and delivery time were unchanged from the previous month; and the indexes for new orders, purchase quantity, purchase price, and inventory of main raw materials declined by 5.0-16.7 percentage points.



Log Cross Cut in Tan Chee Seng Sawmill Perak, Malaysia. Photo: Khairul nizam

Table: Overview of GTI-Malaysia Sub-Indexes (%)

	2024.09	2024.10	2024.11	2024.12	2025.01	2025.02	MoM	Performance
Comprehensive Index	29.0	22.8	18.8	20.3	20.1	20.6	0.5 ↑	Contract
Harvesting Index	28.6	0.0	14.3	0.0	7.1	14.3	7.2 ↑	Contract
Production Index	27.8	22.2	22.2	12.5	12.5	18.8	6.3 ↑	Contract
New Orders Index	30.0	25.0	15.0	30.0	30.0	25.0	-5.0 ↓	Contract
Export Orders Index	30.0	30.0	25.0	25.0	20.0	25.0	5.0 ↑	Contract
Existing Orders Index	35.0	40.0	30.0	30.0	30.0	35.0	5.0 ↑	Contract
Inventory Index of Finished Products	60.0	60.0	45.0	50.0	50.0	50.0	0.0	Stable
Purchase Quantity Index	16.7	16.7	16.7	27.8	27.8	22.2	-5.6 ↓	Contract
Purchase Price Index	55.6	61.1	50.0	55.6	61.1	44.4	-16.7 ↓	Contract
Inventory Index of Main Raw Materials	38.9	22.2	22.2	16.7	16.7	11.1	-5.6 ↓	Contract
Employees Index	25.0	25.0	20.0	20.0	15.0	20.0	5.0 ↑	Contract
Delivery Time Index	27.8	16.7	16.7	16.7	22.2	22.2	0.0	Contract
Market Expectation Index	-	-	-	-	5.0	10.0	5.0 ↑	Contract



Main Challenges Reported by GTI-Malaysia Enterprises

- There was a lack of orders.
- The supply of raw materials was limited.
- Plywood demand in Japan was decreasing.
- The cost of raw materials (woodwaste) was high.
- There was a shortage of logs suitable for producing face veneer.
- There was a shortage of plywood demand for export, and at the same time, there was a lack of logs.
- Freight cost to USA increased.

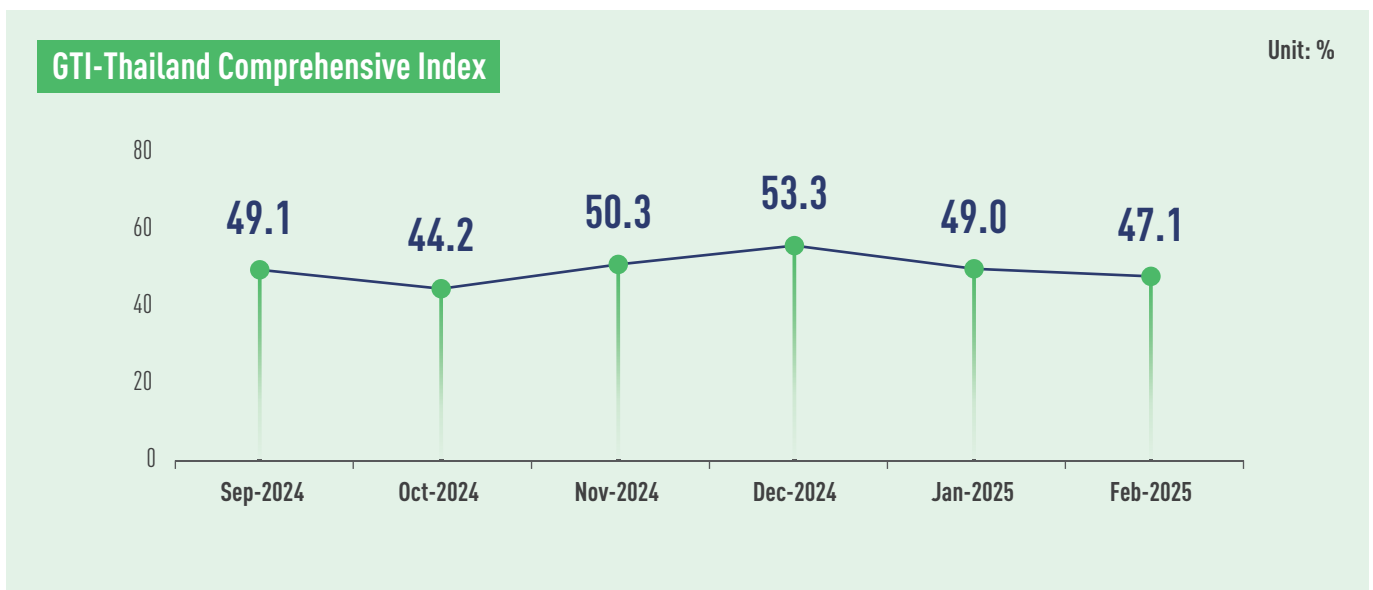


Main Suggestions from GTI-Malaysia Enterprises

- Slow down production.
- Retain woodchips for local consumption.
- Suggest that the government increase spending on building and infrastructure expansion, so as to increase consumption of building materials and sawnwood.



GTI-Thailand Index in February 2025



The Director-General of the Department of Business Development under Thailand's Ministry of Commerce revealed that in January 2025, 8,862 new companies were established in Thailand, marking a 102% increase from December 2024. Among these, the construction and real estate sectors saw the highest number of new businesses. Thai TV Channel 7 said that on February 27, the Ministry of Commerce announced the simplification of export procedures for the export of Thai wooden products. Except for Siamese Rosewood, which remains banned from export, companies are no longer required to obtain a permit to export these wooden products. And it is expected that the cancellation of the requirement to get permit will greatly reduce complicated steps and costs for Thai wood traders. The Thailand Greenhouse Gas Management Organization (TGO) recently revealed that from October to December 2024, Thailand's forestry and agriculture sectors completed trade of 10,232 tonnes of carbon dioxide equivalent (tCO₂e) through carbon dioxide reduction and sequestration projects, which resulted in a total trade value of 13.56 million baht. Carbon credits from the forestry sector were traded at 300-2,076 baht per tCO₂e. The TGO revealed that 21.43 million tCO₂e of carbon credits had been approved and 1.95 million tCO₂e had been purchased for carbon offsetting, leaving 19.48 million tCO₂e available in the Thai market.

In February 2025, the GTI-Thailand index registered 47.1%, a decrease of 1.9 percentage points from the previous month, was below the critical value (50%) for 2 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Thailand index shrank from last month. This month, the volume of timber harvesting in Thailand was relatively stable, and the production saw a slight increase. On the demand side, despite a decline in export orders, the domestic orders increased significantly.

As for the twelve sub-indexes, two indexes (production, and purchase price) were above the critical value of 50%, four indexes (harvesting, new orders, employees, and market expectation) were at the critical value, while the remaining six indexes (export orders, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, and delivery time) were below the critical value. Compared to the previous month, the indexes for harvesting, production, existing orders, purchase price, employees, delivery time, and market expectation increased by 1.0-10.7 percentage point(s), and the indexes for new orders, export orders, inventory of finished products, purchase quantity, and inventory of main raw materials declined by 3.8-33.9 percentage points.

