



ITTO
INTERNATIONAL TROPICAL
TIMBER ORGANIZATION



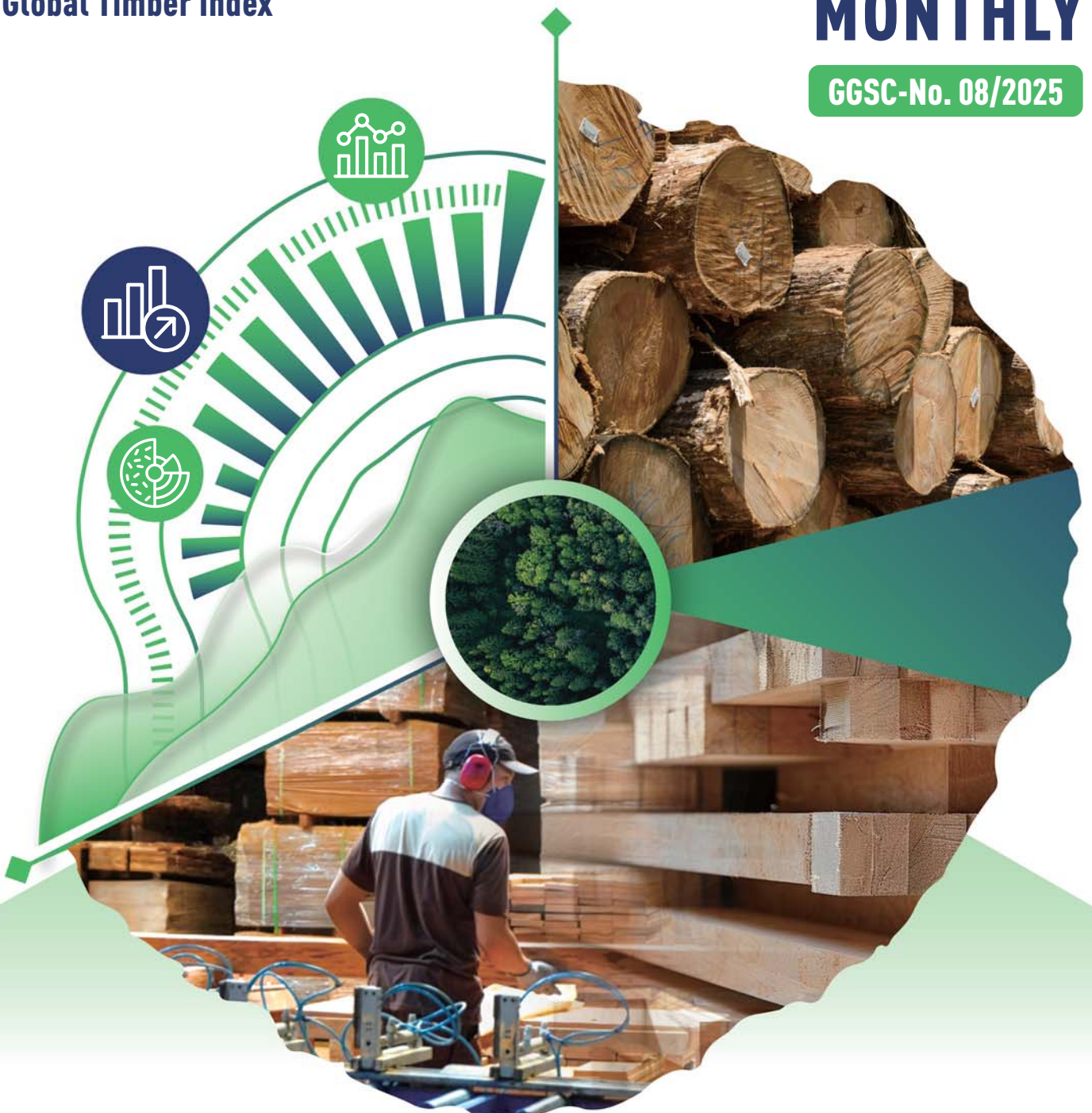
This report was prepared by GGSC, with support of ITTO and IPIM, and Focal Points of Indonesia, Malaysia, Thailand, Gabon, Republic of Congo, Ghana, Brazil, Mexico, Ecuador and China.

GTI REPORT 2025

Global Timber Index

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- Ministry of Water and Forests, Sea and Environment, Responsible for the Climate Plan and Land Use



Republic of the Congo

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GTI REPORT 2025 AUGUST





Global Legal & Sustainable Timber Forum 2025

From Forest to Home

— An International Dialogue on Emerging Consumer Trends and Supply Chains Innovation

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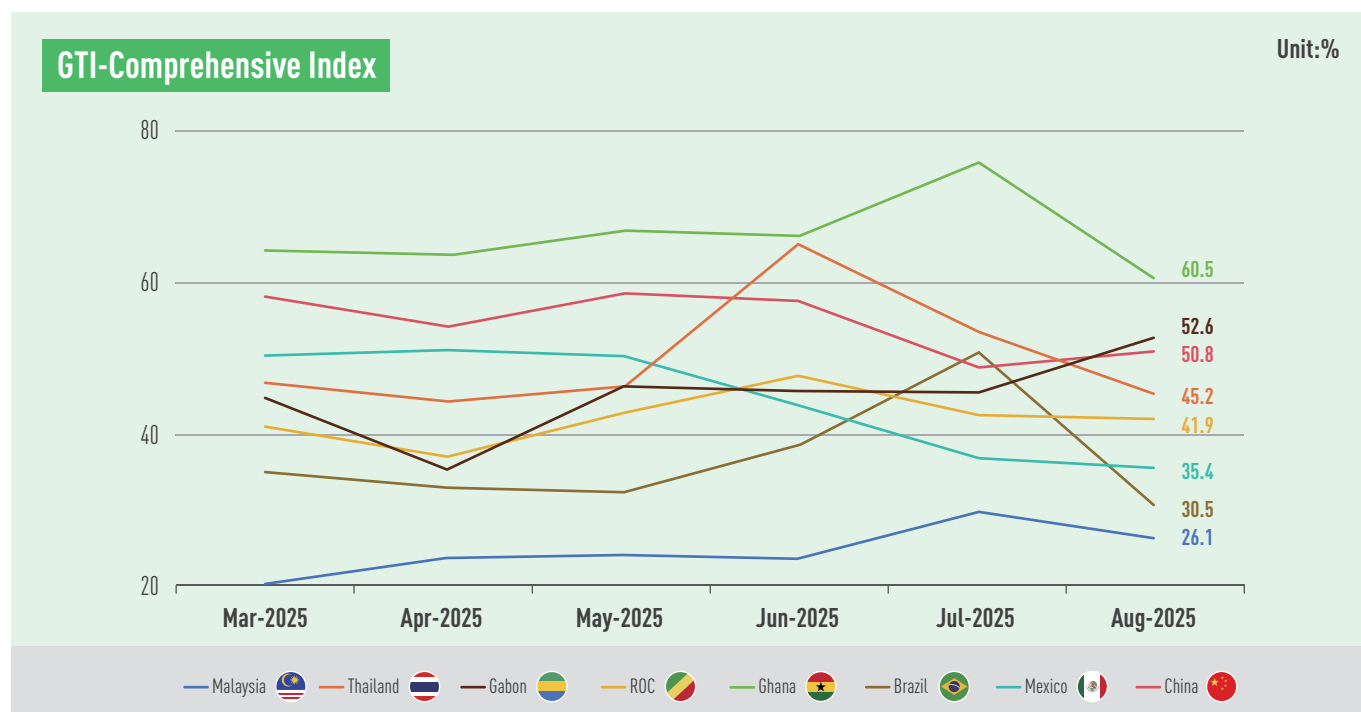


Diamond Partner



Overview of the GTI Index

GTI's African pilot countries demonstrate growth in timber markets



The Global Timber Index (GTI) Report for August 2025 revealed that while most countries remained in contraction territory, African countries demonstrated growth momentum this month. The GTI for Ghana stood at 60.5%, marking the eighth consecutive month above the 50% critical value. The GTI for Gabon reached 52.6%, rising above the critical value after months of subdued performance. However, the GTIs for Thailand (45.2%) and Brazil (30.5%) fell back into contraction territory after short-term growth, and the readings for the Republic of the Congo (41.9%), Mexico (35.4%), and Malaysia (26.1%) remained in contraction territory. As to China, its GTI was at 50.8%, with both production and export orders showing slight growth compared to the previous month.

