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INTERNATIONAL TROPICAL
TIMBER ORGANIZATION



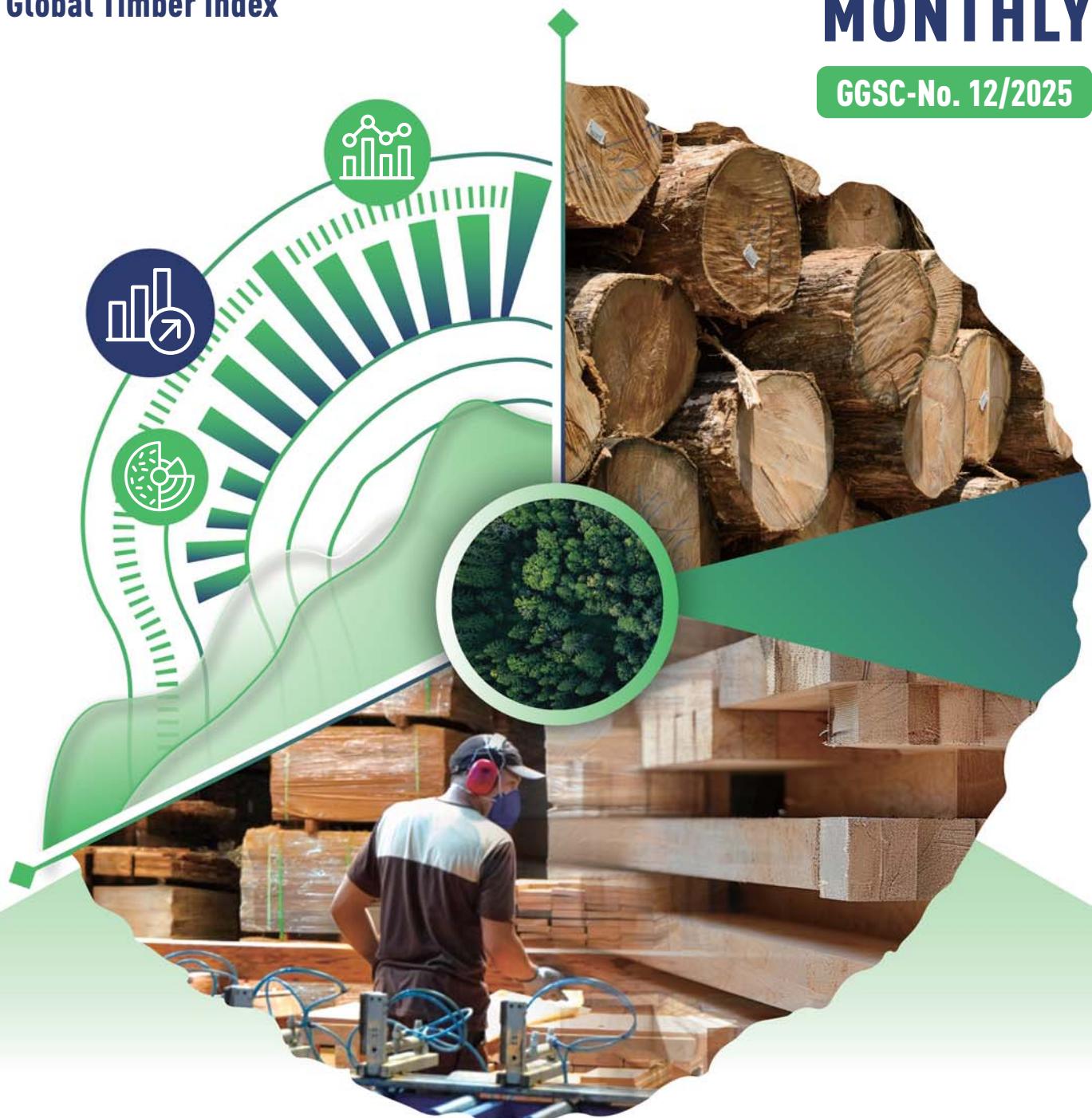
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GTI REPORT 2025

Global Timber Index

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Thailand

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Ghana

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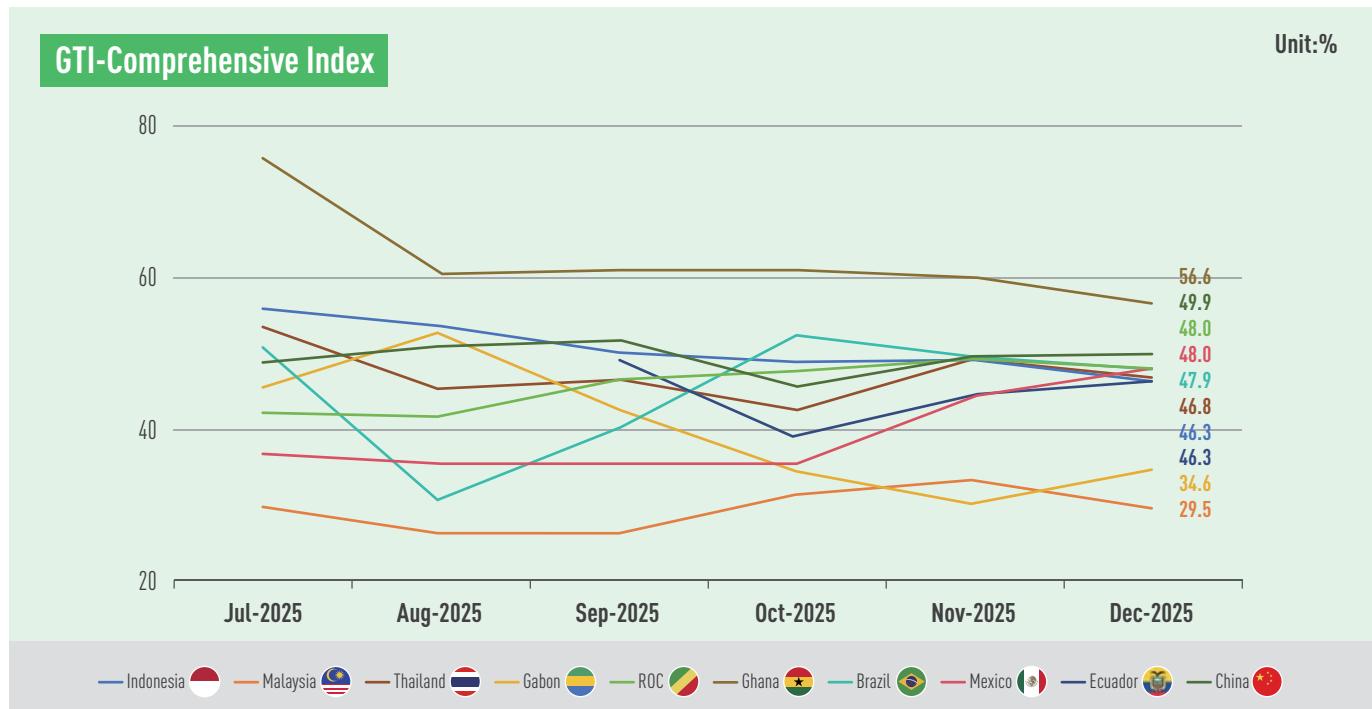
GTI REPORT 2025

DECEMBER



Overview of the GTI Index

Timber industries navigate headwinds and eye breakthrough in export diversification



The Global Timber Index (GTI) report for December 2025 indicates the global timber sector remains in contraction territory. Among the ten GTI pilot countries, only Ghana (56.6%) maintained an index above the 50% threshold, while all others were below the threshold. Specifically, China (49.9%), the Republic of the Congo (48.0%), Mexico (48.0%), and Brazil (47.9%) recorded readings near the threshold, reflecting relatively mild contraction. Thailand (46.8%), Indonesia (46.3%), and Ecuador (46.3%) posted similar levels, reflecting moderate contraction. Gabon (34.6%) and Malaysia (29.5%) recorded low readings, indicating a significant downturn in their timber sectors.

