

GTI-WOODBASED PANEL (GTI-WBP) REPORT

MONTHLY

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Tracking and monitoring the global woodbased panel market trend.



The pilot countries for the GTI-WBP index include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico, and China. In 2023, the total production of woodbased panel in the nine countries mentioned above was 336 million cubic meters, accounting for **50.9%** of the total global production volume of woodbased panel.

Introduction to the GTI-Woodbased Panel

GTI-Woodbased Panel (GTI-WBP), a specialized prosperity index for woodbased panel industry, reflecting the development trend of woodbased panel industry in all GTI pilot countries.

Calculation Method

The GTI-WBP index takes leading woodbased panel enterprises in GTI pilot countries as the survey objects. Each month, the enterprises need to fill the GTI index questionnaire, including the information of production, orders and export, employees, logistic, etc. Then the GTI-WBP index will be calculated and analyzed, and the report will be released at the middle of the following month.

GTI-WBP index contains diffusion index and comprehensive index.

1. GTI-WBP diffusion index. There are 11 diffusion indices (or called sub-indices) based on the data from 11 objective questions which covers production, new orders, new export orders, existing orders, inventory of products, purchasing quantity, purchasing prices of main raw materials, inventory of raw materials, 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. GTI-WBP comprehensive index. GTI-WBP comprehensive index (GTI-WBP index for short) is calculated based on five diffusion indexes with different weights: production, new orders, inventory of raw material, employees, delivery time. The five diffusion indexes and their weights are determined according to their influence on the industrial economy.

Interpretation

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

Survey Method

With the support of The International Tropical Timber Organization (ITTO), the GTI platform has set up focal points in pilot countries, including timber producing and consuming countries.

At the end of each month, major leading woodbased panel enterprises are organized by focal points to fill out survey questionnaires. The questionnaire is usually filled out by the person in charge of production and operation or personnel from the statistics department. The Global Green Supply Chains Initiative (GGSC) organizes experts to analyze the collected data and prepare the GTI-WBP index report.

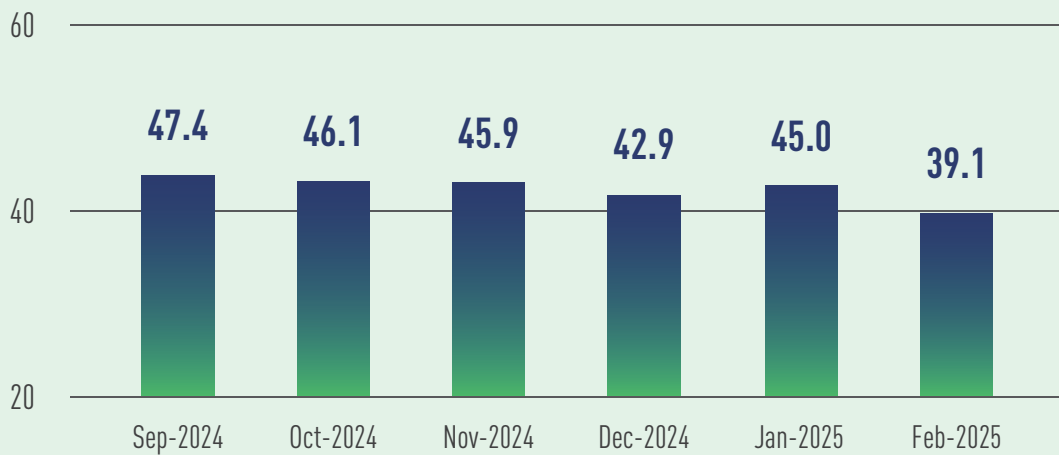
Index Representativeness

The pilot countries for the GTI-WBP index include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico and China. In 2023, the total production of woodbased panel in the nine countries mentioned above was 336 million cubic meters, accounting for 50.9% of the total global production volume of woodbased panel.

GTI-Woodbased Panel Index in February 2025



GTI-WBP Comprehensive Index



In February 2025, the GTI-Woodbased Panel (GTI-WBP) Index registered 39.1%, a decrease of 5.9 percentage points from the previous month, was below the critical value (50%) for eleven consecutive months, indicating that in the GTI pilot countries, the overall business prosperity of wood-based panel industry represented by the index shrank from last month.

On the demand side, the overall demand for wood-based panels in GTI pilot countries continued to decline. This month, the new orders index fell by 9.5 percentage points to 27.5%, the lowest level since records began in April 2024, reflecting a significant reduction in new orders. The export orders index dropped even more sharply, by 15.4 percentage points to 17.1%, suggesting that the degree of contraction in international demand for wood-based panels was much higher compared to the previous month. However, encouragingly, the existing orders index (53.8%) was above the critical value, thus indicating a slight increase in orders on hand and short-term momentum for production.