Table: Overview of GTI-Thailand Sub-Indexes (%)

	2024.09	2024.10	2024.11	2024.12	2025.01	2025.02	MoM	Performance
Comprehensive Index	49.1	44.2	50.3	53.3	49.0	47.1	-1.9 ↓	Contract
Harvesting Index	41.7	33.3	50.0	38.9	39.3	50.0	10.7 ↑	Stable
Production Index	46.9	50.0	58.3	54.5	52.6	53.6	1.0 ↑	Expand
New Orders Index	58.8	46.2	53.8	62.5	55.3	50.0	-5.3 ↓	Stable
Export Orders Index	38.9	30.0	58.3	60.0	71.4	37.5	-33.9 ↓	Contract
Existing Orders Index	55.9	38.5	38.5	42.3	40.0	46.7	6.7 ↑	Contract
Inventory Index of Finished Products	35.3	23.1	50.0	34.6	50.0	30.0	-20.0 ↓	Contract
Purchase Quantity Index	50.0	29.2	45.8	45.8	50.0	46.2	-3.8 ↓	Contract
Purchase Price Index	53.3	54.2	50.0	53.8	63.2	67.9	4.7 ↑	Expand
Inventory Index of Main Raw Materials	32.4	23.1	37.5	38.5	44.7	17.9	-26.8 ↓	Contract
Employees Index	47.1	46.2	50.0	42.3	40.0	50.0	10.0 ↑	Stable
Delivery Time Index	47.1	42.3	38.5	57.7	45.0	46.4	1.4 ↑	Contract
Market Expectation Index	-	-	-	50.0	42.5	50.0	7.5 ↑	Stable



Main Challenges Reported by GTI-Thailand Enterprises

- Production costs increased.
- Customers paid late.
- The supply of sawnwood raw materials was insufficient.
- The global wood market was slowing down, and product sales were decreasing.
- The real estate sector prioritized releasing houses in stock, while the building of new houses progressed slowly.
- Intense competition in sales drove buyers to use bidding methods, which resulted in lower prices.

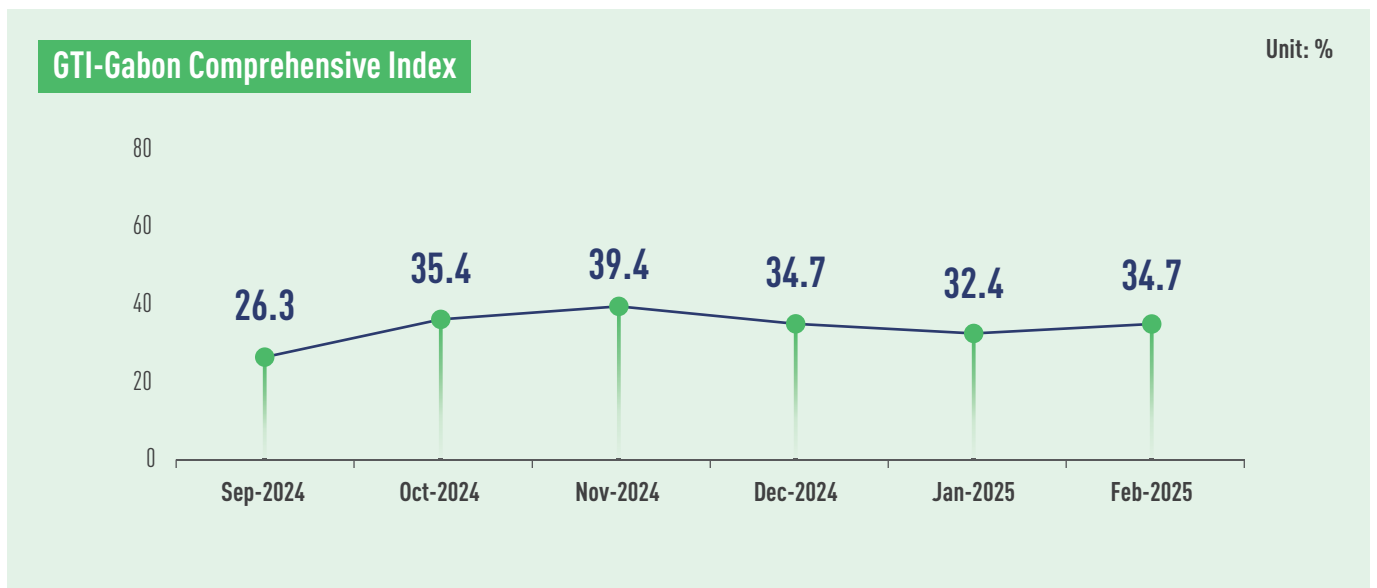


Main Suggestions from GTI-Thailand Enterprises

- Increase liquidity in the market.
- Order sawnwood from other factories to use and keep it in stock at all times.
- Try to develop new products in the environmental protection field, so as to create advantages among more customer groups.



GTI-Gabon Index in February 2025



In response to ongoing electricity supply challenges, the construction of Owendo Gas-Fired Power Plant is expected to begin in June 2025. The project, with a total investment of 77 billion FCFA, is scheduled to be completed in 2027. Currently, the installed electricity generation capacity in Gabon stands at 704 MW, and the country plans to increase this installed capacity to 1,280 MW by the end of the year, in order to meet a projected demand of around 1,039 MW. Over the past few months, Gabon's construction sector had been facing financial constraints and payment delays. To address these issues, Gabon's Transitional President, Brice Clotaire Oligui Nguema, announced on February 19 that the government would immediately allocate 30 billion FCFA to revive stalled construction projects. On February 5, Taranis, an investment company under the oil company Perenco, announced the acquisition of a 35% stake in Rougier Afrique International, symbolizing the entry of a major player in the oil sector into forest management, which is an important area for the Gabonese economy. And relevant news said that through its Gabonese subsidiaries, Rougier exploits approximately 895,000 hectares of forests and produces approximately 300,000 cubic meters of logs per year.

In February 2025, the GTI-Gabon index registered 34.7%, an increase of 2.3 percentage points from the previous month, was below the critical value (50%) for 19 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Gabon index shrank from last month, however, the contraction had eased a little.

As for the twelve sub-indexes, the purchase price index was at the critical value of 50%, while the remaining eleven indexes were all below the critical value. Compared to the previous month, the indexes for production, existing orders, purchase price, and delivery time increased by 2.9-10.7 percentage points; the index for inventory of main raw materials was unchanged from the previous month; and the indexes for harvesting, new orders, export orders, inventory of finished products, purchase quantity, employees, and market expectation declined by 0.3-16.5 percentage point(s).

