

GTI-PRODUCERS REPORT

MONTHLY

GGSC-No. 02/2025

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



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 2023, the total production quantity of logs and sawnwood in the eight countries mentioned above was 289 million cubic meters, accounting for **67.3%** 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.

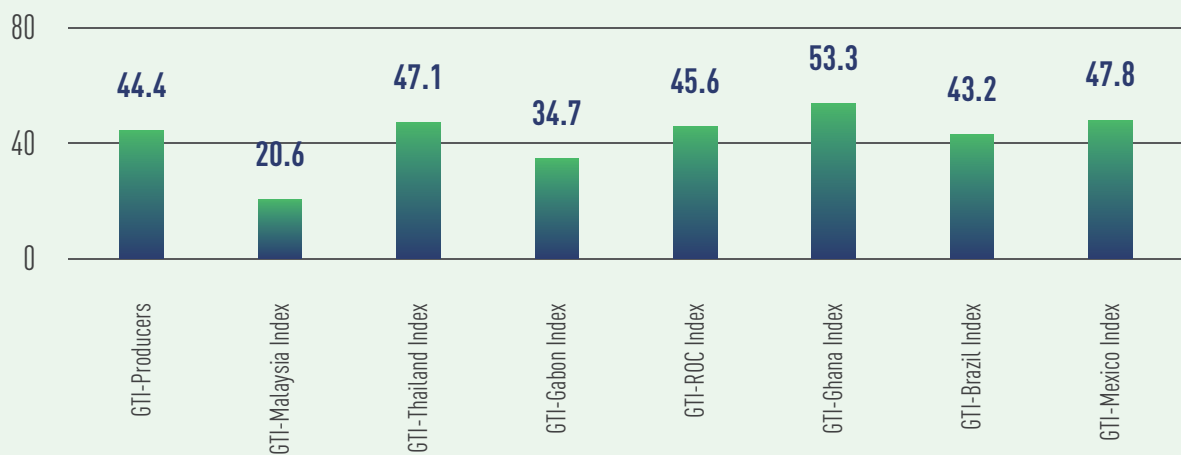
3. Index Representativeness

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GTI-Producers Report for February 2025



GTI-Producers in February 2025 (%)



In February 2025, the GTI-Producers registered 44.4% and had stayed below the critical value (50%) for ten consecutive months, indicating a continued downturn for the overall prosperity of the timber harvesting and primary processing industries in the pilot producing countries. However, the index rose 4.6 percentage points over the previous month, indicating the overall contraction had eased. By country, Ghana's timber sector continued to show an upward trend, while the GTI comprehensive indexes for other countries were in the contraction territory. Nevertheless, the downward trends in most timber-producing countries eased.

In Asia, the GTIs for Thailand and Malaysia registered 47.1% and 20.6%, respectively, both in the contraction territory. On the supply side, Malaysia's harvesting and production continued to decline, with many enterprises reporting insufficient log supply. Thailand's harvesting volume held steady, while production volume continued to grow. However, the inventory of raw materials had been declining for 13 consecutive months, and companies were facing pressure from both shortage of raw materials and rising procurement costs. On the demand side, Malaysia's new orders continued to decrease, and the domestic timber market remained sluggish. The export market also faced challenges due to reduced demand for products like plywood and rising shipping costs, increasing pressure on the timber enterprises. In Thailand, the timber export market saw a decline after three months of growth, but domestic orders increased significantly, keeping the total volume of new orders roughly unchanged from the previous month.

In Africa, the GTI indexes for Ghana, the Republic of the Congo (ROC), and Gabon were at 53.3%, 45.6%, and 34.7%, respectively. Ghana's timber sector showed positive growth for the second consecutive month, while the indexes for ROC and Gabon remained in the contraction territory. This month, harvesting volumes in all the three countries continued to decline. On the production side,

Ghana's production volume remained steady compared to the previous month, while ROC and Gabon experienced further declines in production. Timber enterprises in the three African countries still faced various challenges related to factors of production. For example, enterprises in Ghana reported high costs of electricity, water, and raw materials, while those in ROC reported insufficient fuel supply. On the demand side, export orders decreased for all the three countries, partly due to reduced market demand from major consumers such as China, which was affected by the holiday season. Despite these challenges, there were initial positive signs on the demand side this month. For example, ROC's domestic orders increased, and Ghana's existing orders was sufficient to sustain short-term production and business activities.

In Latin America, the GTI indexes for Mexico and Brazil registered 47.8% and 43.2%, respectively, both in the contraction territory. However, the significant increase in both indexes suggested a notable easing in the downward trends. This month, timber harvesting volumes in both countries declined significantly due to weather conditions and other factors, and in the meantime, production volumes decreased slightly, reflecting weak supply in both countries' timber sectors. According to the GTI-Brazil Focal Point and sample enterprises, while raw material supply for production in Brazil was unstable, the supply of pine and eucalyptus logs was stable. On the demand side, Mexico's export market remained stable for the third consecutive month, while the domestic market was active this month. Besides, the Mexican government announced a plan to build more than 50,000 homes from February to April, which is expected to boost timber demand from the construction sector. In contrast, Brazil's domestic and international timber markets remained sluggish for the second consecutive month. And sample enterprises in the country indicated that Mexican and US markets shrank due to political instability.

Overview of GTI Indexes for Pilot Countries (%)



	2024.09	2024.10	2024.11	2024.12	2025.01	2025.02	MoM	Performance
GTI-Producers	49.1	43.7	40.2	48.4	39.8	44.4	4.6 ↑	Contract
GTI-Indonesia Index	50.4 (Estimate)	50.4 (Estimate)	50.4 (Estimate)	50.4 (Estimate)	50.4 (Estimate)	50.4 (Estimate)	0	Expand
GTI-Malaysia Index	29.0	22.8	18.8	20.3	20.1	20.6	0.5 ↑	Contract
GTI-Thailand Index	49.1	44.2	50.3	53.3	49.0	47.1	-1.9 ↓	Contract
GTI-Gabon Index	26.3	35.4	39.4	34.7	32.4	34.7	2.3 ↑	Contract
GTI-ROC Index	44.9	48.1	45.7	41.6	41.9	45.6	3.7 ↑	Contract
GTI-Ghana Index	46.7	48.0	59.6	36.4	68.2	53.3	-14.9 ↓	Expand
GTI-Brazil Index	52.3	43.2	35.8	51.1	34.9	43.2	8.3 ↑	Contract
GTI-Mexico Index	37.1	33.9	35.5	39.9	37.1	47.8	10.7 ↑	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.



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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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