GTI sub-indices revealed export market performance as a notable bright spot this month. Both Gabon and Thailand saw their export markets shift from contraction to significant expansion; Brazil's export orders grew for the third consecutive month; and export markets of Indonesia, the Republic of the Congo, and Mexico held steady. Also, the sub-indices showed that Ghana's harvesting volume grew for several consecutive months, while production volume increased in both Ghana and China, and new orders posted month-on-month growth in Indonesia, Mexico, and China.

GTI pilot countries are actively pursuing export market diversification. On December 21, The Indonesian government signed a free trade agreement with the Eurasian Economic

Union, which is expected to further boost exports of Indonesian products such as furniture to non-traditional markets. The Malaysia External Trade Development Corp (Matrade) had partnered with a U.S. home goods e-commerce platform, to help local businesses expand online sales to the United States. Meanwhile, Brazil's timber industry is actively exploring markets such as China and the European Union to counter export pressures stemming from U.S. tariff increases.

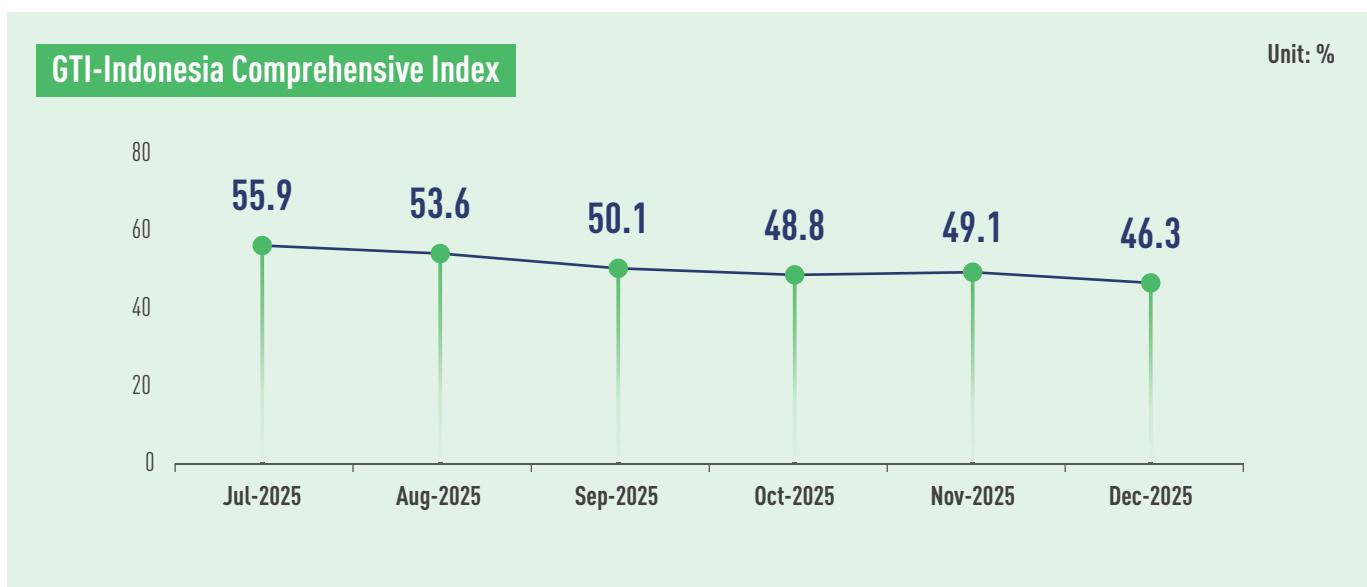
The international operating environment for the timber and furniture industries remains complex and volatile. This month, notable adjustments were made to tariff and trade policies in several GTI pilot countries. For example, on December 18, China's Hainan Free Trade Port officially launched island-wide special customs operations. Following the implementation, the range of goods exempt from import tariffs had expanded from 1,900 tariff lines to approximately 6,600, covering 74% of all tariff lines and nearly all timber raw materials. In other news, Mexico passed amendments to the Law of General Import and Export Taxes on December 29, adjusting 1,463 tariff items across 17 strategic industries and imposing higher import duties on specific products from countries that do not have a free trade agreement with Mexico. Among the amendments, furniture industry's original tariffs of 0%-35% were revised to a new range of 25%-35%.

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-Indonesia Index in December 2025



Currently, there is a strong call within Indonesia's furniture industry for diversifying export destinations. Recent data show that Indonesia's furniture exports are heavily concentrated in the United States, which accounts for about 60% of total exports. On December 21, The Indonesian government signed a free trade agreement with the Eurasian Economic Union, aimed at reducing trade tariffs and expanding the reach of Indonesian products to nontraditional markets. Under the agreement, the Eurasian Economic Union formalizes its commitment to applying preferential tariffs to 90.5% of tariff lines for Indonesian products, which is expected to boost exports of Indonesian furniture and some other products. In December, the Indonesian government further strengthened forest protection measures. According to official announcements, the Indonesian President had ordered a doubling of the number of forest rangers to enhance monitoring and prevent forest encroachment and illegal logging. Regarding forest utilization business permits (PBPH), the country's President had explicitly instructed to avoid issuing new PBPH permits that allow logging activities, and the Minister of Forestry Raja Juli Antoni confirmed that all PBPH approvals granted during his tenure had been limited to environmental service programs that support reforestation. On December 15, the Forestry Minister informed that his office had revoked 22 forest utilization business permits covering a total of 1,012,016 hectares.

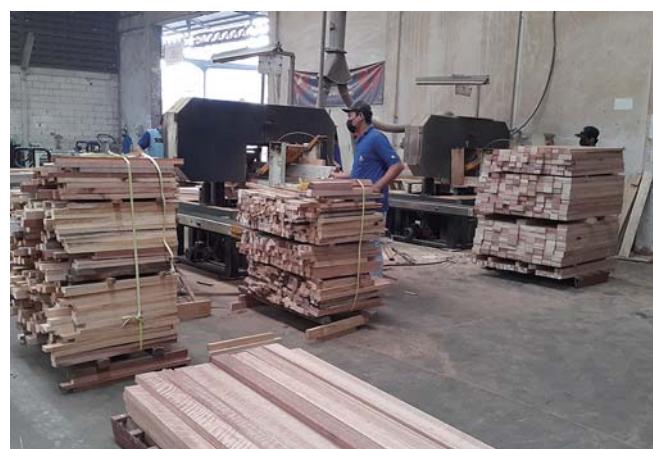
In December 2025, the GTI-Indonesia index registered 46.3%, below the critical value (50%) for the third consecutive month, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Indonesia index shrank from the previous month. This month, the Indonesian domestic market showed some growth, while the export market was relatively stable.

As for the twelve sub-indexes, three indexes (new orders, employees, and market expectation) were above the critical value of 50%, four indexes (export orders, purchase price, inventory of main raw materials, and delivery time) were at the critical value, while the remaining five indexes (harvesting, production, existing orders, inventory of finished products, and purchase quantity) were below the critical value. Compared to the previous month, the indexes for harvesting, existing orders, employees, and market expectation increased by 1.3-4.3 percentage points; the indexes for purchase price, inventory of main raw materials, and delivery time were unchanged from the previous month; and the indexes for production, new orders, export orders, inventory of finished products, and purchase quantity declined by 1.5-14.3 percentage points.