Table: Overview of GTI-Gabon Sub-Indexes (%)

	2024.09	2024.10	2024.11	2024.12	2025.01	2025.02	MoM	Performance
Comprehensive Index	26.3	35.4	39.4	34.7	32.4	34.7	2.3 ↑	Contract
Harvesting Index	23.3	25.0	27.8	23.1	36.7	25.0	-11.7 ↓	Contract
Production Index	26.9	50.0	37.5	40.0	25.0	35.7	10.7 ↑	Contract
New Orders Index	18.8	26.9	31.8	21.4	32.4	30.0	-2.4 ↓	Contract
Export Orders Index	25.0	31.3	33.3	31.3	38.5	35.7	-2.8 ↓	Contract
Existing Orders Index	21.9	34.6	22.7	17.9	35.3	40.0	4.7 ↑	Contract
Inventory Index of Finished Products	25.0	34.6	36.4	42.9	35.3	30.0	-5.3 ↓	Contract
Purchase Quantity Index	34.6	33.3	50.0	38.9	27.3	25.0	-2.3 ↓	Contract
Purchase Price Index	38.5	55.6	62.5	62.5	41.7	50.0	8.3 ↑	Stable
Inventory Index of Main Raw Materials	30.8	50.0	57.1	50.0	41.7	41.7	0	Contract
Employees Index	28.1	23.1	40.9	32.1	35.3	35.0	-0.3 ↓	Contract
Delivery Time Index	34.6	35.0	43.8	45.8	34.6	37.5	2.9 ↑	Contract
Market Expectation Index	-	-	-	42.3	61.5	45.0	-16.5 ↓	Contract



Main Challenges Reported by GTI-Gabon Enterprises

- Cash flow was tight.
- The volume of harvesting decreased.
- There was customs problem related to high cost of inputs.
- There was a decline in orders from customers.
- The market prices of forest products fell.
- It took a long time to wait for the reply regarding port documents.
- Export tariffs increased, and the road conditions were poor.

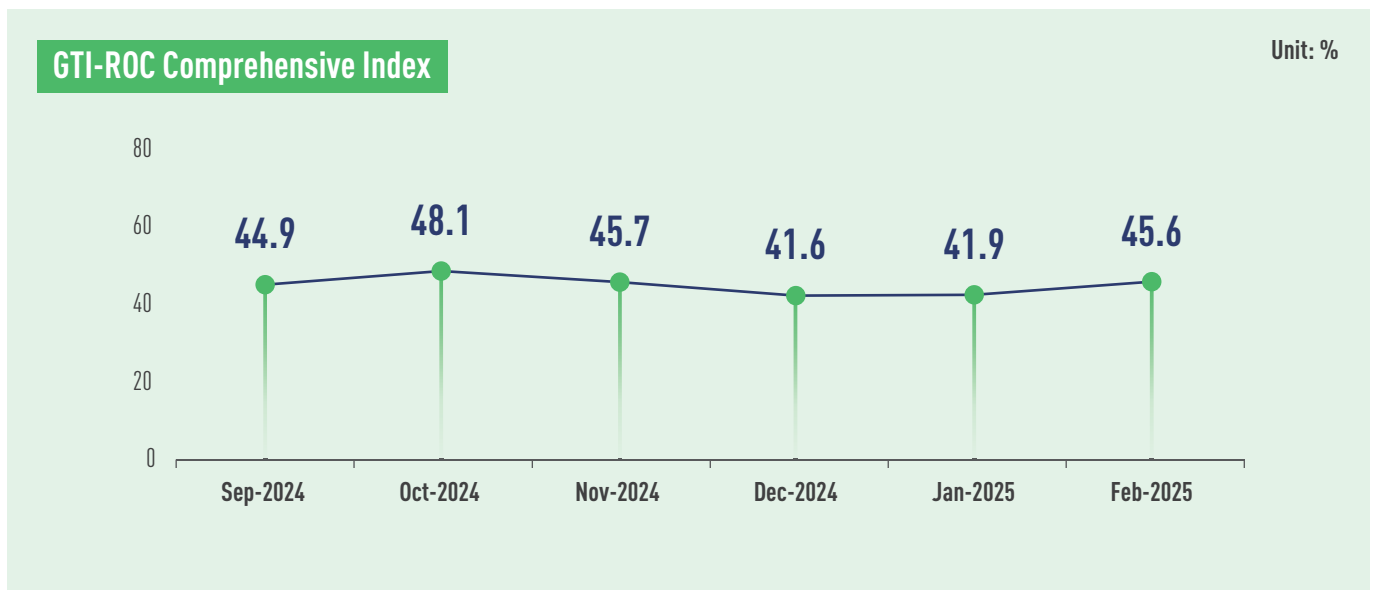


Main Suggestions from GTI-Gabon Enterprises

- Improve road and rail facilities.
- The government increases its support for forestry enterprises.
- Speed up administrative processes in the supply chain.
- Increase the number of employees and reduce procurement costs.
- Enhance competitiveness through certification.
- Formulate policies to improve market conditions and increase the value of wood products.



GTI-ROC Index in February 2025



During the fifth regular session of the Senate of the Republic of the Congo (ROC), the President of the Senate, Pierre Ngolo, stated that the meeting focuses on issues related to fuel and energy, and challenges such as fuel shortages, recurring power and water cuts, as well as transport difficulties, require serious and rigorous attention. The meeting is expected to conclude in April, with other important topics such as the establishment of a Congolese maritime affairs agency. On February 6, the AD Ports Group and the CMA CGM signed a shareholders' agreement to form a joint venture for the development, management, and operation of the New East Mole Multipurpose Terminal in Pointe Noire of ROC. The terminal is projected to drive an annual growth of 3% to 5% in the country's container volume, enhancing the country's integration into the global trade network. News from ROC's Ministry of Forest Economy said that the web portal of the Project "Operationalization of the National System for Measurement, Notification and Verification (SYNA-MNV) of the Republic of the Congo" had completed more than eighty percent of its construction. Amelie ARQUIERO, Principal Technical Advisor of the SYNA-MNV Project, indicated that the portal is a platform for showcasing Congo's forest monitoring data, and it features three core functions: querying photographic and statistical data, disseminating information, and generating reports, covering fields such as forest monitoring, REDD+ (Reducing Emissions from Deforestation and Forest Degradation) activities, etc.

In February 2025, the GTI-ROC index registered 45.6%, an increase of 3.7 percentage points from the previous month, was below the critical value (50%) for 28 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-ROC index shrank from last month. Although there was a slight decline in timber harvesting and production this month, the total volume of new orders remained stable compared to the previous month.

As for the twelve sub-indexes, five indexes (new orders, purchase quantity, inventory of main raw materials, delivery time, and market expectation) were at the critical value of 50%, while the remaining seven indexes (harvesting, production, export orders, existing orders, inventory of finished products, purchase price, and employees) were all below the critical value. Compared to the previous month, the indexes for harvesting, production, new orders, purchase quantity, inventory of main raw materials, delivery time, and market expectation increased by 1.5-16.7 percentage points; the index for purchase price was unchanged from the previous month; and the indexes for export orders, existing orders, inventory of finished products, and employees declined by 0.7-8.3 percentage point(s).