This month, challenges reported by GTI sample companies centered on tariff policies, weak market demand, financial pressures, etc. Recent U.S. tariff policies had impacted many regions around the world, particularly in South American countries, where businesses had become more reliant on domestic markets and some were taking a wait-and-see approach toward international

trade. In the meantime, insufficient orders and weak demand was a common issue reported by sample enterprises in all GTI pilot countries in Asia. In Africa, main concerns included financial pressures, logistics, fuel, among others.

In terms of sustainable forest management, Ghana will officially begin exporting Forest Law Enforcement, Governance and Trade (FLEGT) licensed timber to the European market on October 8, 2025, marking the end of a 16-year journey to reform Ghana's forest governance, improve timber legality systems, and promote sustainable trade. On August 19, the Congolese government signed a long-term lease agreement with Aforest-Congo to launch an ecological afforestation project spanning over 100,000 hectares, aiming to combat climate change through reforestation, develop forest carbon sinks to generate carbon credits, and promote wood processing. Meanwhile, countries like Mexico continue to leverage technology in their reforestation efforts — for example, in Michoacan, drones are being used to disperse tree seeds and reforest burned forests.

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.

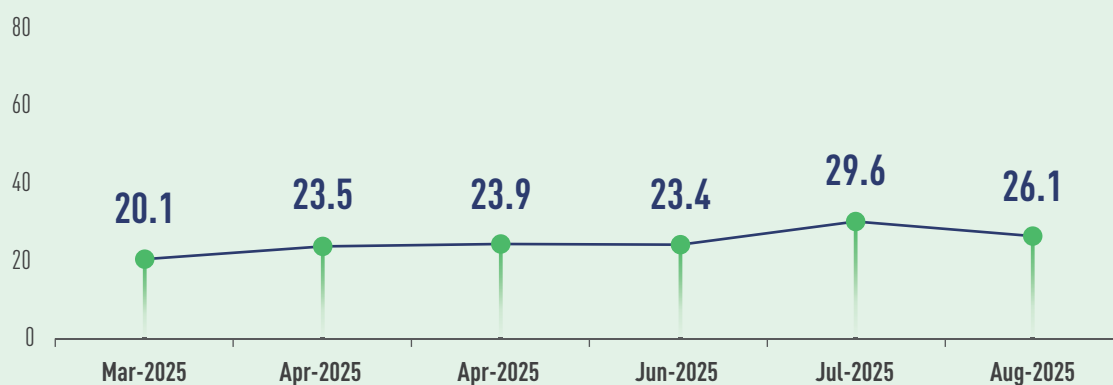


GTI-Malaysia Index in August 2025



GTI-Malaysia Comprehensive Index

Unit: %



In the second quarter of 2025, Malaysia's construction sector maintained steady growth of 12.9%, with the value of work done reaching RM43.9 billion, according to the Department of Statistics Malaysia (DOSM). On the states' performance, nearly 61.1% of the total work done value was concentrated in Selangor, Johor, Sarawak and Federal Territories (Kuala Lumpur, Putrajaya and Labuan). Malaysian Plantation and Commodities Minister said that the country would continue to prohibit the export of raw logs, with local timber reserved exclusively for domestic processing (particularly for furniture production). However, the government is open to timber imports to support local demand and ease pressure on natural forests. In other news, Malaysian Investment Development Authority (MIDA) Deputy Investment, Trade and Industry Minister said that while there are currently no restrictions on foreign investments in Malaysia's furniture sector, the government, through MIDA, is shifting its approach and will no longer promote labour-intensive foreign investments in this space.

In August 2025, the GTI-Malaysia index registered 26.1%, a decrease of 3.5 percentage points from the previous month, was below the critical value (50%) for many months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Malaysia index shrank from the previous month.

As for the twelve sub-indexes, two indexes (inventory of finished products, and purchase price) were at the critical value of 50%, while the remaining ten indexes (harvesting,

production, new orders, export orders, existing orders, purchase quantity, 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 production, new orders, export orders, inventory of finished products, purchase quantity, employees, delivery time, and market expectation increased by 0.8-17.5 percentage point(s); the indexes for harvesting and purchase price were unchanged from the previous month; and the indexes for both existing orders and inventory of main raw materials declined by 2.8 percentage points.



Break down saw in Tan Chee Seng Sawmill Perak, Malaysia. Photo: Khairul nizam

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

	2025.03	2025.04	2025.05	2025.06	2025.07	2025.08	MoM	Performance
Comprehensive Index	20.1	23.5	23.9	23.4	29.6	26.1	-3.5 ↓	Contract
Harvesting Index	14.3	21.4	21.4	42.9	42.9	42.9	0	Contract
Production Index	18.8	18.8	22.2	25.0	21.4	22.2	0.8 ↑	Contract
New Orders Index	25.0	30.0	18.2	20.0	27.8	30.0	2.2 ↑	Contract
Export Orders Index	25.0	35.0	25.0	22.2	31.3	38.9	7.6 ↑	Contract
Existing Orders Index	35.0	35.0	40.9	30.0	27.8	25.0	-2.8 ↓	Contract
Inventory Index of Finished Products	50.0	45.0	50.0	50.0	44.4	50.0	5.6 ↑	Stable
Purchase Quantity Index	22.2	33.3	25.0	27.8	12.5	30.0	17.5 ↑	Contract
Purchase Price Index	38.9	38.9	55.0	55.6	50.0	50.0	0	Stable
Inventory Index of Main Raw Materials	5.6	6.3	27.8	27.8	25.0	22.2	-2.8 ↓	Contract
Employees Index	20.0	25.0	31.8	25.0	27.8	30.0	2.2 ↑	Contract
Delivery Time Index	22.2	27.8	25.0	22.2	18.8	22.2	3.4 ↑	Contract
Market Expectation Index	15.0	15.0	22.7	40.0	44.4	45.5	1.1 ↑	Contract



Main Challenges Reported by GTI-Malaysia Enterprises

- There was an increase in labour costs.
- The market was inactive.
- The timber market demand was low.
- The building markets remained weak.
- Freight rate started to increase again.
- A lot of importation of plywood into Sarawak market posed challenges.
- There was a shortage of plywood demand for export, and at the same time, there was a lack of logs.
- Orders decreased, and costs for freight to USA increased.
- Payment credit term of up to 30 to 90 days posed challenges.