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



	2025.07	2025.08	2025.09	2025.10	2025.11	2025.12	MoM	Performance
Comprehensive Index	55.9	53.6	50.1	48.8	49.1	46.3	-2.8 ↓	Contract
Harvesting Index	64.7	57.4	60.0	58.0	43.5	46.3	2.8 ↑	Contract
Production Index	61.1	52.9	45.0	38.9	37.5	31.3	-6.2 ↓	Contract
New Orders Index	54.0	53.1	54.5	56.1	56.3	51.5	-4.8 ↓	Expand
Export Orders Index	55.6	50.0	26.9	43.8	56.3	50.0	-6.3 ↓	Stable
Existing Orders Index	40.0	45.8	47.1	51.5	43.8	47.1	3.3 ↑	Contract
Inventory Index of Finished Products	56.0	60.4	51.5	57.6	50.0	48.5	-1.5 ↓	Contract
Purchase Quantity Index	50.0	50.0	50.0	55.6	50.0	35.7	-14.3 ↓	Contract
Purchase Price Index	43.8	42.9	50.0	56.3	50.0	50.0	0.0	Stable
Inventory Index of Main Raw Materials	68.8	64.3	50.0	43.8	50.0	50.0	0.0	Stable
Employees Index	50.0	53.1	50.0	54.5	51.6	52.9	1.3 ↑	Expand
Delivery Time Index	50.0	48.9	50.0	46.6	50.0	50.0	0.0	Stable
Market Expectation Index	56.0	57.3	67.6	68.2	70.7	75.0	4.3 ↑	Expand



Integrated Furniture in PT MMI, East Java, Indonesia. Photo: Herman Prayudi



Integrated Furniture in PT MMI, East Java, Indonesia. Photo: Herman Prayudi



Brief on Indonesian Timber Industry



Indonesia's wood processing export performance in 2025 remained relatively stable, broadly comparable to the previous year. Overall exports recorded an increase, but the growth was very modest, at no more than 2 percent. This slight increase in Indonesia's wood processing exports in 2025 compared with 2024 can be explained by a combination of constraining factors (headwinds) and supporting factors (buffers), resulting in growth that was present but not strong. The main drivers are summarized as follows:

Factors Supporting the Increase

1. Selective recovery in key markets

Demand in several major markets—particularly the United States and Japan—began to improve in the second half of 2025, in line with stabilization in the housing and renovation sectors, although it has not yet returned to pre-monetary-tightening levels.

2. Advantage in legality and sustainability

The implementation of the SVLK/PHPL system provides a competitive advantage for Indonesian wood products in markets that are highly sensitive to environmental issues, notably the European Union, Japan, and parts of North America.

3. Market and product diversification

Exporters expanded into Asian and Middle Eastern markets while increasing the share of value-added products—such as panels, engineered wood, and furniture components—which helped mitigate declines in overall export volumes.

4. Relatively supportive exchange rate

A competitive rupiah exchange rate throughout 2025 helped maintain the price attractiveness of Indonesian exports compared with regional suppliers.

Factors Constraining Growth

1. Global demand has not fully recovered

Global economic slowdown, high interest rates, and weak construction activity constrained a stronger recovery in demand.

2. Logistics and production costs remain elevated

High shipping, energy, and equipment maintenance costs continued to pressure margins and limit expansion in export volumes.

3. Regulatory and trade policy pressures

Policy uncertainty—such as evolving environmental standards and trade remedy measures—made some buyers more cautious in entering long-term contracts.

4. Supply limitations and operational disruptions

The instability of raw material supply in several regions, caused by infrastructure limitations, adverse weather conditions, natural disasters in some areas, and labor shortages, restricts production capacity.

Conclusion

In summary, 2025 recorded only a modest increase as the industry managed to remain resilient and adaptive amid challenging global conditions. Sustainability advantages, market diversification, and gradual demand stabilization supported growth, while structural constraints and global cyclical factors prevented a more substantial expansion.

Information provided by GTI-Indonesia Focal Point



Integrated Furniture in PT MMI, East Java, Indonesia. Photo: Herman Prayudi



Integrated Furniture in PT MMI, East Java, Indonesia. Photo: Herman Prayudi



● Main Challenges Reported by GTI-Indonesia Enterprises

- Prices of timber in the domestic market were low.
- International demand for plywood was unstable.
- The supply of raw materials and machine capacity decreased.
- Export product prices tended to decline at the end of the year.
- The supporting infrastructure for timber transport was insufficient.
- The demand for logs from the wood processing industry was low.
- There was a shortage of raw materials, particularly red meranti.
- The damage to operational tools caused disruptions in field operations.
- Factors such as rainfall, spare parts, and fuel created obstacles for timber transport.
- The fumigation process was constrained due to limited fumigation depots.

● Main Suggestions from GTI-Indonesia Enterprises

- It is necessary to expand markets in other countries with support from the government.
- Seek new markets and promote the marketing of plywood products.
- Policies are needed to ensure the continuous supply of raw materials to the industry.
- Increase the absorption of wood in the domestic market, and seek new markets for wood products from Indonesia to other countries.
- It is necessary to revise the provisions regarding cross-sectional area restrictions in the regulations related to the export of forestry products, in order to support the sustainability of the upstream and downstream sectors.



GTI-Malaysia Index in December 2025



Unit: %

GTI-Malaysia Comprehensive Index



Recently, Malaysian Plantation and Commodities Minister Johari Abdul Ghani said that the government would no longer permit the opening of new land for plantation purposes, in a move aimed at reducing human-wildlife conflicts caused by shrinking forest habitats. He stressed that all economic activities should not cause further deforestation and instead should focus on increasing productivity within land that has already been developed. Currently, the wood and wood products sector in Malaysia is under significant tax pressure. Malaysian Timber Association (MTA) chairman said that under the updated Sales and Service Tax (SST) effective July 2025, sawnwood under HS code 4407 is now subject to a 5% sales tax. When used in domestic furniture manufacturing, the finished furniture incurs an additional 10% tax, substantially raising overall production costs for the furniture industry. On the export front, the Malaysia External Trade Development Corp (Matrade) had partnered with Wayfair, a major U.S. home goods e-commerce platform, to help Malaysian exporters gain a larger share of the US furniture market and accelerate the digital transformation of local furniture exporters. Latest figures show that between January and November 2025, Malaysia's furniture exports to the U.S. grew by 3.8% year-on-year to RM5.7 billion, maintaining the US as Malaysia's largest furniture export market.

In December 2025, the GTI-Malaysia index registered 29.5%, a decrease of 3.7 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, one index (inventory of finished products) was above the critical value of 50%, two indexes (purchase price, and market expectation) were at the critical value, while the remaining nine indexes were all below the critical value. Compared to the previous month, the indexes for inventory of finished products, purchase price, delivery time, and market expectation increased by 1.3-7.7 percentage points, whereas the indexes for harvesting, production, new orders, export orders, existing orders, purchase quantity, inventory of main raw materials, and employees declined by 1.9-6.0 percentage points.