Table: Overview of GTI-ROC Sub-Indexes (%)

	2024.09	2024.10	2024.11	2024.12	2025.01	2025.02	MoM	Performance
Comprehensive Index	44.9	48.1	45.7	41.6	41.9	45.6	3.7 ↑	Contract
Harvesting Index	45.5	45.0	50.0	43.8	45.7	47.2	1.5 ↑	Contract
Production Index	45.5	50.0	50.0	45.8	45.5	47.2	1.7 ↑	Contract
New Orders Index	48.0	47.7	47.7	46.0	47.9	50.0	2.1 ↑	Stable
Export Orders Index	42.9	50.0	47.6	45.8	50.0	41.7	-8.3 ↓	Contract
Existing Orders Index	44.0	50.0	47.7	46.0	50.0	44.4	-5.6 ↓	Contract
Inventory Index of Finished Products	44.0	47.7	45.5	44.0	47.9	47.2	-0.7 ↓	Contract
Purchase Quantity Index	50.0	50.0	33.3	33.3	33.3	50.0	16.7 ↑	Stable
Purchase Price Index	33.3	50.0	33.3	50.0	33.3	33.3	0	Contract
Inventory Index of Main Raw Materials	50.0	50.0	40.0	25.0	33.3	50.0	16.7 ↑	Stable
Employees Index	44.0	45.5	45.5	46.0	45.8	41.7	-4.1 ↓	Contract
Delivery Time Index	50.0	50.0	50.0	19.6	47.4	50.0	2.6 ↑	Stable
Market Expectation Index	-	-	-	48.2	48.1	50.0	1.9 ↑	Stable



Main Challenges Reported by GTI-ROC Enterprises

- Some enterprises faced cash flow problems.
- The logistics for products were slow.
- Rains had restricted production and operations.
- Fuel supply was insufficient for the production.

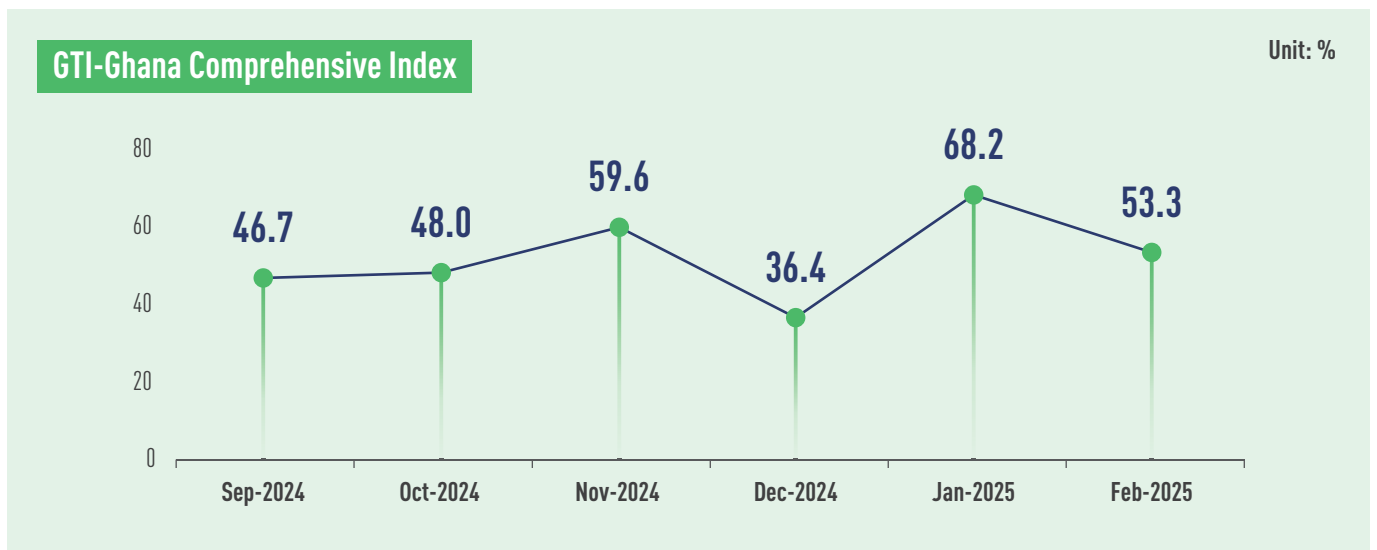


Main Suggestions from GTI-ROC Enterprises

- Ensure fuel supply for enterprises.
- Adjust the schedule of field operation according to the weather.
- Improve road conditions to increase logistics speed.



GTI-Ghana Index in February 2025



The 2024 Annual Trade Report by Ghana Statistical Service (GSS) revealed a positive trade performance for Ghana, with total exports reaching GH¢294.9 billion, surpassing imports of GH¢250.2 billion, and yielding a trade surplus of GH¢44.7 billion. The Government Statistician said Asia remained the main export destination, followed by Europe and Africa. In a speech in the Western Region, the President of Ghana said the Western Region had long been the bedrock of Ghana's economy through its rich wealth like timber, gold and oil, and contributed immensely to the country's growth. He also noted that for a long time, it had not received its fair share of development, so the Western Region would be prioritized in the national development agenda. On February 19, the Minister for Lands and Natural Resources of Ghana addressed Parliament and pointed out that illegal mining had caused severe environmental devastation. Out of Ghana's 288 forest reserves, 44 are under siege by illegal miners, resulting in the destruction of over 5,000 hectares of forest land. To combat the crisis, he outlined a series of short, medium, and long-term measures, such as the "Tree for Life" reforestation initiative and stricter enforcement of mining controls through legislative instruments.

In February 2025, the GTI-Ghana index registered 53.3%, a decrease of 14.9 percentage points from the previous month, was above the critical value (50%) for 2 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Ghana index expanded from the previous month. Specifically, the volume of new orders in Ghana's timber sector declined this month. However, the total volume of existing orders was relatively sufficient, providing short-term support for production and business activities in the sector.

As for the twelve sub-indexes, five indexes (existing orders, inventory of finished products, purchase price, inventory of main raw materials, and employees) were above the critical value of 50%, two indexes (production, and market expectation) were at the critical value, while the remaining five indexes (harvesting, new orders, export orders, purchase quantity, and delivery time) were all below the critical value. Compared to the previous month, the indexes for existing orders and inventory of finished products increased by 3.2-20.7 percentage points; the index for market expectation was unchanged from the previous month; and the indexes for harvesting, production, new orders, export orders, purchase quantity, purchase price, inventory of main raw materials, employees, and delivery time declined by 1.5-35.8 percentage points.



Factory of AKWADIASO COMPANY LIMITED, Ghana. Photo: Peter Zormelo

Table: Overview of GTI-Ghana Sub-Indexes (%)

	2024.09	2024.10	2024.11	2024.12	2025.01	2025.02	MoM	Performance
Comprehensive Index	46.7	48.0	59.6	36.4	68.2	53.3	-14.9 ↓	Expand
Harvesting Index	50.0	44.0	54.2	36.8	42.0	34.1	-7.9 ↓	Contract
Production Index	47.8	43.1	62.0	20.0	75.0	50.0	-25.0 ↓	Stable
New Orders Index	43.5	43.3	54.0	35.0	34.6	15.2	-19.4 ↓	Contract
Export Orders Index	36.8	40.7	50.0	44.4	23.9	2.3	-21.6 ↓	Contract
Existing Orders Index	45.7	36.7	44.0	47.5	42.3	63.0	20.7 ↑	Expand
Inventory Index of Finished Products	63.0	50.0	56.0	50.0	57.7	60.9	3.2 ↑	Expand
Purchase Quantity Index	37.5	44.4	54.3	37.5	34.6	28.3	-6.3 ↓	Contract
Purchase Price Index	76.2	82.7	86.4	55.3	98.0	76.1	-21.9 ↓	Expand
Inventory Index of Main Raw Materials	36.8	42.6	56.8	50.0	58.0	56.5	-1.5 ↓	Expand
Employees Index	32.6	48.3	50.0	37.5	92.3	56.5	-35.8 ↓	Expand
Delivery Time Index	47.8	53.3	58.3	40.0	44.2	34.8	-9.4 ↓	Contract
Market Expectation Index	-	-	-	50.0	50.0	50.0	0.0	Stable



Main Challenges Reported by GTI-Ghana Enterprises

- The cost of utilities was high.
- Taxes, including tariffs, were high.
- The cost of raw materials was high.
- The power supply was unstable.
- Logging equipment frequently broke down.
- There was a shortage of raw materials due to poor roads.

