GTI-WOODBASED PANEL (GTI-WBP) REPORT

MONTHLY

GGSC-No. 09/2025

Tracking and monitoring the global woodbased panel market trend.

ITTO INTERNATIONAL TROPICAL TIMBER ORGANIZATION

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

The pilot countries for the GTI-WBP index include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico, Ecuador, and China. In 2023, the total production of woodbased panel in the ten countries mentioned above was 207 million cubic meters, accounting for **51.1%** 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.

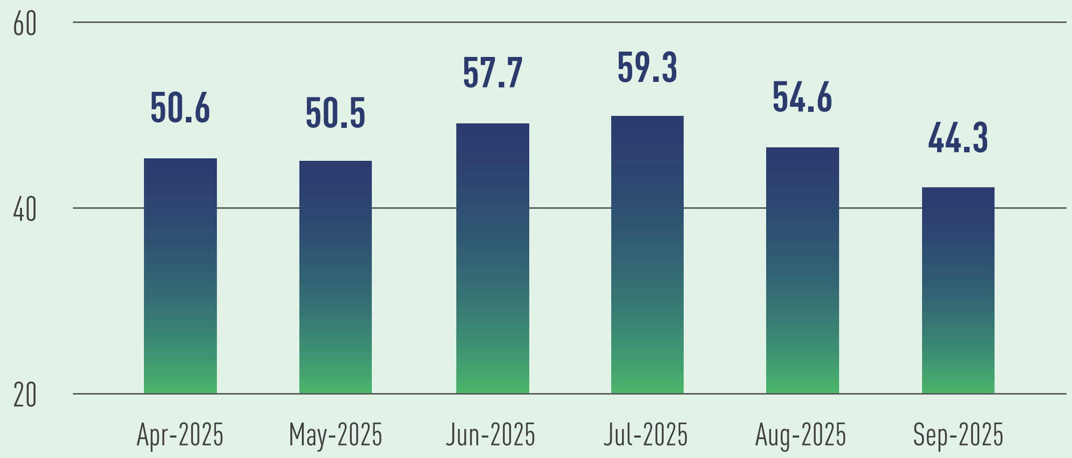
At the end of each month, major leading woodbased panel enterprises are organized by focal points to fill out survey questionnaires. The questionnaire is usually filled out by the person in charge of production and operation or personnel from the statistics department. The Global Green Supply Chains 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, Ecuador and China. In 2023, the total production of woodbased panel in the ten countries mentioned above was 207 million cubic meters, accounting for 51.1% of the total global production volume of woodbased panel.

GTI-Woodbased Panel Index in September 2025

GTI-WBP Comprehensive Index



In September 2025, the GTI-Woodbased Panel (GTI-WBP) Index registered 44.3%, a decrease of 10.3 percentage points from the previous month and below the critical value (50%) again after five months, indicating that in the pilot countries, the overall business prosperity of wood-based panel industry represented by the index had shifted from expansion to contraction.

On the demand side, the overall demand for wood-based panels in the GTI-WBP pilot countries began to decline, suggesting that the short-term growth observed over the previous three months may have reached a temporary peak. This month, all the indexes related to wood-based panel demand dropped below the 50% critical value. Specifically, the new orders index registered 47.6%, a decrease of 5.6 percentage points; the export orders index stood at 44.8%, down 8.1 percentage points; and the existing orders index was at 42.9%, dropping 7.9 percentage points. A detailed breakdown indicates that the decline in new orders was mainly from the international market. As the wave of advance ordering spurred by U.S. tariff policies came to an end, the volume of orders in the international wood-based panel market had begun to decline. By product category, global market conditions for plywood products were still unstable and tends to be sluggish.