On the supply side, the supply of wood-based panels in GTI-WBP pilot countries continued to decline for the 11th consecutive month. The production index registered 43.6%, down 5.8 percentage points from the previous month, reflecting a higher degree of contraction. The decline is attributed to several factors, including weak global market demand that reduced companies' production enthusiasm, as well as raw material shortage or rising production costs in some countries, which forced some enterprises to cut or suspend production. Despite the ongoing decline in production, the inventory of finished products increased compared to the previous month.

In terms of prices, the purchase price index for raw materials recorded 68.8%, remaining above the critical value for eight consecutive months, indicating persistently rising raw material costs and great operational pressure. This month, enterprises in Thailand, Brazil, Mexico, and Ghana saw notable increases in the purchase prices of raw materials. In Ghana, in particular, the high costs of electricity, water, and taxes had added to the burden, and sample enterprises in the country called for tax relief and subsidies to alleviate their financial burden. Although the overall purchase price of raw materials for China held steady, some shipping companies announced a new round of price increases for its certain routes in March, increasing cost pressure on Chinese importers. This may force some raw material importers in the country to adopt a strategy of diversifying their procurement regions in response.

Main updates related to the wood-based panel market include: In 2024, Brazil's particleboard exports totaled US\$113.38 million, representing a 40.4% increase compared to US\$80.74 million in 2023. Notably, the exports to China surged by 82.1%. In the same year, Sarawak in Malaysia, saw its plywood export volume rise to 627,389 cubic meters, while the export value fell to about RM1.36 billion. Japan remained the top buyer, accounting for approximately 82 per cent of Sarawak's total plywood export value last year. However, according to feedback from GTI-Malaysia sample enterprises in February, demand for plywood in the Japanese market had declined.

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



| | Sep. 2024 | Oct. 2024 | Nov. 2024 | Dec. 2024 | Jan. 2025 | Feb. 2025 | MoM | Performance |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-------------|
| Comprehensive Index | 47.4 | 46.1 | 45.9 | 42.9 | 45.0 | 39.1 | -5.9 ↓ | Contract |
| Production Index | 49.4 | 45.3 | 37.5 | 39.6 | 49.4 | 43.6 | -5.8 ↓ | Contract |
| New Orders Index | 50.6 | 46.6 | 50.0 | 47.8 | 37.0 | 27.5 | -9.5 ↓ | Contract |
| Export Orders Index | 40.9 | 43.5 | 45.3 | 43.9 | 32.5 | 17.1 | -15.4 ↓ | Contract |
| Existing Orders Index | 46.7 | 39.0 | 39.5 | 42.8 | 36.4 | 53.8 | 17.4 ↑ | Expand |
| Inventory Index of Finished Products | 48.9 | 44.4 | 50.0 | 48.6 | 51.9 | 57.5 | 5.6 ↑ | Expand |
| Purchase Quantity Index | 48.6 | 44.5 | 48.1 | 41.7 | 35.5 | 31.3 | -4.2 ↓ | Contract |
| Purchase Price Index | 53.5 | 61.3 | 67.7 | 53.7 | 71.7 | 68.8 | -2.9 ↓ | Expand |
| Inventory Index of Main Raw Materials | 38.0 | 47.7 | 46.9 | 43.5 | 47.8 | 50.0 | 2.2 ↑ | Stable |
| Employees Index | 43.3 | 43.5 | 48.2 | 40.6 | 51.9 | 45.0 | -6.9 ↓ | Contract |
| Delivery Time Index | 49.4 | 48.6 | 48.1 | 41.2 | 42.4 | 39.7 | -2.7 ↓ | Contract |
| Market Expectation Index | - | - | - | 51.3 | 40.3 | 52.6 | 12.3 ↑ | Expand |



Main Challenges Reported by GTI-WBP Enterprises

- The supply of sawnwood raw materials was not enough for production. (Thailand)
- The supply of raw materials was unstable. (Brazil)
- There was a shortage of raw materials due to poor roads. (Ghana)
- Sales channels were limited, or channel development was insufficient. (Mexico)



Main Suggestions from GTI-WBP Enterprises

- Making changes to legislation to reduce imports of products. (Mexico)
- Order sawnwood from other factories to use and keep it in stock at all times. (Thailand)
- Fix poor roads and reduce costs of production to attract customers. (Ghana)
- Continuously improve process management and enhance team training. (Brazil)



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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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-WBP report is compiled based on the data provided by the woodbased panel 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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