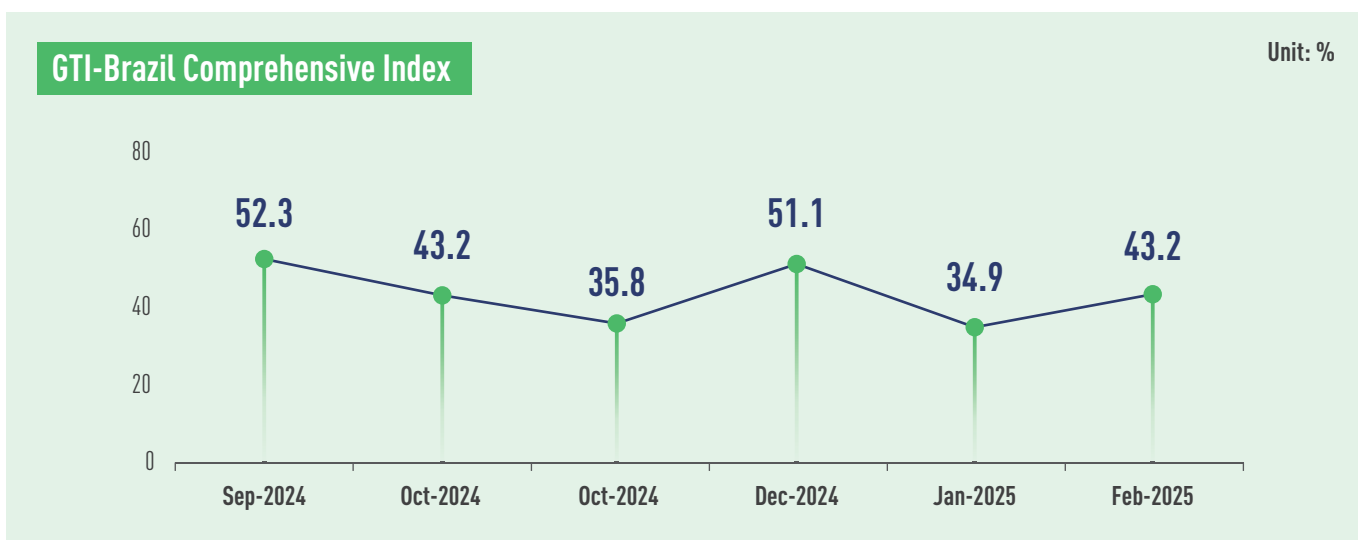


Main Suggestions from GTI-Ghana Enterprises

- Reduce production cost.
- Need tax exemption from the government.
- Suggest that the government provide subsidies for businesses.
- Obtain financial support to buy spare parts and new equipment.
- Access to foreign currency to import genuine spare parts from abroad.
- Fix poor roads and reduce cost of production to attract customers.



GTI-Brazil Index in February 2025



On February 25, the Chamber of Deputies unanimously approved the Complementary Bill No. 167/2024 (Projeto de Lei Complementar nº 167/2024) and then submitted it to the Senate for review. The bill stipulates the refund of taxes paid by micro and small exporting companies, equivalent to 3% of their export revenue. According to data from the Foreign Trade Secretariat (SECEX) of Brazil, in 2024, Brazil had a total of 28,800 exporting companies, of which 40% were micro and small enterprises (11,500 companies). In 2024, Brazilian exports of finished furniture and mattresses reached US\$763 million, an increase of 3.8% compared to 2023. The imports increased more significantly, up 27.2% to US\$298 million, with China remaining the main supplier. In 2024, the value of products imported from China's furniture industry exceeded US\$220 million, accounting for 73.8% of the total imports. Recently, the Brazil's National Biodiversity Commission (Conabio) established national biodiversity targets for the period 2025 to 2030, setting a total of 23 goals to promote the regeneration of Brazil's biomes. Among these goals, a target of achieving zero deforestation in the country is mentioned.

In February 2025, the GTI-Brazil index registered 43.2%, an increase of 8.3 percentage points from the previous month, was below the critical value (50%)

for 2 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Brazil index shrank from last month, however, the contraction had eased.

As for the twelve sub-indexes, three indexes (inventory of finished products, purchase price, and inventory of main raw materials) were above the critical value of 50%, one index (purchase quantity) was at the critical value, while the remaining eight indexes (harvesting, production, new orders, export orders, existing orders, employees, delivery time, and market expectation) were all below the critical value. Compared to the previous month, the indexes for production, new orders, export orders, purchase quantity, purchase price, inventory of main raw materials, employees, delivery time, and market expectation increased by 1.2-21.5 percentage points, and the indexes for harvesting, existing orders, and inventory of finished products declined by 3.5-18.5 percentage points.

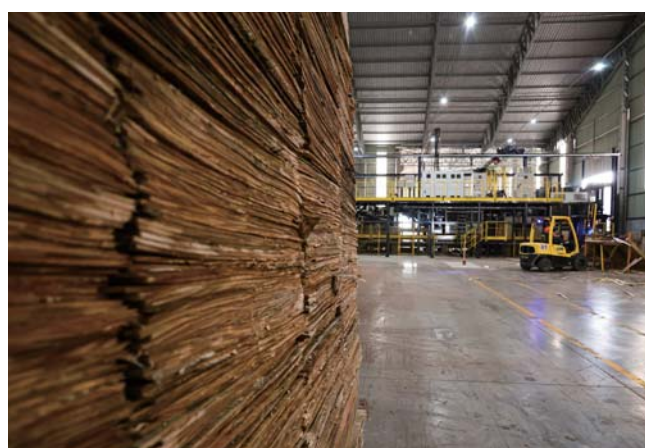
Table: Overview of GTI-Brazil Sub-Indexes (%)



	2024.09	2024.10	2024.11	2024.12	2025.01	2025.02	MoM	Performance
Comprehensive Index	52.3	43.2	35.8	51.1	34.9	43.2	8.3 ↑	Contract
Harvesting Index	41.7	45.0	30.0	16.7	31.3	27.8	-3.5 ↓	Contract
Production Index	53.8	34.6	37.5	42.9	30.0	41.7	11.7 ↑	Contract
New Orders Index	53.6	46.2	21.4	57.1	30.0	38.5	8.5 ↑	Contract
Export Orders Index	42.3	41.7	33.3	66.7	33.3	45.8	12.5 ↑	Contract
Existing Orders Index	50.0	46.2	50.0	57.1	50.0	42.3	-7.7 ↓	Contract
Inventory Index of Finished Products	75.0	76.9	75.0	85.7	80.0	61.5	-18.5 ↓	Expand
Purchase Quantity Index	50.0	37.5	45.5	28.6	38.9	50.0	11.1 ↑	Stable
Purchase Price Index	54.2	45.8	50.0	50.0	55.6	65.0	9.4 ↑	Expand
Inventory Index of Main Raw Materials	50.0	45.8	45.5	64.3	44.4	59.1	14.7 ↑	Expand
Employees Index	57.1	46.2	42.9	57.1	45.0	46.2	1.2 ↑	Contract
Delivery Time Index	42.3	45.8	45.8	35.7	33.3	40.9	7.6 ↑	Contract
Market Expectation Index	-	-	-	50.0	21.4	42.9	21.5 ↑	Contract