Main Suggestions from GTI-Malaysia Enterprises

- Wait for market rebound.
- Slow down production.
- Suggest that the government stimulate construction industries to create more usage of sawnwood.

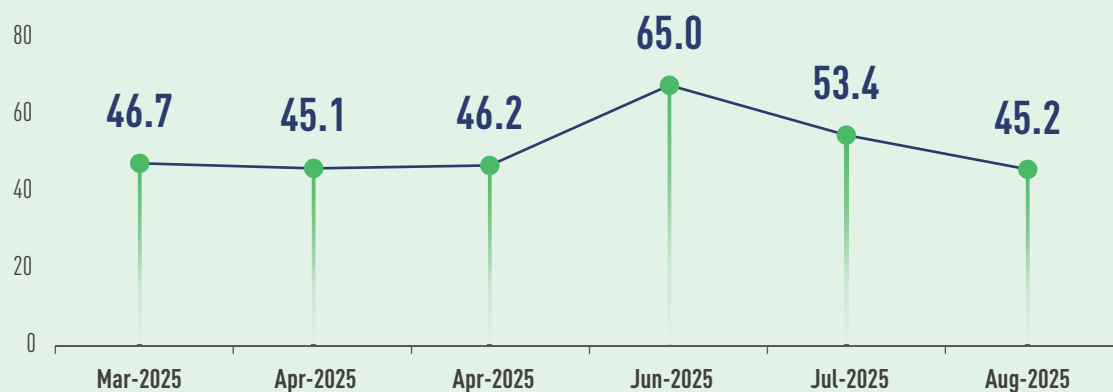


GTI-Thailand Index in August 2025



GTI-Thailand Comprehensive Index

Unit: %



In July, Thailand's total exports reached US\$28.5807 billion, marking an 11% increase and representing the 13th consecutive month of growth. Exports of industrial products rose by 14.0%, while exports of wood and wood products declined by 6.4%. Additionally, figures from the Department of Industrial Works (DIW) covering January to July 2025 revealed that domestic companies in wood processing and wood products industries were facing significant competitive pressure, particularly in segments such as particle board manufacturing and rubberwood processing. Currently, Thai Ministry of Finance is preparing to introduce a series of measures aimed at mitigating the impact of U.S. tariffs and enhancing the country's competitiveness, include stimulus measures, accelerated disbursement of public investment budgets for infrastructure projects, and tax policies designed to help businesses reduce costs. In other news, the president of Thailand Real Estate Research and Valuation Information Center said Thailand's real estate market is expected to remain sluggish in 2025, with newly launched residential units projected to drop by 49.7% year-on-year to 30,904 units.

In August 2025, the GTI-Thailand index registered 45.2%, a decrease of 8.2 percentage points from the previous month, fell below the critical value (50%) after 2 months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Thailand index shrank from the previous month. Despite a decline in both production and domestic orders, its timber sector demonstrated resilience with increases in harvesting and export orders.

As for the twelve sub-indexes, three indexes (harvesting, export orders, and existing orders) were above the critical value of 50%, one index (purchase price) was at the critical value, while

the remaining eight indexes (production, new orders, inventory of finished products, purchase quantity, inventory of main raw materials, employees, delivery time, and market expectation) were below the critical value. Compared to the previous month, the indexes for existing orders, purchase quantity, inventory of raw material, and delivery time increased by 0.9-5.8 percentage point(s), and the indexes for harvesting, production, new orders, export orders, inventory of finished products, purchase price, employees, and market expectation declined by 0.3-19.5 percentage point(s).



Rong Kwang Sawmill in Phrae, Thailand. Photo: Forest Industry Organization (FIO)

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

	2025.03	2025.04	2025.05	2025.06	2025.07	2025.08	MoM	Performance
Comprehensive Index	46.7	45.1	46.2	65.0	53.4	45.2	-8.2 ↓	Contract
Harvesting Index	50.0	45.5	33.3	80.8	68.8	54.2	-14.6 ↓	Expand
Production Index	50.0	37.5	50.0	71.9	53.8	46.9	-6.9 ↓	Contract
New Orders Index	52.9	47.1	52.9	79.4	57.7	47.1	-10.6 ↓	Contract
Export Orders Index	50.0	41.7	50.0	78.6	75.0	56.3	-18.7 ↓	Expand
Existing Orders Index	47.1	41.2	38.2	67.6	50.0	52.9	2.9 ↑	Expand
Inventory Index of Finished Products	38.2	38.2	35.3	47.1	38.5	38.2	-0.3 ↓	Contract
Purchase Quantity Index	46.7	46.7	37.5	63.3	40.9	46.7	5.8 ↑	Contract
Purchase Price Index	46.9	46.7	53.1	50.0	57.7	50.0	-7.7 ↓	Stable
Inventory Index of Main Raw Materials	34.4	40.6	34.4	46.9	41.7	46.9	5.2 ↑	Contract
Employees Index	41.2	50.0	41.2	52.9	57.7	38.2	-19.5 ↓	Contract
Delivery Time Index	44.1	50.0	41.2	53.1	46.2	47.1	0.9 ↑	Contract
Market Expectation Index	38.5	50.0	41.2	58.8	45.0	40.9	-4.1 ↓	Contract



Main Challenges Reported by GTI-Thailand Enterprises

- Supply of logs was not enough.
- Orders for some enterprises decreased.
- It was difficult to find rubber wood.
- Economic conditions were not so good.
- Competition for securing the orders was intense.
- There was not enough labor, while employees lacked capabilities.
- Some foreign employees were forced to return to their countries due to international situation.
- The price had not increase yet, while the delivery of processed wood was delayed because it was the rainy season.



Main Suggestions from GTI-Thailand Enterprises

- Reduce production costs.
- Look for alternative suppliers.
- Enterprises participate in more exhibitions.
- Supplement the workforce through other channels.
- Explore new markets by diversifying product offerings, among other strategies.

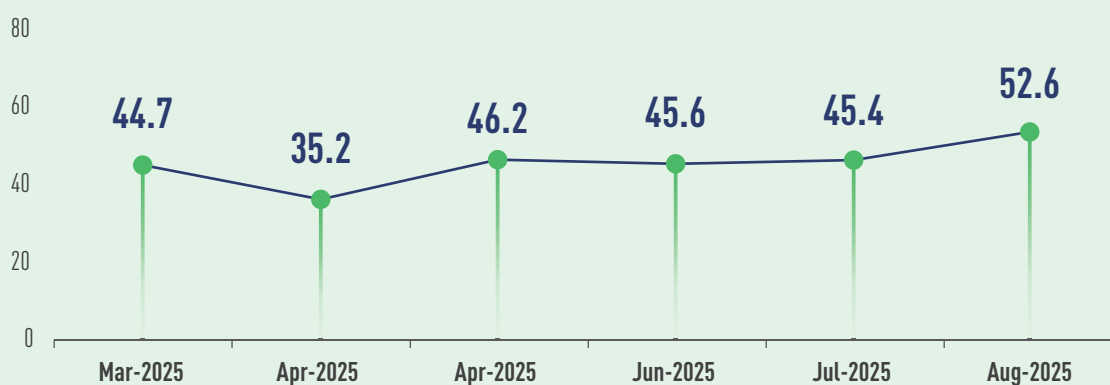


GTI-Gabon Index in August 2025



GTI-Gabon Comprehensive Index

Unit: %



Recently, Gabon signed a loan agreement worth €138.7 million with the International Bank for Reconstruction and Development (IBRD) to accelerate urban modernization and fund urban development projects, which is a part of the country's infrastructure development program. Data from the Central Directorate of Studies, Statistics, and Programs (DCESP) showed that 89% of the country's forestry production in 2024 came from the following five provinces: Ogooué-Lolo (27%), Ogooué-Ivindo (27%), Woleu-Ntem (19%), Ngounié (11%), and Haut-Ogooué (5%). In Ogooué-Lolo and Ogooué-Ivindo, harvesting was weakened by logistical difficulties, recording an overall drop of 34.9% compared to 2023. In other news, Data from the Sectoral Outlook for the First Quarter of 2025 published by the Ministry of Finance and Economy of Gabon revealed that its timber sector is experiencing remarkable dynamism. By the end of March 2025, the composite index of activities in this sector had increased by 15.3% compared to the previous quarter, which was driven in particular by demand from China (especially for veneer and plywood).