On the supply side, the supply of wood-based panels in the pilot countries declined, ending its six-month upward trend. The production index was at 41.7%, a decrease of 26.2 percentage points from the previous month, indicating an overall slowdown in production across the pilot countries. Meanwhile, the inventory index of finished products stood at 52.4%, remaining in expansion territory for the fifth consecutive month and signaling persistent risk of overcapacity in the wood-based panel industry. In this context, manufacturers need to, on one hand, control their production capacity, and on the other hand, drive product innovation in terms of sustainability, performance, and customization to break free from the fierce homogeneous competition.

In terms of prices, the purchase price index for raw materials recorded 58.2%, remaining above the critical value for the 15th consecutive month, indicating that amid continuous rises in the prices of logs and other production materials, the WBP manufacturers were facing significant cost pressures. Statistical data shows that for several consecutive months, the purchase prices of main raw materials had been rising in countries such as Ghana, Brazil, and Mexico, where enterprises voiced strong demands for cost reduction and efficiency improvement. In countries like Gabon, the cost pressure on raw material procurement had been continuously easing. However, enterprises still faced financial strains stemming from rising logistics costs and tariffs. Meanwhile, the low market prices of their products had also added to their financial burdens.

Main updates related to the wood-based panel market include: In August 2025, Brazil's tropical plywood exports jumped 87.0% in volume and 67.0% in value, from 1,500 m^3 and US$0.9 million in August 2024 to 2,800 m^3 and US$1.5 million. In the first half of 2025, Ecuador's exports of particleboard / MDP totaled US$91.3 million, marking a decline of 8.1% compared to the same period in 2024. Nevertheless, its key particleboard markets such as Peru, Mexico, and the United States still showed growth.

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

	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025	MoM	Performance
Comprehensive Index	50.6	50.5	57.7	59.3	54.6	44.3	-10.3 ↓	Contract
Production Index	50.9	54.4	61.1	63.2	67.9	41.7	-26.2 ↓	Contract
New Orders Index	54.3	49.2	55.9	62.7	53.2	47.6	-5.6 ↓	Contract
Export Orders Index	51.2	51.0	54.5	52.8	52.9	44.8	-8.1 ↓	Contract
Existing Orders Index	44.0	49.2	54.9	51.5	50.8	42.9	-7.9 ↓	Contract
Inventory Index of Finished Products	46.6	54.8	58.8	59.0	56.5	52.4	-4.1 ↓	Expand
Purchase Quantity Index	53.0	47.5	62.9	53.1	54.2	39.3	-14.9 ↓	Contract
Purchase Price Index	59.2	60.8	59.3	59.1	60.0	58.2	-1.8 ↓	Expand
Inventory Index of Main Raw Materials	48.0	50.0	55.7	59.2	48.3	45.0	-3.3 ↑	Contract
Employees Index	44.8	46.8	56.4	51.5	42.7	42.9	0.2 ↑	Contract
Delivery Time Index	51.8	51.7	59.1	56.8	54.9	43.7	-11.2 ↓	Contract
Market Expectation Index	47.6	47.6	56.9	55.2	47.6	46.5	-1.1 ↓	Contract

Main Challenges Reported by GTI-WBP Enterprises

- The market prices of products were low. (Gabon)
- There was intense competition in terms of market prices. (China)
- Market demand for products slowed down. (Ghana)
- Business declined due to the US tariff hike. (Brazil)
- There was a shortage of employees who were knowledgeable about using woodworking machinery to work. (Thailand)
- There was a shortage of plywood demand for export, and at the same time, there was a lack of logs. (Malaysia)
- Global market conditions for plywood products were still unstable and tends to be sluggish, especially for the Japanese market, which is a main export destination. (Indonesia)

Main Suggestions from GTI-WBP Enterprises

- Expand into international markets to increase the volume of orders. (China)
- Slow down production. (Malaysia)
- Increase participation in exhibitions and international trade fairs. (Ghana)
- The government (Skill Development Center in particular) and private sector should have courses for woodworking. (Thailand)
- Maintain competitiveness through obtaining certification. (Gabon)
- Introduce alternative materials to be used alongside wood products, thus providing customers with more options. (Thailand)

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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.

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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