Peeling in Tan Chee Seng Sawmill Perak, Malaysia. Photo: Khairul nizam

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



	2025.07	2025.08	2025.09	2025.10	2025.11	2025.12	MoM	Performance
Comprehensive Index	29.6	26.1	26.2	31.3	33.2	29.5	-3.7 ↓	Contract
Harvesting Index	42.9	42.9	58.3	33.3	35.7	33.3	-2.4 ↓	Contract
Production Index	21.4	22.2	28.6	42.9	31.8	29.2	-2.6 ↓	Contract
New Orders Index	27.8	30.0	25.0	25.0	34.6	28.6	-6.0 ↓	Contract
Export Orders Index	31.3	38.9	27.8	33.3	36.4	31.8	-4.6 ↓	Contract
Existing Orders Index	27.8	25.0	27.8	27.8	26.9	25.0	-1.9 ↓	Contract
Inventory Index of Finished Products	44.4	50.0	45.0	45.0	46.2	53.6	7.4 ↑	Expand
Purchase Quantity Index	12.5	30.0	22.2	27.8	41.7	38.5	-3.2 ↓	Contract
Purchase Price Index	50.0	50.0	56.3	43.8	45.8	50.0	4.2 ↑	Stable
Inventory Index of Main Raw Materials	25.0	22.2	37.5	37.5	37.5	34.6	-2.9 ↓	Contract
Employees Index	27.8	30.0	22.2	27.8	30.8	25.0	-5.8 ↓	Contract
Delivery Time Index	18.8	22.2	22.2	25.0	33.3	34.6	1.3 ↑	Contract
Market Expectation Index	44.4	45.5	40.0	40.0	42.3	50.0	7.7 ↑	Stable



Main Challenges Reported by GTI-Malaysia Enterprises

- Log prices fluctuated.
- Labor costs increased.
- Global building markets remained weak.
- U.S. tariff and anti-dumping policies posed challenges.
- Orders decreased, and freight costs to the United States rose.
- The Sarawak market imported excessive plywood.
- Market demand was unstable, and rainfall affected harvesting operations and log supply.
- There was a shortage of plywood demand for export, and log supply was inadequate.
- Affected by rainfall, log harvesting decreased, and purchase prices increased.



Main Suggestions from GTI-Malaysia Enterprises

- Increase promotional efforts for products.
- Support measures are needed to stimulate demand and alleviate operational pressure.
- Suggest that the government stimulate construction industries to create more usage of sawnwood.
- Strengthen production planning and inventory management to mitigate the impact of demand fluctuations and weather disruption.



GTI-Thailand Report

GTI-Thailand Index in December 2025



GTI-Thailand Comprehensive Index

Unit: %



On December 2, the Thai government announced that the Cabinet had approved the Climate Change Bill proposed by the Ministry of Natural Resources and Environment. The bill includes the creation of a climate fund, which would utilize revenue from carbon taxes, carbon credit trading, and other sources to finance greenhouse gas reduction and community adaptation projects. It also introduces Emissions Trading System (ETS) and Carbon Border Adjustment Mechanism (CBAM), while formally recognizing carbon credits as transferable assets. Recently, the Thai House of Representatives submitted a new draft Forest Plantation Act to the Cabinet, in an effort to promote the expansion of economic forest areas. Currently, Thailand's economic forest coverage remains relatively limited, while the 20-Year National Strategy (2018-2037) sets a target for at least 40% of the country's land to be forested, comprising 25% protection forest and 15% economic forest. In other news, the residential real estate market in Thailand is experiencing a downturn, which has affected the performance of its domestic timber market. According to KKP Research, a Thai research firm, nationwide property transfers are projected to decline 6% in 2025. Other market forecasts also suggest that the total value of the property could sink to 700 billion baht by year-end 2025, the steepest decline since the 1997 Asian financial crisis.

In December 2025, the GTI-Thailand index registered 46.8%, a decrease of 2.3 percentage points from the previous month and below the critical value (50%) for 5 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Thailand index shrank from the previous month.

As for the twelve sub-indexes, two indexes (export orders, and purchase price) were above the critical value of 50%, one index (new orders) was at the value, while the remaining nine indexes were all below the critical value. Compared to the previous month, the indexes for export orders, existing orders, inventory of finished products, inventory of raw materials, and market expectation increased by 2.1-21.2 percentage points; the index for new orders was unchanged from the previous month; and the indexes for harvesting, production, purchase quantity, purchase price, employees, and delivery time declined by 3.1-12.9 percentage points.

Brief on Thai Timber Industry

Most of Thai wood producers who join the GTI survey focus on primary and semi-processed wood products, with operations varying in scale from small and medium enterprises to larger industrial facilities. Their production capacity and efficiency are varied to the availability and consistency of raw material supply, as well as compliance with relevant technical and regulatory standards.

In December 2025, raw materials are based on domestically sourced timber, which are from plantation wood and smallholder household farm. A few enterprises purchased logs from certified suppliers from Forest Industry Organization (FIO). Access to raw materials is a critical factor affecting production continuity, cost structures, and long-term business sustainability. National regulatory requirement is highlighted as a key challenge for wood operators, including a long process for registration of immigrant workforces. Thailand-Cambodian Border conflict promotes shortage of workforces in the factories located in the Eastern Region of the country.

Thai timber enterprises primarily distribute products through domestic markets, serving construction, furniture, and related industries. A few firms engage in export activities with China as the main market. Marketing channels commonly include direct sales to buyers, and long-term contractual arrangements. Thai timber industries consider having low impact from the global policies and environment, e.g. US tariff, EUDR, the Russia-Ukraine war.

Information provided by GTI-Thailand Focal Point



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



	2025.07	2025.08	2025.09	2025.10	2025.11	2025.12	MoM	Performance
Comprehensive Index	53.4	45.2	46.5	42.4	49.1	46.8	-2.3 ↓	Contract
Harvesting Index	68.8	54.2	50.0	37.5	46.2	33.3	-12.9 ↓	Contract
Production Index	53.8	46.9	41.2	41.2	50.0	42.9	-7.1 ↓	Contract
New Orders Index	57.7	47.1	58.3	47.2	50.0	50.0	0.0	Stable
Export Orders Index	75.0	56.3	64.3	42.9	45.5	66.7	21.2 ↑	Expand
Existing Orders Index	50.0	52.9	41.7	44.4	44.4	46.9	2.5 ↑	Contract
Inventory Index of Finished Products	38.5	38.2	36.1	38.9	41.7	43.8	2.1 ↑	Contract
Purchase Quantity Index	40.9	46.7	33.3	36.7	50.0	42.3	-7.7 ↓	Contract
Purchase Price Index	57.7	50.0	46.9	50.0	66.7	57.1	-9.6 ↓	Expand
Inventory Index of Main Raw Materials	41.7	46.9	33.3	28.1	40.6	46.4	5.8 ↑	Contract
Employees Index	57.7	38.2	50.0	44.4	50.0	46.9	-3.1 ↓	Contract
Delivery Time Index	46.2	47.1	36.1	41.7	50.0	46.9	-3.1 ↓	Contract
Market Expectation Index	45.0	40.9	50.0	44.4	36.1	40.6	4.5 ↑	Contract



Main Challenges Reported by GTI-Thailand Enterprises

- The timber market slowed down.
- Consumer purchasing power declined.
- The exchange rate (Baht to Dollar) was unstable.
- There was a shortage of labor, and a lack of professional skills also posed challenges.
- The registration process for migrant workers (e.g., from Myanmar) was complex and time-consuming.
- The overall economic outlook remained weak, while raw material prices showed an upward trend.
- As the New Year holiday approached, some foreign workers returned home, leading to a slowdown in enterprise production.