Yard Team in Palmas PR, Brazil. Photo: Banco de Imagens Marini



Veneers in São Francisco de Paula RS, Brazil. Photo: Banco de Imagens Marini



Brief on Brazilian Timber Industry



- Despite the stable supply of Pine and Eucalyptus logs, the forestry sector is facing rising operational costs, driven by increasing forestry expenses, labor costs, and economic-political issues. A price adjustment is expected starting in the 3rd bimester of 2025.
- The demand for sawnwood has fluctuated depending on the construction sector and exports. High interest rates in the U.S. and the potential 25% tariff on wood products imposed by the American government are concerning for the forest and timber sector, potentially affecting Brazilian competitiveness.
- Brazilian port logistics continue to face serious challenges, such as inadequate terminal infrastructure, frequent shipment delays, and a lack of predictability, compromising the competitiveness of Brazilian products compared to international competitors. Exporters, particularly in the timber sector, have been burdened with unjustified container storage fees, even when delays result from operational failures at terminals. In response to these issues, measures have been proposed, including the creation of a "situation room" to discuss immediate improvements, while the National Waterway Transport Agency (ANTAQ) has committed to reviewing regulations and optimizing internal processes.
- Companies in the timber sector are also experiencing difficulties due to delays in obtaining CITES licenses from the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), especially after Ipê and Cumaru were included in CITES Appendix II, impacting export processes. The delay in issuing export licenses (LPCOs – Licenses, Permits, Certificates, and Other Documents) has also affected exports. A suggested solution to this issue is to expedite the issuance of documentation by IBAMA and establish specific deadlines for regulatory and oversight agencies to reduce bureaucracy and improve efficiency in issuing export licenses.

Information provided by GTI-Brazil Focal Point



Administrative Facade in Belém, Brazil. Photo: Fernanda Tocantins



Cumaru production Factory in Belém, Brazil. Photo: Fernanda Tocantins



Main Challenges Reported by GTI-Brazil Enterprises

- Interest rates were high.
- There was a decrease in export orders.
- Logistics were slow.
- The supply of raw materials for production was unstable.
- There were excessive rains. And Mexican and US markets shrank due to political instability.
- There were delays by IBAMA (Brazilian Institute of Environment and Renewable Natural Resources) in the issuance of LPCO Export Licenses (Licenses, Permits, Certificates, and Other Documents).
- There were delays in the approval of documentation by IBAMA, particularly for Ipê and Cumarú, which had been listed under CITES (Appendix II).
- The Port of Santos, in the state of São Paulo, was beginning to normalize the supply of methyl bromide. However, in February, the shortage of methyl bromide affected operations at the Port of Vila do Conde, in the state of Pará, causing delays in shipments. Additionally, heavy rainfall had been disrupting harvesting operations in the state of Pará, in the Amazon region.



Main Suggestions from GTI-Brazil Enterprises

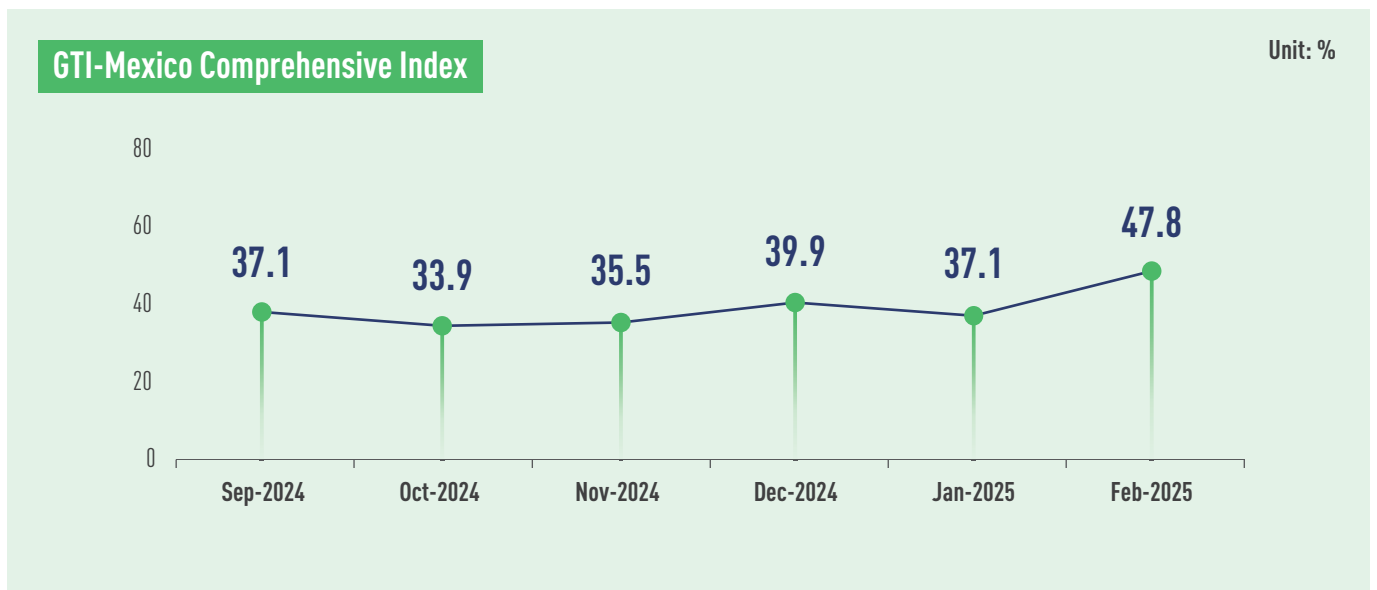
- Seek new customers/clients.
- Improve public service management.
- Suggest that IBAMA speed up the release of export authorization.
- Promote the industrialization of the production chain.
- Expand alternatives for fumigation service providers.
- Continuously improve process management and strengthen team training.
- Achieve yield targets at all stages of the production process in order to fulfill the entire order portfolio.
- Suggest that the federal government increase investment in logistics infrastructure.
- Increase IBAMA's staff to expedite analyses and approvals.
- Strengthen communication with IBAMA to better address the demands of the timber sector.