In August 2025, the GTI-Gabon index registered 52.6%, an increase of 7.2 percentage points from the previous month, back above the critical value (50%) after many months in the doldrums, indicating that the business prosperity of the

superior timber enterprises represented by the GTI-Gabon index expanded from the previous month. This month, its timber harvesting, production, and export all saw significant growth.

As for the twelve sub-indexes, seven indexes (harvesting, production, export orders, inventory of finished products, purchase price, delivery time, and market expectation) were above the critical value of 50%, four indexes (new orders, existing orders, purchase quantity, and inventory of main raw materials) were at the critical value, and only one index (employees) was below the critical value. Compared to the previous month, the indexes for harvesting, production, new orders, export orders, inventory of finished products, purchase quantity, delivery time, and market expectation increased by 8.3-30.0 percentage points, while the indexes for existing orders, purchase price, inventory of main raw materials, and employees declined by 2.5-22.6 percentage points.

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

	2025.03	2025.04	2025.05	2025.06	2025.07	2025.08	MoM	Performance
Comprehensive Index	44.7	35.2	46.2	45.6	45.4	52.6	7.2 ↑	Expand
Harvesting Index	46.4	44.4	40.0	55.0	41.7	64.3	22.6 ↑	Expand
Production Index	36.4	43.8	66.7	50.0	40.0	66.7	26.7 ↑	Expand
New Orders Index	42.9	16.7	30.0	40.0	33.3	50.0	16.7 ↑	Stable
Export Orders Index	40.9	25.0	37.5	42.9	40.0	70.0	30.0 ↑	Expand
Existing Orders Index	46.4	22.2	30.0	40.0	58.3	50.0	-8.3 ↓	Stable
Inventory Index of Finished Products	46.4	33.3	40.0	55.0	50.0	64.3	14.3 ↑	Expand
Purchase Quantity Index	40.9	40.0	16.7	42.9	37.5	50.0	12.5 ↑	Stable
Purchase Price Index	54.5	50.0	50.0	42.9	62.5	60.0	-2.5 ↓	Expand
Inventory Index of Main Raw Materials	60.0	40.0	50.0	35.7	62.5	50.0	-12.5 ↓	Stable
Employees Index	46.4	38.9	40.0	50.0	58.3	35.7	-22.6 ↓	Contract
Delivery Time Index	50.0	50.0	50.0	50.0	50.0	58.3	8.3 ↑	Expand
Market Expectation Index	50.0	50.0	60.0	45.0	41.7	57.1	15.4 ↑	Expand



● Main Challenges Reported by GTI-Gabon Enterprises ●

- Export tariffs were high.
- Road conditions were poor.
- There was a delay in the supply of diesel.
- Some enterprises faced great financial pressure.



● Main Suggestions from GTI-Gabon Enterprises ●

- Improve the condition of roads and railways.
- Ensure the legality of wood.
- Stimulate local markets and reduce tariffs.
- Speed up approval of forestry permits in this sector.

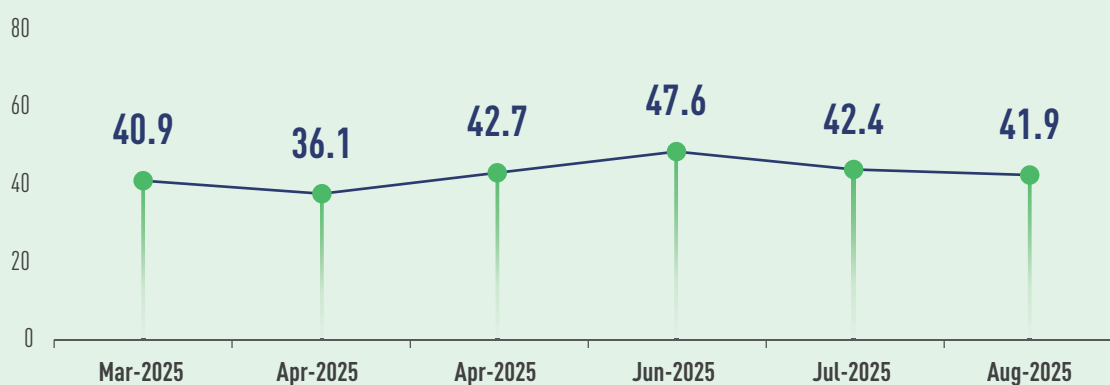


GTI-ROC Index in August 2025



GTI-ROC Comprehensive Index

Unit: %



To coordinate the implementation of environmental protection projects, the Senate of the Republic of the Congo (ROC) passed a bill on August 12 to establish the National Environment Agency (ANE), which will be responsible for formulating relevant regulations, developing a national environmental information system, and monitoring environmental and social impact assessments related to economic development projects. At the 4th edition of the Wood Trades Fair (Sameb) held in Brazzaville on August 11, Rosalie Matondo, the Minister of Forest Economy, emphasized that the timber industry must move toward zero waste, focusing on advanced processing and recycling. During the event, industry representatives expressed concerns over the scarcity of wood directly from factories and called for better availability of raw materials at affordable prices to ensure the sustainability and competitiveness of their businesses. On August 19, the Congolese government signed a long-term lease agreement with Aforest-Congo, marking the official launch of an ecological afforestation project spanning over 100,000 hectares, aiming to combat climate change through reforestation, develop forest carbon sinks to generate carbon credits, and promote wood processing to strengthen economic diversification and local development.

In August 2025, the GTI-ROC index registered 41.9%, a decrease of 0.5 percentage point from the previous month, still below the critical value of 50%, indicating that the business prosperity of the superior timber enterprises represented by the GTI-ROC index shrank from the previous month.

As for the twelve sub-indexes, only the delivery time index was at the critical value of 50%, while the remaining eleven indexes (harvesting, production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, employees, and market expectation) were below the critical value of 50%. Compared to the previous month, the indexes for production and delivery time increased by 0.4-2.1 percentage point(s); the indexes for purchase quantity and inventory of main raw materials were unchanged from the previous month; and the indexes for harvesting, new orders, export orders, existing orders, inventory of finished products, purchase price, employees, and market expectation declined by 0.7-13.3 percentage point(s).