Main Suggestions from GTI-Thailand Enterprises

- The Bank of Thailand should intervene to stabilize baht value.
- Diverse marketing campaigns to reach new customer segments.
- Promote the value of using wood materials to the young generation.
- Given the weak economic outlook and rising raw material prices, companies should strengthen cost control and improve operational efficiency. At the same time, securing long-term supplier agreements and focusing on higher value-added products can help secure profitability.



GTI-Gabon Index in December 2025



On December 2, the World Bank released the Gabon Country Climate and Development Report (CCDR), highlighting the country's unique status as one of the world's most forested nations. In the field of enhancing natural capital management as a priority area for action, the report also highlights the promotion of sustainable forestry, climate-smart agriculture, and biodiversity conservation. Early that month, officials of Gabon's Ministry of Water and Forests held a meeting emphasizing the strengthening of traceability in the forestry and timber industries, including stronger monitoring mechanisms to guarantee the legality and sustainability of Gabonese timber in international markets. In Gabon, many timber companies reported inefficiencies in train service, with insufficient rail capacity remaining a major constraint on the industry operations. On December 11, Gabon's interim Minister of Transport, Merchant Marine, and Logistics chaired a working meeting with railway stakeholders, at which the Minister reaffirmed the government's commitment to restoring a solid financial foundation of the railway operating company Setrag to ensure stable and better operations. To this end, the government has established a technical committee of experts to review Setrag's foundational status, agreements, and commitments, aiming to propose a more robust economic and financial model.

In December 2025, the GTI-Gabon index registered 34.6%, an increase of 4.4 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-Gabon index shrank from the previous month.

As for the twelve sub-indexes, the indexes for export orders and purchase price were above the critical value of 50%, the index for delivery time was at the critical value, while the remaining nine indexes 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, purchase price, delivery time, and market expectation increased by 2.8-35.0 percentage points, whereas the indexes for harvesting, inventory of main raw materials, and employees declined by 2.2-13.9 percentage points.

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



	2025.07	2025.08	2025.09	2025.10	2025.11	2025.12	MoM	Performance
Comprehensive Index	45.4	52.6	42.5	34.4	30.2	34.6	4.4 ↑	Contract
Harvesting Index	41.7	64.3	41.7	35.7	30.0	27.8	-2.2 ↓	Contract
Production Index	40.0	66.7	50.0	50.0	30.0	42.9	12.9 ↑	Contract
New Orders Index	33.3	50.0	25.0	25.0	16.7	27.8	11.1 ↑	Contract
Export Orders Index	40.0	70.0	25.0	25.0	25.0	60.0	35.0 ↑	Expand
Existing Orders Index	58.3	50.0	58.3	12.5	25.0	27.8	2.8 ↑	Contract
Inventory Index of Finished Products	50.0	64.3	66.7	43.8	16.7	27.8	11.1 ↑	Contract
Purchase Quantity Index	37.5	50.0	50.0	30.0	25.0	33.3	8.3 ↑	Contract
Purchase Price Index	62.5	60.0	50.0	30.0	25.0	58.3	33.3 ↑	Expand
Inventory Index of Main Raw Materials	62.5	50.0	50.0	30.0	33.3	25.0	-8.3 ↓	Contract
Employees Index	58.3	35.7	45.0	25.0	41.7	27.8	-13.9 ↓	Contract
Delivery Time Index	50.0	58.3	50.0	42.9	40.0	50.0	10.0 ↑	Stable
Market Expectation Index	41.7	57.1	50.0	62.5	25.0	33.3	8.3 ↑	Contract



Main Challenges Reported by GTI-Gabon Enterprises

- The administrative procedures were slow.
- Export taxes and fees were high, and road conditions were poor.
- The market prices of timber products were low.
- The sales prices of Okoumé logs were low.
- The railway transport of logs was slow.



Main Suggestions from GTI-Gabon Enterprises

- Improve the condition of highways and railways.
- Need relevant authorities to stimulate the recovery of market demand.
- Enterprises may maintain competitiveness through certification.
- Reduce export taxes and fees, and promote the exploration of new markets in Africa.



GTI-ROC Index in December 2025



GTI-ROC Comprehensive Index

Unit: %



On December 5, the Republic of the Congo (ROC) officially launched its taxation module of the Computerized Timber Legality Verification System (SIVL), which enables full automation in forestry tax collection and marks a significant milestone in the digital transformation of the Congo's forestry sector and the strengthening of its economic governance. Currently, forestry contributes nearly 6% to ROC's national GDP, yet it generates less than 3% of tax revenue, so the government hopes to leverage this information system for digitalized management, thus gradually and substantially increasing tax revenue. On December 20, the Congolese government and the company Aforest Congo signed a development agreement in Brazzaville for the establishment of an agro-forestry industrial park dedicated to afforestation, reforestation, and wood processing. The project includes forest plantations, a pulp and paper mill as the main industrial unit, and a mechanical training and agricultural research center covering approximately 300 hectares.

In December 2025, the GTI-ROC index registered 48.0%, a decrease of 1.6 percentage points 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. However, its timber export market remained stable this month.

As for the twelve sub-indexes, five indexes (export orders, purchase quantity, purchase price, inventory of main raw materials, and delivery time) were at the critical value of 50%, while the remaining seven indexes (harvesting, production, new orders, existing orders, inventory of finished products, employees, and market expectation) were below the critical value. Compared to the previous month, the index for delivery time increased by 4.8 percentage points; the indexes for export orders, purchase price, and inventory of main raw materials were unchanged from the previous month; and the remaining eight indexes declined by 1.9-6.3 percentage points.



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



	2025.07	2025.08	2025.09	2025.10	2025.11	2025.12	MoM	Performance
Comprehensive Index	42.4	41.9	46.9	48.0	49.6	48.0	-1.6 ↓	Contract
Harvesting Index	44.0	41.7	50.0	50.0	50.0	46.0	-4.0 ↓	Contract
Production Index	44.0	44.4	47.8	50.0	50.0	48.0	-2.0 ↓	Contract
New Orders Index	44.2	42.1	47.9	50.0	50.0	46.2	-3.8 ↓	Contract
Export Orders Index	45.8	44.4	47.9	47.5	50.0	50.0	0.0	Stable
Existing Orders Index	44.2	42.1	47.9	52.5	50.0	46.2	-3.8 ↓	Contract
Inventory Index of Finished Products	44.2	42.1	47.9	52.5	50.0	46.2	-3.8 ↓	Contract
Purchase Quantity Index	37.5	37.5	50.0	37.5	56.3	50.0	-6.3 ↓	Stable
Purchase Price Index	30.0	16.7	37.5	30.0	50.0	50.0	0.0	Stable
Inventory Index of Main Raw Materials	16.7	16.7	37.5	30.0	50.0	50.0	0.0	Stable
Employees Index	46.2	44.7	47.9	50.0	50.0	48.1	-1.9 ↓	Contract
Delivery Time Index	47.9	50.0	47.9	50.0	45.2	50.0	4.8 ↑	Stable
Market Expectation Index	48.1	47.4	47.9	50.0	50.0	48.1	-1.9 ↓	Contract



• Main Challenges Reported by GTI-ROC Enterprises

- The logistics was slow.
- Enterprises faced great financial and tax pressure.
- Forestry management procedures needed improvement.
- Severe weather affected production and operations.



• Main Suggestions from GTI-ROC Enterprises

- Improve logistics efficiency.
- Suggest that relevant authorities adjust forestry administration models.
- Suggest that the government provide tax incentives for enterprises.
- The government should enhance road maintenance efforts to improve road infrastructure.