GTI-Mexico Report



GTI-Mexico Index in February 2025



Official data from Mexico's government showed that Mexico's Foreign Direct Investment (FDI) in 2024 reached a new historic high of US\$36.872 billion, representing a 2.3% increase compared to 2023. A breakdown by state showed that Mexico City was the largest recipient of FDI, attracting US\$14.427 billion in 2024, which accounted for 39% of the total. Other leading states included the State of Mexico (7%), Baja California (7%), Nuevo León (6%), and Chihuahua (4%). On February 28, the National Forestry Commission of Mexico (CONAFOR) released "Operational Rules of the Sustainable Forest Development Programme for Well-Being 2025" (Reglas de Operación del programa Desarrollo Forestal Sustentable para el Bienestar 2025), aiming to support owners, legitimate possessors and inhabitants of forest areas to implement actions that contribute to the protection, conservation, restoration and sustainable management of forests. On February 10, the Mexican government announced that, as part of the National Housing for Well-Being Program, the construction of 52,345 homes would begin across 25 states between February and April.

In February 2025, the GTI-Mexico index registered 47.8%, an increase of 10.7 percentage points from the previous month, was below the critical value (50%)

for 28 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Mexico index shrank from last month, however, the contraction had eased. This month, timber harvesting and production in the country remained weak, while the demand side (especially in the domestic market) was relatively active.

As for the twelve sub-indexes, three indexes (new orders, purchase price, and market expectation) were above the critical value of 50%, three other indexes (export orders, purchase quantity, and inventory of main raw materials) were at the critical value, while the remaining six indexes (harvesting, production, existing orders, inventory of finished products, employees, and delivery time) were all below the critical value. Compared to the previous month, the indexes for harvesting, production, new orders, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, employees, and market expectation increased by 2.7-15.9 percentage points; the index for export orders was unchanged from the previous month; and the indexes for purchase price and delivery time declined by 2.5-8.1 percentage points.

Table: Overview of GTI-Mexico Sub-Indexes (%)



	2024.09	2024.10	2024.11	2024.12	2025.01	2025.02	MoM	Performance
Comprehensive Index	37.1	33.9	35.5	39.9	37.1	47.8	10.7 ↑	Contract
Harvesting Index	39.5	33.3	29.2	29.2	34.1	36.8	2.7 ↑	Contract
Production Index	41.7	29.4	28.6	35.7	28.9	44.1	15.2 ↑	Contract
New Orders Index	28.9	33.3	43.8	41.7	39.1	55.0	15.9 ↑	Expand
Export Orders Index	33.3	33.3	33.3	50.0	50.0	50.0	0.0	Stable
Existing Orders Index	44.7	31.0	37.5	41.7	34.8	37.5	2.7 ↑	Contract
Inventory Index of Finished Products	47.4	28.6	27.1	31.3	30.4	45.0	14.6 ↑	Contract
Purchase Quantity Index	46.2	50.0	32.1	40.6	34.6	50.0	15.4 ↑	Stable
Purchase Price Index	66.7	67.9	69.2	58.8	71.4	63.3	-8.1 ↓	Expand
Inventory Index of Main Raw Materials	46.2	30.0	26.7	43.8	35.7	50.0	14.3 ↑	Stable
Employees Index	39.5	35.7	33.3	37.5	37.0	42.5	5.5 ↑	Contract
Delivery Time Index	36.8	42.9	39.6	43.8	47.5	45.0	2.5 ↓	Contract
Market Expectation Index	-	-	-	89.6	82.6	87.5	4.9 ↑	Expand



Finished Product Warehouse, Mexico. Photo: ZEPEMIN



Material Selection, Mexico. Photo: ZEPEMIN



Brief on Mexican Timber Industry



Introduction

The following report presents Timber Pricing information obtained from Mexico's Timber trade Markets for the month of January. The pricing data is obtained by Mexico's National Forest Commission (CONAFOR) through its Timber Pricing System (abbreviated SIPRE in Spanish).

The Timber Pricing System is a tool created by the National Forest Commission to obtain referential prices for wood and non-wood products in temperate and tropical climates. Prices are obtained from ejidos, rural communities and private landowners in the Mexican states with the highest timber production. These prices are reported at a regional and national level.

Timber prices (\$ USD) for temperate climates: Pine (Pinus spp.)

Timber prices are obtained for roundwood and sawn wood products derived from Pine forests. These prices are given by local forest companies in the northern, central and southern regions of Mexico.

Timber prices (USD) are established based on wood quality (primary or secondary wood), wood dimensions (short and long) and by their selling point (on the forest path or at the sawmill).

Pine roundwood (Table 1) and sawn wood (Table 2) prices are reported at the exchange rate of 20.42 Mexican pesos established on January 8th by the Bank of Mexico.

Table 1. Pine roundwood prices (\$USD /m³).

Region	Long Dimensions 8" (254 cm)		Short Dimensions 4" (122 cm)	Cellulose products	Roundwood (log)
	First grade	Second grade			
Central	90.65	68.19	67.42	24.28	52.61
North	123.22	65.71	68.13	n/d	83.23
South	98.69	86.03	64.92	59.33	48.19
National	100.70	70.14	67.25	31.37	60.30

Table 2. Pine Sawnwood prices (\$ USD / board foot).

Region	2 nd and better (kiln-dried)	2 nd better	Third grade	Fourth grade	Fifth grade	Millrun
Central	1.10	1.02	0.81	0.69	0.57	0.66
North	2.37	1.11	1.05	0.82	0.71	0.93
South	1.40	1.24	1.03	0.68	0.61	1.05
National	1.49	1.08	0.91	0.72	0.62	0.79

Information provided by GTI-Mexico Focal Point



Main Challenges Reported by GTI-Mexico Enterprises

- There was a decline in product sales.
- Weather conditions restricted production and operations.
- Consumer recognition of wood products was low.
- Enterprises faced price pressure from competitors.
- Market demand was unstable and it was difficult to predict.
- Sales channels were limited, or channel development was insufficient.



Main Suggestions from GTI-Mexico Enterprises

- Optimize forest management processes.
- Improve roads for the transport of products.
- Make changes to legislation to reduce imports of products.
- Obtain government subsidies to reduce production costs.
- Obtain support for the acquisition of equipment and machinery as well as the improvement of infrastructure.



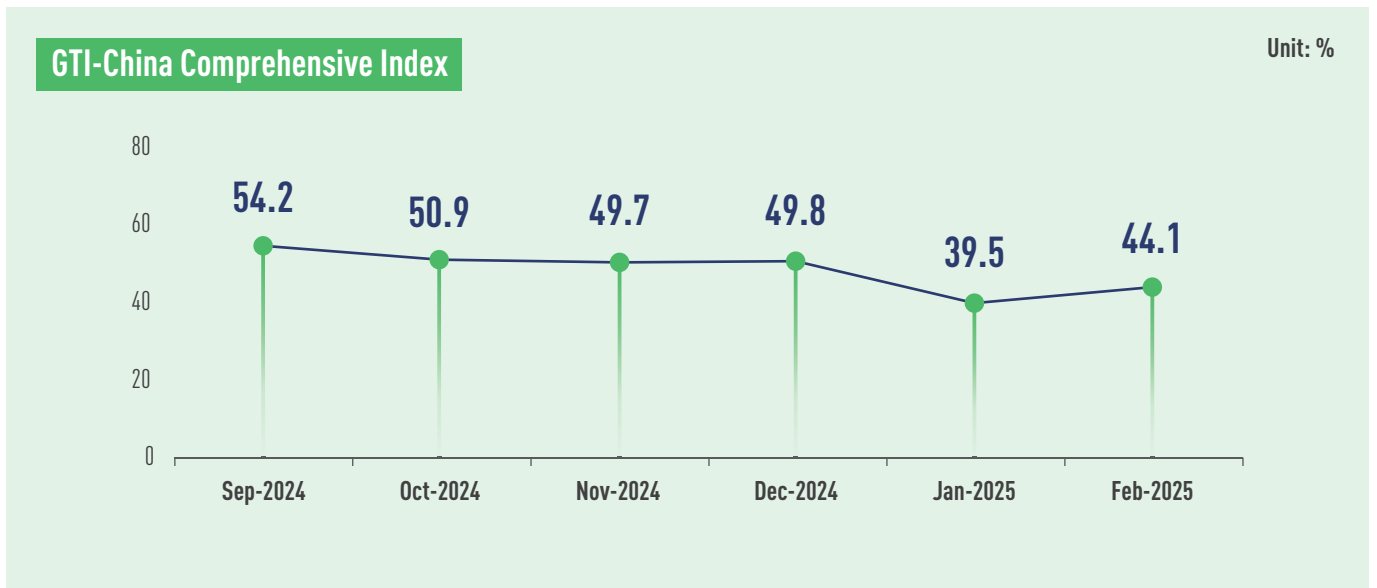
Storage Yard, Mexico. Photo: Santa Genoveva