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

	2025.03	2025.04	2025.05	2025.06	2025.07	2025.08	MoM	Performance
Comprehensive Index	40.9	36.1	42.7	47.6	42.4	41.9	-0.5 ↓	Contract
Harvesting Index	45.8	44.4	43.2	51.9	44.0	41.7	-2.3 ↓	Contract
Production Index	50.0	44.4	45.2	48.1	44.0	44.4	0.4 ↑	Contract
New Orders Index	44.0	44.4	45.7	46.2	44.2	42.1	-2.1 ↓	Contract
Export Orders Index	47.8	50.0	45.5	48.1	45.8	44.4	-1.4 ↓	Contract
Existing Orders Index	46.0	41.7	45.7	50.0	44.2	42.1	-2.1 ↓	Contract
Inventory Index of Finished Products	46.0	41.7	47.8	50.0	44.2	42.1	-2.1 ↓	Contract
Purchase Quantity Index	25.0	25.0	30.0	40.0	37.5	37.5	0	Contract
Purchase Price Index	25.0	30.0	25.0	35.7	30.0	16.7	-13.3 ↓	Contract
Inventory Index of Main Raw Materials	25.0	16.7	41.7	41.7	16.7	16.7	0	Contract
Employees Index	46.0	44.4	50.0	51.9	46.2	44.7	-1.5 ↓	Contract
Delivery Time Index	45.7	46.9	50.0	47.9	47.9	50.0	2.1 ↑	Stable
Market Expectation Index	50.0	44.4	47.8	48.1	48.1	47.4	-0.7 ↓	Contract



Main Challenges Reported by GTI-ROC Enterprises

- Some enterprises faced cash flow problems.
- The logistics for products were slow.
- Diesel was in short supply and its price rose.

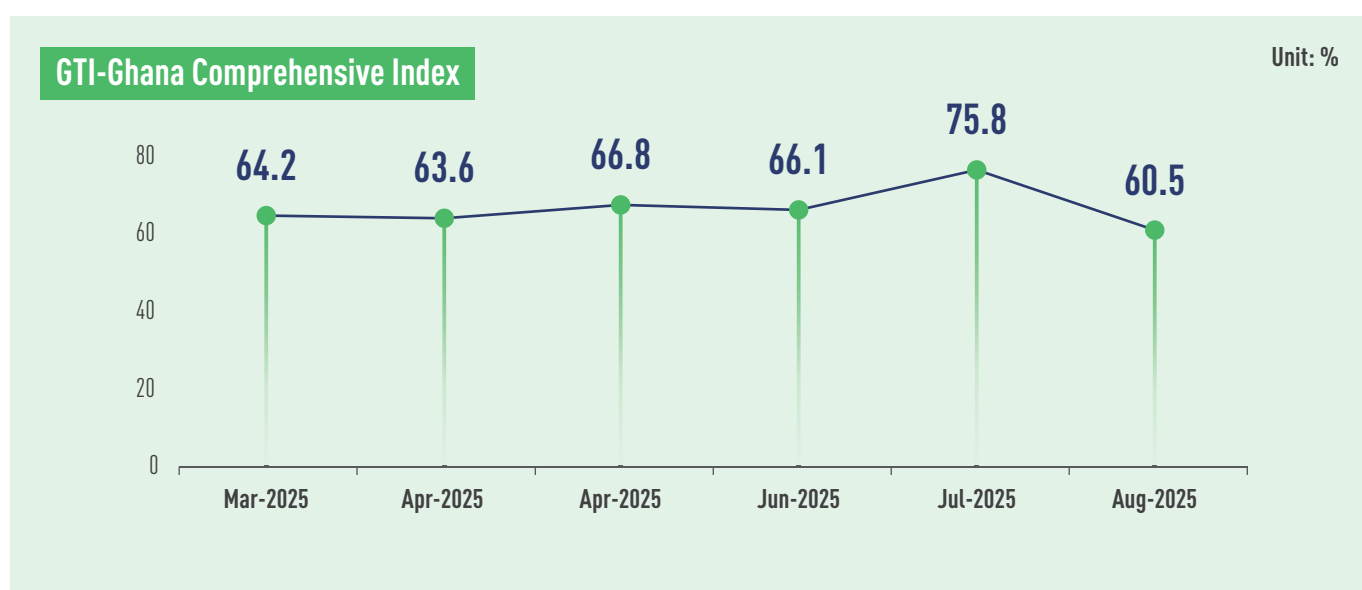


Main Suggestions from GTI-ROC Enterprises

- Improve the forestry management model.
- Ensure fuel supply for enterprises.
- Improve road conditions to increase logistics speed.



GTI-Ghana Index in August 2025



During the 13th Session of the Joint Monitoring and Review Mechanism between Ghana and the European Union on August 27, Ghana's Minister for Lands and Natural Resources announced that Ghana will officially begin exporting Forest Law Enforcement, Governance and Trade (FLEGT) licensed timber to the European market on October 8, 2025. This milestone marks the end of a 16-year journey to reform Ghana's forest governance, improve timber legality systems, and promote sustainable trade. Recently, at a meeting involving key actors such as Executive Management Team of Ghana's Forestry Commission, the Office of the Administrator of Stool Lands (OASL), and leadership from the timber industry, participants highlighted the pressing need to address the financial challenges confronting the timber sector, noting that the strengthening of the Ghanaian cedi against major international currencies had led to a decline in export revenue, while operational costs had remained high.

In August 2025, the GTI-Ghana index registered 60.5%, a decrease of 15.3 percentage points from the previous month, was above the critical value (50%) for 8 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Ghana index expanded from the previous month. This month, Ghana's timber sector continued to saw significant growth in harvesting, and production and new orders also showed an upward trend.

As for the twelve sub-indexes, ten indexes (harvesting, production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, and delivery time) were above the critical value of 50%, and two indexes (employees, and market expectation) were at the critical value. Compared to the previous month, purchase price index increased by 3.4 percentage points, while the other eleven indexes declined by 3.0-29.6 percentage points.



Factory of AYIPA WOOD COMPANY LIMITED, Ghana. Photo: Peter Zormelo

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

	2025.03	2025.04	2025.05	2025.06	2025.07	2025.08	MoM	Performance
Comprehensive Index	64.2	63.6	66.8	66.1	75.8	60.5	-15.3 ↓	Expand
Harvesting Index	52.1	66.7	75.0	67.6	79.5	70.8	-8.7 ↓	Expand
Production Index	81.3	61.8	65.0	65.8	82.7	59.4	-23.3 ↓	Expand
New Orders Index	22.9	67.6	65.0	55.3	71.2	56.3	-14.9 ↓	Expand
Export Orders Index	14.6	63.3	67.3	58.8	63.0	60.0	-3.0 ↓	Expand
Existing Orders Index	39.6	50.0	61.7	60.5	57.7	53.1	-4.6 ↓	Expand
Inventory Index of Finished Products	60.4	58.8	63.3	65.8	69.2	59.4	-9.8 ↓	Expand
Purchase Quantity Index	33.3	61.8	63.3	73.7	73.1	65.6	-7.5 ↓	Expand
Purchase Price Index	97.9	73.5	70.0	63.2	65.4	68.8	3.4 ↑	Expand
Inventory Index of Main Raw Materials	52.1	67.6	66.7	76.3	82.7	53.1	-29.6 ↓	Expand
Employees Index	43.8	50.0	55.0	52.6	53.8	50.0	-3.8 ↓	Stable
Delivery Time Index	27.1	58.8	63.3	73.7	69.2	53.1	-16.1 ↓	Expand
Market Expectation Index	50.0	55.9	46.7	60.5	63.5	50.0	-13.5 ↓	Stable



Main Challenges Reported by GTI-Ghana Enterprises

- Power supply was unstable.
- Port charges were high.
- There was a shortage of skilled labour.
- Production costs were high.
- Raw material costs were high.
- Competition from synthetic materials was intense.
- Transportation costs were high due to rising fuel prices.
- Costs of spares parts for vehicles and machines were high due to high taxes and duties.