GTI-Ghana Index in December 2025



By the end of November 2025, a total of 1.51 million cubic meters of natural forest timber was harvested in Ghana, as against an annual target of 2 million cubic meters, while 208,194 m³ of plantation timber was harvested over the same period. As of the end of October 2025, a total of 180,021 m³ of timber and timber products valued at 82.5 million Euros had been exported. During the same period, a total of 519,887 m³ of lumber valued at GHC770 million and 108,937 m³ of plywood valued at GHC640 million were traded in the domestic market. On December 16, the Forestry Commission of Ghana announced plans to seek amendments to the Forestry Commission Act (Act 571), with a view to transforming the Forestry Commission into a paramilitary institution. The move, if achieved, would significantly enhance enforcement capabilities of the commission, particularly in the fight against illegal mining ("galamsey"). Additionally, the Commission would develop and implement a Payment for Ecosystem Services scheme to support forest conservation and restoration. Currently, Ghana's housing sector is grappling with an estimated two million-unit deficit. Despite strong demand, limited access to mortgage financing excludes many potential buyers from the housing system. To widen mortgage accessibility for Ghanaians across income brackets, Ghana's State Housing Company Limited signed a new mortgage cooperation agreement with Republic Bank, which may significantly boost Ghana's housing market.

In December 2025, the GTI-Ghana index registered 56.6%, a decrease of 3.4 percentage points from the previous month, was above the critical value (50%) for several 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, the supply side of Ghana's timber sector remained active, while the demand side saw some contraction.

As for the twelve sub-indexes, six indexes (harvesting, production, inventory of finished products, purchase price, employees, and delivery time) were above the critical value of 50%, one index (inventory of main raw materials) was at the value, while the remaining five indexes (new orders, export orders, existing orders, purchase quantity, and market expectation) were below the critical value. Compared to the previous month, the indexes for existing orders, inventory of finished products, purchase price, inventory of main raw materials, and employees increased by 2.4-26.9 percentage points, whereas the indexes for harvesting, production, new orders, export orders, purchase quantity, delivery time, and market expectation declined by 0.5-32.9 percentage point(s).



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

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



	2025.07	2025.08	2025.09	2025.10	2025.11	2025.12	MoM	Performance
Comprehensive Index	75.8	60.5	61.0	61.0	60.0	56.6	-3.4 ↓	Expand
Harvesting Index	79.5	70.8	60.0	60.0	70.0	52.9	-17.1 ↓	Expand
Production Index	82.7	59.4	63.3	63.3	73.3	59.5	-13.8 ↓	Expand
New Orders Index	71.2	56.3	53.3	53.3	46.7	40.5	-6.2 ↓	Contract
Export Orders Index	63.0	60.0	54.5	54.5	40.0	39.5	-0.5 ↓	Contract
Existing Orders Index	57.7	53.1	50.0	50.0	40.0	45.2	5.2 ↑	Contract
Inventory Index of Finished Products	69.2	59.4	53.3	53.3	56.7	73.8	17.1 ↑	Expand
Purchase Quantity Index	73.1	65.6	53.3	53.3	53.3	38.5	-14.8 ↓	Contract
Purchase Price Index	65.4	68.8	73.3	73.3	50.0	76.9	26.9 ↑	Expand
Inventory Index of Main Raw Materials	82.7	53.1	63.3	63.3	40.0	50.0	10.0 ↑	Stable
Employees Index	53.8	50.0	46.7	46.7	50.0	52.4	2.4 ↑	Expand
Delivery Time Index	69.2	53.1	56.7	56.7	86.7	53.8	-32.9 ↓	Expand
Market Expectation Index	63.5	50.0	33.3	33.3	50.0	35.7	-14.3 ↓	Contract



Main Challenges Reported by GTI-Ghana Enterprises

- Export tariffs were high.
- There was a downturn in the timber market.
- Enterprises faced high water and electricity costs.
- Raw material costs, such as for logs and glue, were high.
- Road infrastructure was poor, and vehicle maintenance costs were high.

Main Suggestions from GTI-Ghana Enterprises

- Introduce trade promotion policies.
- Need the government to provide subsidies and tax incentives for businesses.
- Need government support for purchasing energy at relatively low prices.
- Government investment in road infrastructure is needed.
- Increase participation in international exhibitions and trade fairs.



GTI-Brazil Index in December 2025



GTI-Brazil Comprehensive Index

Unit: %



From August to November, Brazil's exports to the United States fell by 25.1% compared to the same period in 2024, and breakdowns reveal that the forestry production (-60.2%) and manufacture of wood products (-49.4%) were among the sectors that saw the biggest drops in its exports to the US. During the same period, exports to China increased by 28.6%, offsetting the decline caused by US tariffs on Brazilian goods. Meanwhile, trade in forest products between Brazil and the European Union was active and had become a major category in their agricultural trade. On December 5, the 20th meeting of the Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) adopted a resolution to update the regulations applicable to the international trade of Brazilwood (*Paubrasilia echinata*). By establishing obligations such as traceability requirements, the resolution strengthens controls over the international trade of Brazilwood. At the annual donor meeting for the Amazon Fund held on December 17 at the headquarters of the Brazilian National Bank for Economic and Social Development (BNDES), it was announced that with approximately R\$2 billion in projects approved in 2025, the highest annual amount since its creation, the fund had advanced restoration of degraded areas, increased support for sustainable production activities across the legal Amazon region, and expanded actions to combat and prevent forest fires in the Cerrado and Pantanal.

In December 2025, the GTI-Brazil index registered 47.9%, a decrease of 1.6 percentage points from the previous month and below the critical value (50%) for the second consecutive month, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Brazil index shrank from the previous month. However, its export orders maintained a growth trend for three consecutive months.

As for the twelve sub-indexes, four indexes (export orders, inventory of finished products, purchase price, and market expectation) were above the critical value of 50%, five indexes (harvesting, production, purchase quantity, inventory of main raw materials, and employees) were at the critical value, while the remaining three indexes (new orders, existing orders, and delivery time) were below the critical value. Compared to the previous month, the indexes for inventory of main raw materials and employees increased by 3.3-6.7 percentage points; the indexes for purchase price and delivery time were unchanged from the previous month; and the indexes for harvesting, production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, and market expectation declined by 3.4-13.4 percentage points.



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



	2025.07	2025.08	2025.09	2025.10	2025.11	2025.12	MoM	Performance
Comprehensive Index	50.8	30.5	40.2	52.3	49.5	47.9	-1.6 ↓	Contract
Harvesting Index	22.2	22.2	38.9	59.1	54.5	50.0	-4.5 ↓	Stable
Production Index	40.0	18.2	37.5	57.1	53.6	50.0	-3.6 ↓	Stable
New Orders Index	55.0	31.8	46.2	60.0	53.3	46.7	-6.6 ↓	Contract
Export Orders Index	44.4	35.0	45.8	64.3	60.7	53.6	-7.1 ↓	Expand
Existing Orders Index	45.0	40.9	38.5	53.3	56.7	43.3	-13.4 ↓	Contract
Inventory Index of Finished Products	65.0	50.0	57.7	53.3	56.7	53.3	-3.4 ↓	Expand
Purchase Quantity Index	35.0	40.0	50.0	50.0	54.2	50.0	-4.2 ↓	Stable
Purchase Price Index	65.0	55.0	62.5	61.5	65.4	65.4	0.0	Expand
Inventory Index of Main Raw Materials	45.0	18.2	30.8	36.7	43.3	50.0	6.7 ↑	Stable
Employees Index	50.0	31.8	38.5	46.7	46.7	50.0	3.3 ↑	Stable
Delivery Time Index	65.0	55.0	41.7	46.4	42.9	42.9	0.0	Contract
Market Expectation Index	30.0	27.3	34.6	56.7	66.7	53.3	-13.4 ↓	Expand