Wood Thinning, Mexico. Photo: Santa Genoveva



GTI-China Index in February 2025



To boost domestic demand and promote high-standard production, China has adjusted import tariff rates for certain goods in 2025. Among them, tariffs on some imported wood products—including veneer, wood flooring, fiberboard, plywood, wooden doors, wooden formwork, wooden pallets, wooden tools, cork & cork products, etc.—have been revised. Most wood products continue to enjoy a provisional tax rate of 0%, maintaining the policy implemented in 2024. Data from China’s National Forestry and Grassland Administration shows that the total output value of China’s forestry industry reached 10.17 trillion yuan in 2024, marking a year-on-year growth of 9.6%. A key driver behind the growth is timber production in the country, which reached 137 million cubic meters in 2024, representing an 8% increase compared to 2023. Recently, many shipping companies, including Maersk, CMA CGM, Hapag-Lloyd, HMM, and Wan Hai, announced a new round of price increases for certain routes in March, adding cost pressures on Chinese wood importers. In response, some enterprises plan to mitigate these challenges by diversifying transportation methods and expanding their procurement sources.

In February 2025, the GTI-China index registered 44.1%, an increase of 4.6 percentage points from the previous month, was below the critical value (50%) for 4 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-China index shrank from the previous month, but the contraction

had eased. This month, China’s traditional Spring Festival holiday had slowed down production and operations in its timber sector. However, as the holiday impact was diminishing, the enterprises were relatively optimistic about the overall trend of the timber market over the next six months.

As for the twelve sub-indexes, the indexes for delivery time and market expectation were above the critical value of 50%, the indexes for import and purchase price were at the critical value, while the remaining eight indexes (production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, and employees) were all below the critical value. Compared to the previous month, the indexes for production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, import, inventory of main raw materials, employees, delivery time, and market expectation increased by 1.1-11.7 percentage points, and the index for purchase price declined by 0.5 percentage point.

Table: Overview of GTI-China Sub-Indexes (%)

	2024.09	2024.10	2024.11	2024.12	2025.01	2025.02	MoM	Performance
Comprehensive Index	54.2	50.9	49.7	49.8	39.5	44.1	4.6 ↑	Contract
Production Index	59.3	52.3	46.9	50.0	37.9	41.4	3.5 ↑	Contract
New Orders Index	59.3	51.2	50.0	47.1	35.7	40.5	4.8 ↑	Contract
Export Orders Index	51.9	50.0	51.6	52.3	42.9	44.0	1.1 ↑	Contract
Existing Orders Index	42.6	45.7	51.0	45.3	37.4	41.4	4.0 ↑	Contract
Inventory Index of Finished Products	50.0	48.4	49.0	56.4	41.2	49.1	7.9 ↑	Contract
Purchase Quantity Index	61.1	56.3	47.9	48.8	37.9	43.1	5.2 ↑	Contract
Purchase Price Index	38.9	48.4	51.0	45.9	50.5	50.0	-0.5 ↓	Stable
Import Index	53.7	47.6	48.9	47.7	45.6	50.0	4.4 ↑	Stable
Inventory Index of Main Raw Materials	42.6	50.8	51.6	51.7	46.7	48.3	1.6 ↑	Contract
Employees Index	46.3	48.8	49.0	47.7	35.2	44.0	8.8 ↑	Contract
Delivery Time Index	53.7	50.8	53.6	56.4	50.5	53.4	2.9 ↑	Expand
Market Expectation Index	-	-	-	42.4	55.5	67.2	11.7 ↑	Expand



Main Challenges Reported by GTI-China Enterprises

- It was difficult to procure raw materials.
- There was a lack of orders for enterprises.
- There were less customers in the timber market.
- The recovery of funds was slow and enterprises faced great pressure.



Main Suggestions from GTI-China Enterprises

- Broaden financing channels.
- Adjust production to avoid overcapacity.
- Expand international markets to increase orders.

About This Report

Survey Methodology

With the support of the International Tropical Timber Organization (ITTO), the Global Timber Index (GTI) platform has set up focal points in pilot countries of both timber producing and timber consuming countries. At present, focal points have been established in 9 countries, including Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico and China.

At the end of each month, focal points of the pilot countries organize the leading enterprises to fill out the GTI questionnaire, and then the Global Green Supply Chains Initiative (GGSC) Secretariat organizes experts to summarize and analyze the data, and write the report.

Based on the characteristics of the timber and timber products industry in different countries, the current GTI questionnaire is divided into three categories: timber producing countries, timber manufacturing countries and timber consuming countries. For the timber producing countries, the questionnaire focuses on the developments of local timber harvesting and supplying, covering log, sawnwood, and veneer, etc. For timber manufacturing countries (like China), the questionnaire focuses on the developments of local timber processing and manufacturing, covering floor, door, plywood, and furniture, etc. For timber consuming countries, the questionnaire focuses on the developments of the timber products facing the end market.

Data and Interpretation

GTI index contains diffusion index and comprehensive index.

(1) The calculation of GTI diffusion index. GTI has 12 diffusion indexes (or called sub-indices) based on the data from 12 objective questions which covers production (or harvesting), new orders, new export orders, existing orders, inventory of products, purchasing quantity, import, purchasing prices of main raw materials, inventory of raw material, employees, delivery time, and market expectation. The diffusion index is calculated by adding the percentage of enterprises with positive answers to half of the percentage with unchanged answers.

(2) The calculation of GTI comprehensive index. GTI comprehensive index (GTI index for short) is calculated based on the diffusion indexes of five of the indexes with different weights: production (harvesting), new orders, inventory of raw material, employees, delivery time. The five diffusion indexes and their weights are determined according to their leading influence on the industrial economy.

The value of the index is between 0-100%, and 50% is the critical value of the index. A GTI index reading above 50 percent indicates that the industry prosperity is generally expanding; below 50 percent indicates that it is generally declining.

Declaration

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

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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.

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GTI REPORT

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