Main Suggestions from GTI-Ghana Enterprises

- Invest in electric power infrastructure.
- Get financial support from government.
- Need government investment in road infrastructure.
- Government subsidy and tax incentives are needed.
- Government support and incentives for apprenticeship training are needed.
- Get sponsorship to participate in international trade fairs and exhibitions.

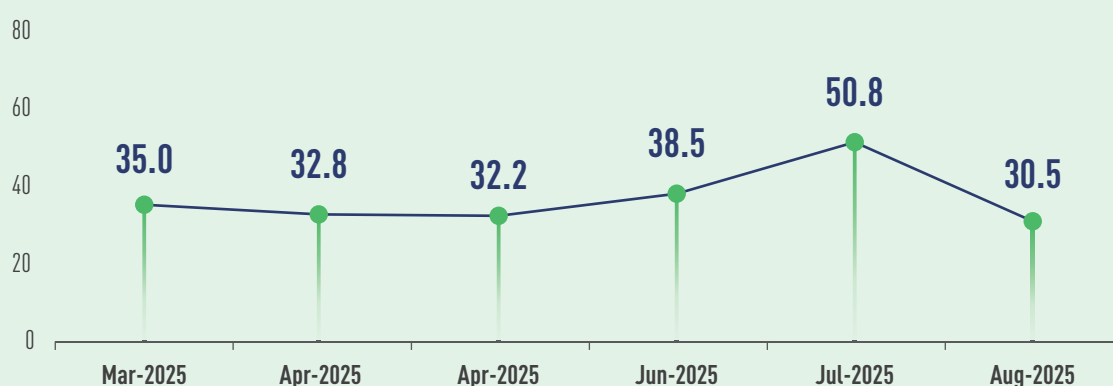


GTI-Brazil Index in August 2025



GTI-Brazil Comprehensive Index

Unit: %



On August 13, Brazilian President launched an initial set of measures in response to U.S. tariff policies, called Sovereign Brazil (Brasil Soberano) Plan. The measures direct BRL 30 billion from Brazil's Export Guarantee Fund (FGE) for credit with accessible rates, expand finance lines for exports, while also extend the suspension of taxes for exporting companies, and increase the percentage of federal tax refunds. On August 22, U.S. President Trump announced that a tariff investigation on furniture coming into the United States was underway. Some analysts said that once the investigation is completed within the next 50 days, high tariffs may be imposed on furniture from other countries. From January to June, Brazil's exports of finished furniture and mattresses stood at US\$374.2 million, up 6.8% compared to the same period in 2024, with North America being a major destination. On August 30, Brazil and China launched a trade route connecting the port of Santana, in Brazil's Amapá, to the port of Zhuhai, in China, which will reduce both costs and travel time for Brazilian products (e.g., timber) destined for the Asian market. In the first half of this year, Brazilian real estate market recorded the highest number of launches, with an increase of 6.8% in new units compared to the same period in 2024. Meanwhile, sales rose 9.6% year-on-year, closing at 206,903 units, indicating that the Brazilian real estate market remained active.

In August 2025, the GTI-Brazil index registered 30.5%, a decrease of 20.3 percentage points from the previous month, fell below the critical value (50%) after one month, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Brazil index shrank from the previous month.

As for the twelve sub-indexes, two indexes (purchase price, and delivery time) were above the critical value of 50%, one index (inventory of finished products) was at the critical value, while the remaining nine indexes (harvesting, production, new orders, export orders, existing orders, purchase quantity, inventory of main raw materials, employees, and market expectation) were below the critical value. Compared to the previous month, the index for purchase quantity increased by 5.0 percentage points; the index for harvesting was unchanged from the previous month, and the indexes for production, new orders, export orders, existing orders, inventory of finished products, purchase price, inventory of main raw materials, employees, delivery time, and market expectation declined by 2.7-26.8 percentage points.

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

	2025.03	2025.04	2025.05	2025.06	2025.07	2025.08	MoM	Performance
Comprehensive Index	35.0	32.8	32.2	38.5	50.8	30.5	-20.3 ↓	Contract
Harvesting Index	39.3	45.5	40.0	40.9	22.2	22.2	0.0	Contract
Production Index	26.9	33.3	28.6	34.6	40.0	18.2	-21.8 ↓	Contract
New Orders Index	32.1	28.1	20.0	30.0	55.0	31.8	-23.2 ↓	Contract
Export Orders Index	26.9	30.0	28.6	35.7	44.4	35.0	-9.4 ↓	Contract
Existing Orders Index	39.3	40.6	40.0	43.3	45.0	40.9	-4.1 ↓	Contract
Inventory Index of Finished Products	50.0	59.4	66.7	70.0	65.0	50.0	-15.0 ↓	Stable
Purchase Quantity Index	36.4	25.0	30.0	35.7	35.0	40.0	5.0 ↑	Contract
Purchase Price Index	54.5	57.1	53.8	57.1	65.0	55.0	-10.0 ↓	Expand
Inventory Index of Main Raw Materials	37.5	32.1	34.6	39.3	45.0	18.2	-26.8 ↓	Contract
Employees Index	46.4	34.4	43.3	50.0	50.0	31.8	-18.2 ↓	Contract
Delivery Time Index	37.5	39.3	46.2	46.4	65.0	55.0	-10.0 ↓	Expand
Market Expectation Index	28.6	31.3	33.3	36.7	30.0	27.3	-2.7 ↓	Contract



Operation in Florestal, Mato Grosso, Brazil. Photo: teakrc



Lecture and Social Action in Belem, Brazil. Photo: teakrc



Brief on Brazilian Timber Industry



- In the domestic pine market in southern Brazil, a differentiated scenario is observed among the states. In Rio Grande do Sul, the supply of small-diameter logs remains stable, but demand is weak, while large-diameter logs recorded a 15% drop in stumpage prices, reflecting greater commercialization difficulties. In Santa Catarina, there is a growing shortage of large logs over 30 cm, accompanied by declining sales, signaling market fragility. In Paraná, small logs (08–18 cm) show regular supply and stable prices, with slight occasional appreciation, while large thinning logs (>25 cm) face reduced demand due to the 50% tariff imposed by the United States, a factor that is likely to put pressure on the market in the coming months and affect pricing and marketing strategies.
- The Brazilian forestry and timber sector is currently under significant pressure, which directly affects its competitiveness. Key challenges include the continuous increase in transportation and harvesting costs, labor shortages in specific operational roles, particularly night shifts, and the sector's strong dependence on the U.S. market, where tariffs and trade barriers pose risks to profit margins and export stability. Despite these constraints, Brazil retains strategic advantages, most notably its high production capacity and strong international reputation for environmental, social, and governance (ESG) practices. These assets enhance the sector's credibility with global buyers and provide a foundation for market diversification. Expanding into Europe, Asia, the Middle East, and Africa offers a pathway to mitigate vulnerability to U.S. trade policies and to reinforce the sector's resilience over the medium and long term.
- The sawnwood and wood products industry is navigating a mix of commercial pressures and segment-specific opportunities. Exports of pine and eucalyptus sawnwood, which account for the bulk of Brazil's external sales, continue to be strongly affected by the 50% U.S. tariff, prompting a push to strengthen access to alternative destinations, particularly in Asia and the Middle East. In the plywood segment, while Brazil maintains a solid global position, products face both U.S. tariffs and anti-dumping investigations in the European Union. At the same time, international demand is driving greater appreciation for eucalyptus plywood. Higher value-added products, such as moldings and doors, saw an immediate contraction in sales following the new tariffs, yet the outlook remains positive. With targeted price adjustments and market diversification strategies, these segments demonstrate the potential to withstand external shocks and gradually recover.