Itauba sp in Sinop-MT, Brazil. Photo: Guilherme Werlang



Decking Itaúba export quality in Sinop-MT, Brazil. Photo: Guilherme Werlang



Brief on Brazilian Timber Industry



- In 2025, the Brazilian forest and timber sector faced a highly challenging external environment, characterized by intensified pressures from international markets. The contraction in demand from the United States, resulting from the imposition of additional tariffs, led to order cancellations, contract renegotiations, and reduced shipment volumes, with more pronounced impacts on the plywood, sawnwood, doors, flooring, and mouldings segments. This adverse context was further exacerbated by regulatory uncertainty related to the European Union Deforestation Regulation (EUDR) and by the antidumping investigation into Brazilian pine plywood, in addition to geopolitical conflicts and logistical bottlenecks that increased operational risks and costs. In response, the sector accelerated a process of structural adaptation, driven by market diversification, gains in operational efficiency, and the strengthening of governance, compliance, and risk management mechanisms. These initiatives aim to mitigate external vulnerabilities, preserve competitiveness, and create the conditions for a sustainable repositioning in the medium to long term.
- The forest and timber sector enters 2026 in an environment of relative stability, accompanied by cautious optimism, yet still strongly conditioned by macroeconomic and trade-related uncertainties. In this context, critical variables such as tariff policies, regulatory frameworks, geopolitical tensions, and logistics costs are likely to directly influence cost structures, international competitiveness, and the pace of investment throughout the year. From this perspective, the sector's performance in 2026 will be closely linked to companies' strategic ability to enhance cost management and operational efficiency, strengthen governance, compliance, and risk management mechanisms, and anticipate regulatory and trade developments. Capturing opportunities related to pent-up demand and market diversification will be decisive for the sector's competitive repositioning and for building solid foundations for a more consistent and sustainable growth cycle in the medium term.
- The reduction in the availability of large-diameter Pinus and Eucalyptus logs, particularly in the Southern and Southeastern regions of Brazil, highlights a structural imbalance in the forest supply base, associated with lower harvesting levels in reforested areas and the operational slowdown of part of the industry. Although the supply of small-diameter logs—mainly Pinus in the 8 to 18 cm range—remains relatively stable, the adoption of monthly supply quotas and logistical constraints limits their full absorption by the market. This scenario has kept prices under pressure across both diameter classes, negatively affecting forest producers' margins and requiring strategies focused on production adjustments, contract renegotiation, and logistics optimization to mitigate risks and preserve competitiveness.

Information provided by GTI-Brazil Focal Point



Ipe sawnwood in Sinop-MT, Brazil. Photo: Guilherme Werlang



Itauba sp sawnwood in Sinop-MT, Brazil. Photo: Guilherme Werlang



● Main Challenges Reported by GTI-Brazil Enterprises

- Businesses faced labor shortages.
- There were issues with U.S. export tariffs.
- The supply of raw materials needed for production was unstable.
- The Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) delayed the issuance of LPCO documents (Licenses, Permits, Certifications, and Other documents) needed for exports.
- Inclusion of Ipê (Handroanthus) and Cumaru (Dipteryx odorata) in CITES (Appendix II) posed challenges.
- There were limited approved sustainable forest management projects, and weather conditions were adverse.



● Main Suggestions from GTI-Brazil Enterprises

- Promote industrialization of the production chain.
- Advance the resolution of U.S. tariff issues through diplomatic agreement.
- Increase wages to encourage people to work under formal employment contracts.
- Diversify products and sales to meet the demands of new markets.
- Streamline the approval process of the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA).
- Deploy artificial intelligence within the IBAMA's system to enhance analysis and approval efficiency.



GTI-Mexico Index in December 2025



On December 29, Mexico's Federal Official Gazette published amendments to the Law of General Import and Export Taxes (LIGIE), set to take effect on January 1, 2026. The revisions adjust 1,463 tariff items across 17 strategic industries, imposing higher import duties on specific products from countries that do not have a free trade agreement with Mexico, and for the furniture industry, the original tariffs of 0%-35% were revised to a new range of 25%-35%. In the final weeks of the year, timber industry insiders in many regions of Mexico voiced concerns that the domestic forestry and timber industries were being impacted by imported goods. A delegate of the National Chamber of the Timber Industry in Chiapas highlighted unfair competition from imported products. A representative of the Parral Lumber Union in Chihuahua also noted that forestry sales in the region failed to grow in 2025, attributing this to the dollar's exchange rate below 18 pesos and the increase in imported wood, and he detailed that the presence of foreign wood—from the United States, Europe, and even South America—had forced local producers to lower their prices to stay competitive, thus limiting the potential for improving the local market. Recently, Mexico's Ministry of Environment and Natural Resources presented its updated environmental agenda to Congress, with priority objectives including the remediation of the Lerma, Santiago, Atoyac and Tula rivers, achieving a 35% reduction in greenhouse-gas emissions, restoring 200,000 hectares of forest and 18,000 hectares of mangroves, among others.

In December 2025, the GTI-Mexico index registered 48.0%, an increase of 3.7 percentage points from the previous month, was below the critical value (50%) for several months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Mexico index shrank from the previous month. This month, Mexico's domestic market saw some growth in demand, while its export market remained stable.

As for the twelve sub-indexes, three indexes (new orders, purchase price, and market expectation) were above the critical value of 50%, two indexes (export orders, and purchase quantity) were at the critical value, while the remaining seven indexes (harvesting, production, existing orders, inventory of finished products, inventory of main raw materials, employees, and delivery time) were all below the value. Compared to the previous month, the indexes for new orders, existing orders, purchase price, inventory of raw materials, employees, and delivery time increased by 1.6-9.6 percentage points; the index for export orders was unchanged from the previous month; and the indexes for harvesting, production, inventory of finished products, purchase quantity, and market expectation declined by 0.4-9.4 percentage point(s).



Production of Slatted Board, Mexico. Photo: ZEPEMIN

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



	2025.07	2025.08	2025.09	2025.10	2025.11	2025.12	MoM	Performance
Comprehensive Index	36.7	35.4	35.4	35.4	44.3	48.0	3.7 ↑	Contract
Harvesting Index	47.6	27.5	27.5	27.5	47.5	43.8	-3.7 ↓	Contract
Production Index	31.0	32.5	32.5	32.5	50.0	46.7	-3.3 ↓	Contract
New Orders Index	31.8	38.1	38.1	38.1	45.0	52.9	7.9 ↑	Expand
Export Orders Index	50.0	16.7	16.7	16.7	50.0	50.0	0.0	Stable
Existing Orders Index	38.6	23.8	23.8	23.8	37.5	44.1	6.6 ↑	Contract
Inventory Index of Finished Products	47.7	40.5	40.5	40.5	47.5	47.1	-0.4 ↓	Contract
Purchase Quantity Index	33.3	31.3	31.3	31.3	53.8	50.0	-3.8 ↓	Stable
Purchase Price Index	61.5	56.3	56.3	56.3	55.6	65.0	9.4 ↑	Expand
Inventory Index of Main Raw Materials	42.9	33.3	33.3	33.3	38.9	45.5	6.6 ↑	Contract
Employees Index	43.2	35.7	35.7	35.7	42.5	44.1	1.6 ↑	Contract
Delivery Time Index	43.2	35.7	35.7	35.7	37.5	47.1	9.6 ↑	Contract
Market Expectation Index	70.5	73.8	73.8	73.8	80.0	70.6	-9.4 ↓	Expand



Main Challenges Reported by GTI-Mexico Enterprises

- Logistics and distribution efficiency was low.
- Some forest management procedures were cumbersome.
- There was price pressure from competitors.
- There were barriers to international trade or tariff issues.
- Market demand was unstable and difficult to predict.
- Consumer recognition of wood products was relatively low.