Information provided by GTI-Brazil Focal Point



Logs in Yard, at Cáceres, Mato Grosso, Brazil. Photo: teakrc



Native and Planted Forest in Redenção, Pará, Brazil. Photo: teakrc



Main Challenges Reported by GTI-Brazil Enterprises

- Raw material supply was unstable.
- Instability in the environment of international market was also a problem.
- Document clearance by environmental agency was not fast enough.
- The ramp-up of production at the sawmill, following the expansion with new equipment, was proceeding more slowly than anticipated.
- Challenges include market uncertainties and tariffs, along with potential dumping threats in the furniture sector.
- There was a degree of uncertainty regarding the impact of the recent U.S. tariff measures on processed teak wood exported directly from Brazil, as well as on products from other countries that Brazil exports which may ultimately enter the U.S. market. Consequently, clients had been cautious in committing to new purchases.



Main Suggestions from GTI-Brazil Enterprises

- Explore alternative markets.
- Reduce reliance on the U.S. market.
- Strengthen the industrialization of the production chain.
- Increase releasing efficiency of export documentation by IBAMA.
- Export authorization released at the dry port in Cuiabá is needed.
- Accelerate production as soon as all adjustments with the new equipment are completed.



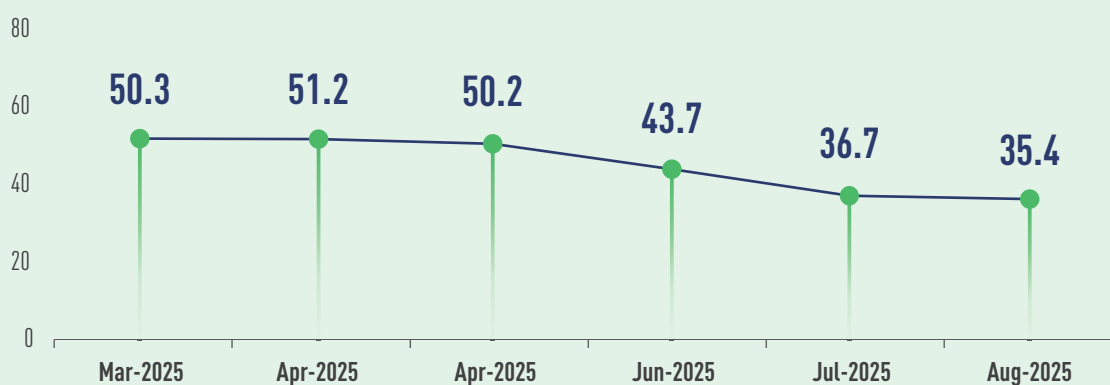
GTI-Mexico Report

GTI-Mexico Index in August 2025



GTI-Mexico Comprehensive Index

Unit: %



In Michoacan, drones are being used to disperse tree seeds and reforest burned forest. The Michoacan Forestry Commission explained that the seeds are pre-germinated and a germination rate of at least 30% is expected. In the field of environment, Mexico's Economy Ministry had officially kicked off the technical-review phase of the Five-Year Review of the Environment Chapter under the United States-Mexico-Canada Agreement. Back in June this year, delegates from the three countries met for a meeting, where Mexico flag priorities such as nature reserve management, endangered species conservation, sustainable development of forest resources, air quality control, ozone layer protection, and capacity building of environmental protection institutions. On August 4, President Claudia Sheinbaum issued a decree that finalizes the list of public works related to strategic priorities, including an extension of the Maya Railway to the port of Progreso, several new passenger-rail lines, upgrades to airports and seaports including Mexico City International Airport, social-housing programs and other infrastructure construction.

In August 2025, the GTI-Mexico index registered 35.4%, a decrease of 1.3 percentage points from the previous month, was below the critical value (50%) for 3 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Mexico index shrank from the previous month.

As for the twelve sub-indexes, two indexes (purchase price, and market expectation) were above the critical value of 50%, while the remaining ten indexes (harvesting, production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, employees, and delivery time) were all below the value. Compared to the previous month, the indexes for production, new orders, and market expectation increased by 1.5-6.3 percentage points, and the indexes for harvesting, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, employees, and delivery time declined by 2.0-33.3 percentage points.

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

	2025.03	2025.04	2025.05	2025.06	2025.07	2025.08	MoM	Performance
Comprehensive Index	50.3	51.2	50.2	43.7	36.7	35.4	-1.3 ↓	Contract
Harvesting Index	59.1	58.3	64.3	50.0	47.6	27.5	-20.1 ↓	Contract
Production Index	55.0	55.3	57.5	44.7	31.0	32.5	1.5 ↑	Contract
New Orders Index	56.5	54.0	45.5	45.2	31.8	38.1	6.3 ↑	Contract
Export Orders Index	33.3	25.0	50.0	25.0	50.0	16.7	-33.3 ↓	Contract
Existing Orders Index	47.8	44.0	38.6	38.1	38.6	23.8	-14.8 ↓	Contract
Inventory Index of Finished Products	41.3	46.0	52.3	57.1	47.7	40.5	-7.2 ↓	Contract
Purchase Quantity Index	60.7	59.4	50.0	40.0	33.3	31.3	-2.0 ↓	Contract
Purchase Price Index	64.3	67.6	60.7	53.3	61.5	56.3	-5.2 ↓	Expand
Inventory Index of Main Raw Materials	46.4	55.9	60.7	46.4	42.9	33.3	-9.6 ↓	Contract
Employees Index	45.7	48.0	50.0	42.9	43.2	35.7	-7.5 ↓	Contract
Delivery Time Index	39.1	40.0	40.9	38.1	43.2	35.7	-7.5 ↓	Contract
Market Expectation Index	82.6	81.0	75.0	73.8	70.5	73.8	3.3 ↑	Expand



Wooden piles, Mexico. Photo: Industria Forestal Pueblos Mancomunados



Open air drying of wood, Mexico. Photo: Industria Forestal Pueblos Mancomunados



Brief on Mexican Timber Industry



Introduction

The present document describes tropical timber prices in Mexico for the month of July. These prices are obtained from the “Forest Product Pricing System” published by the Mexican National Forest Commission.

The Forest Product Pricing System is a tool by which, local forest producers register referential prices for timber and non-timber products in tropical and temperate forests through a digital survey. These prices are then analyzed and reported as weighted means, in which the weighing factor is defined based on the timber production volume.

Prices of zapote (*Manilkara zapota* (L.) Van Royen)

Manilkara zapota (L.) Van Royen, known locally as “Zapote” is a tropical specie native to Mexico and Central America. This specie is commercially planted for latex production. However, Zapote is also harvested for its durable and resistant wood properties. In Mexico Zapote is commercialized in the states of Campeche and Quintana Roo. During the past year, zapote timber has been sold at higher prices compared to other tropical species.

Zapote roundwood (Table 1) and sawn-wood prices (Table 2) are reported at the dollar exchange rate of 18.84 Mexican pesos. This exchange rate was published on July 16th, 2025 by the Bank of Mexico.

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

Long dimensional roundwood (primary)		Long dimensional roundwood (secondary)		Roundwood
Sold on the forest path	Sold at the saw mill	Sold on the forest path	Sold at the sawmill	
216.3	237.5	148.6	n/d ¹	89.6

¹ No data

Table 2. Zapote sawn wood prices (\$USD/board foot).

Long dimensional sawn wood (select)	Long dimensional sawn wood (mill run)	Short dimensional sawn wood
2.12	1.86	1.38

Information provided by GTI-Mexico Focal Point



Main Challenges Reported by GTI-Mexico Enterprises

- There was a decline in product sales.
- Weather conditions affected production and operations.
- Sales channels were limited, or channel development was insufficient.
- Bureaucracy in forest management procedures was a problem.
- Barriers to international trade or tariff issues also posed challenges.
- Market demand was unstable and it was difficult to predict.
- Enterprises faced price pressure from competitors.



Main Suggestions from GTI-Mexico Enterprises

- Optimize forest management processes.
- Make improvements in the planning of logistics processes within the industry.
- Strengthen capacity building to improve wood processing processes.
- Make changes in legislation to reduce product imports.
- Improve roads for product transportation.
- Ensure the adequacy of product sales and distribution channels.
- Get support for the acquisition of equipment, machinery and infrastructure.



Wood Dragging, Mexico. Photo: Forestal Xochiapa



Wood Veneer Drying, Mexico. Photo: Forestal Xochiapa

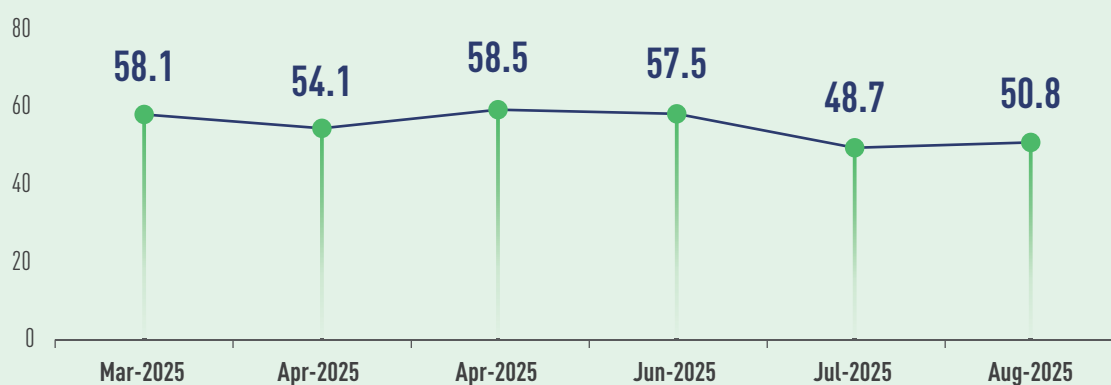


GTI-China Index in August 2025



GTI-China Comprehensive Index

Unit: %



Data from China's General Administration of Customs revealed that from January to July, the country's imports of logs and sawnwood totaled 33.479 million cubic meters, a decrease of 12.3% compared to the same period in 2024, and the total import value reached 48.67 billion yuan, down 14.5%. The China Furniture Industry Import & Export Report, released by the China National Furniture Association, showed that in the first half of this year, the total export value of China's furniture industry stood at US\$34.915 billion, a year-on-year decrease of 6.72%, although export volume increased by 5.98%. And influenced by tariff-related factors, the export value declined noticeably in April and May, reaching US\$6.133 billion and US\$5.983 billion, respectively, representing year-on-year drops of 7.01% and 9.18%. On August 29, the People's Bank of China, the National Financial Regulatory Administration, and the National Forestry and Grassland Administration jointly issued the Notice on Financial Support for High-Quality Development of Forestry Industry, outlining 15 specific measures across five key areas: enhancing financial services for the reform of the collective forest tenure system, strengthening financial safeguards for major forestry strategies, increasing financial input for high-quality development of the forestry industry, establishing mechanisms for financial support to realize the value of ecological products, and improving supporting policies and safeguard mechanisms,

all aimed at promoting high-quality growth in the forestry industry.

In August 2025, the GTI-China index registered 50.8%, an increase of 2.1 percentage points from the previous month, rose above the critical value (50%) after one month, indicating that the business prosperity of the superior timber enterprises represented by the GTI-China index expanded from the previous month. Although the domestic market in China contracted during this month, both production volume and export orders showed slight growth over the previous month.

As for the twelve sub-indexes, nine indexes (production, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, delivery time, and market expectation) were above the critical value of 50%, while the remaining three indexes (new orders, import, and employees) were below the critical value. Compared to the previous month, all the twelve sub-indexes rose, with gains ranging from 0.8 to 10.0 percentage point(s).

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

	2025.03	2025.04	2025.05	2025.06	2025.07	2025.08	MoM	Performance
Comprehensive Index	58.1	54.1	58.5	57.5	48.7	50.8	2.1 ↑	Expand
Production Index	62.1	59.1	63.4	62.4	51.6	54.1	2.5 ↑	Expand
New Orders Index	61.3	53.6	57.0	55.9	48.0	48.9	0.9 ↑	Contract
Export Orders Index	50.8	53.2	56.7	56.0	43.0	51.1	8.1 ↑	Expand
Existing Orders Index	54.3	52.3	53.5	52.6	46.9	51.1	4.2 ↑	Expand
Inventory Index of Finished Products	52.7	55.5	51.1	51.3	46.9	54.8	7.9 ↑	Expand
Purchase Quantity Index	62.1	53.2	59.5	57.8	42.6	52.6	10.0 ↑	Expand
Purchase Price Index	55.5	52.3	54.6	53.6	52.3	55.6	3.3 ↑	Expand
Import Index	55.2	47.5	56.0	55.7	48.4	49.6	1.2 ↑	Contract
Inventory Index of Main Raw Materials	55.9	45.9	52.8	52.6	46.1	51.1	5.0 ↑	Expand
Employees Index	51.2	50.5	57.0	55.6	47.7	48.5	0.8 ↑	Contract
Delivery Time Index	55.5	56.8	59.2	58.5	48.0	52.2	4.2 ↑	Expand
Market Expectation Index	67.4	56.4	61.3	60.0	50.0	54.4	4.4 ↑	Expand



Main Challenges Reported by GTI-China Enterprises

- Enterprises struggled with insufficient orders.
- There was intense competition in terms of market prices.
- The global economic environment was not so good.
- Raw material costs were high, and demand for products was not enough.



Main Suggestions from GTI-China Enterprises

- Regulate practices in the industry.
- Broaden financing channels.
- Need government support for timber enterprises.
- Expand into international markets to increase the volume of 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 10 countries, including Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico, Ecuador 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 (GGSCI) 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.

Contact Us

Ms. Sydney (Xuting) Gao

Director for Public Relations, GGSC Secretariat

✉ gaoxuting@itto-ggsc.org

Ms. Zuo Ping

Technical Assistant of Publicity Department, GGSC Secretariat

✉ zuoping@itto-ggsc.org

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JOIN US

GGSC

Contact person: Ms. Yinfeng Li

Email: ggsc@itto-ggsc.org

Tel: 86-10-6288 8626

Website: www.itto-ggsc.org



Scan the QR code and
follow the official account

ITTO

Contact person: Mr. Qiang Li

Email: li@itto.int

Website: www.itto.int



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