Main Suggestions from GTI-Mexico Enterprises

- Optimize forest management procedures.
- Carry out capacity building to improve wood processing.
- Introduce policies to reduce the import of products.
- Improve road conditions to enhance product transportation efficiency.
- Ensure sufficient sales and distribution channels for products.
- Increase market recognition and added value of local products.
- Obtain government subsidies to reduce production costs.



GTI-Ecuador Index in December 2025



GTI-Ecuador Comprehensive Index

Unit: %



Currently, Ecuador is continuing to advance preparations to comply with the EU Deforestation Regulation (EUDR). President of the Ecuadorian Federation of Exporters (Fedexpor) stated that the country has the conditions to demonstrate compliance, but gaps remain in its digital transition, with the challenges lying in procedures and the technology, especially for small and medium-sized producers. Ecuador's Vice Minister of Urban Development and Housing, Daniel Elmir, stated that the country currently faces a housing deficit of 600,000 units, and the main program to narrow this gap is the "Tu Casa Miti-Miti" loan program, which will finance 13,600 homes over four years. According to him, another important program in 2026 would be the construction of new, free university residences, with pilot projects beginning at the Chimborazo Polytechnic Higher School, the University of Santa Elena, and the Technical University of Babahoyo, each with around 600 units. On December 17, Ecuador's Ministry of Environment and Energy officially launched the National Climate Change Registry (RNCC), consisting of two main modules: the National Measurement, Reporting, and Verification (MRV) System and the Climate Change Information Repository, aiming to enhance transparency and monitoring capabilities for climate actions.

In December 2025, the GTI-Ecuador index registered 46.3%, an increase of 1.8 percentage points from the previous month and below the critical value (50%) for 4 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Ecuador index shrank from the previous month.

As for the twelve sub-indexes, the indexes for purchase quantity, purchase price, and market expectation were above the critical value of 50%, the indexes for production, inventory of main raw materials, and employees were at the critical value, while the indexes for harvesting, new orders, export orders, existing orders, inventory of finished products, and delivery time were below the critical value. Compared to the previous month, the indexes for harvesting, production, purchase quantity, inventory of main raw materials, delivery time, and market expectation increased by 16.7-28.3 percentage points; the index for employees was unchanged from the previous month; and the indexes for new orders, export orders, existing orders, inventory of finished products, and purchase price declined by 1.7-28.3 percentage points.

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



	2025.09	2025.10	2025.11	2025.12	MoM	Performance
Comprehensive Index	49.1	39.0	44.5	46.3	1.8 ↑	Contract
Production Index	53.8	39.3	25.0	41.7	16.7 ↑	Contract
New Orders Index	54.2	38.5	30.0	50.0	20.0 ↑	Stable
Export Orders Index	42.9	38.2	70.0	41.7	-28.3 ↓	Contract
Existing Orders Index	36.4	31.3	50.0	40.0	-10.0 ↓	Contract
Inventory Index of Finished Products	46.4	29.4	40.0	33.3	-6.7 ↓	Contract
Purchase Quantity Index	60.7	35.3	40.0	33.3	-6.7 ↓	Contract
Purchase Price Index	50.0	32.4	30.0	58.3	28.3 ↑	Expand
Import Index	35.7	61.8	60.0	58.3	-1.7 ↓	Expand
Inventory Index of Main Raw Materials	57.1	35.3	30.0	50.0	20.0 ↑	Stable
Employees Index	50.0	41.2	50.0	50.0	0.0	Stable
Delivery Time Index	46.4	41.2	20.0	41.7	21.7 ↑	Contract
Market Expectation Index	75.0	50.0	40.0	58.3	18.3 ↑	Expand



Main Challenges Reported by GTI-Ecuador Enterprises

- There was a shortage of labor.
- Adverse weather conditions slowed down production and operation.
- The demand for timber in the U.S. market decreased.
- The afforestation plan placed excessive emphasis on eucalyptus while giving not enough consideration to other tree species.
- Due to security issues in rural areas, the quality of plantation timber was difficult to control.

Main Suggestions from GTI-Ecuador Enterprises

- Enhance the competitiveness of local products.
- Improve public security in rural areas.
- Extend working hours under favorable climate conditions.
- Increase credit availability and refine management approaches.
- Promote the economic benefits of diversified afforestation at business or trade forums.



GTI-China Index in December 2025



GTI-China Comprehensive Index

Unit: %



On December 18, China's Hainan Free Trade Port officially launched island-wide special customs operations. Following the implementation, the range of goods exempt from import tariffs has expanded from 1,900 tariff lines to approximately 6,600, covering 74% of all tariff lines and nearly all timber raw materials. While "zero-tariff" goods entering Chinese mainland from Hainan are subject to relevant import duty payments, goods processed in Hainan with a value-added rate of 30% or higher are exempt from such taxes. In November 2025, China's total import value of logs and sawnwood reached US\$914 million, marking a 1.9% year-on-year increase, with strong growth in imports from Africa. It is worth noting that import prices showed significant fluctuations: the average unit price of log imports fell by 10.1% year-on-year, while that of sawnwood rose by 12.1%, indicating a five-month consecutive increase. From December 22 to 23, the Chinese government held the National Housing and Urban-Rural Development Work Conference, at which it emphasized efforts to stabilize the real estate market and mentioned that the rising proportion of second-hand housing transactions would be a trend in the coming period.

In December 2025, the GTI-China index registered 49.9%, an increase of 0.3 percentage point from the previous month and below the critical value (50%) for

the third consecutive month, indicating that the business prosperity of the superior timber enterprises represented by the GTI-China index shrank from the previous month. This month, the total production volume of Chinese sample enterprises increased slightly, and supported by domestic demand, the total volume of new orders also experienced slight growth.

As for the twelve sub-indexes, five indexes (production, new orders, purchase quantity, import, and delivery time) were above the 50% critical value, while the remaining seven indexes were all below the critical value. Compared to the previous month, the indexes for production, existing orders, inventory of finished products, purchase quantity, import, inventory of raw materials, and delivery time increased by 1.4-8.6 percentage points, whereas the indexes for new orders, export orders, purchase price, employees, and market expectation declined by 1.0-20.5 percentage point(s).

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

	2025.07	2025.08	2025.09	2025.10	2025.11	2025.12	MoM	Performance
Comprehensive Index	48.7	50.8	51.7	45.6	49.6	49.9	0.3 ↑	Contract
Production Index	51.6	54.1	53.5	45.0	50.0	51.4	1.4 ↑	Expand
New Orders Index	48.0	48.9	54.8	44.4	53.7	51.4	-2.3 ↓	Expand
Export Orders Index	43.0	51.1	54.4	48.3	51.8	48.6	-3.2 ↓	Contract
Existing Orders Index	46.9	51.1	48.7	41.7	44.5	48.6	4.1 ↑	Contract
Inventory Index of Finished Products	46.9	54.8	46.5	46.0	45.0	47.6	2.6 ↑	Contract
Purchase Quantity Index	42.6	52.6	56.1	49.3	52.3	53.8	1.5 ↑	Expand
Purchase Price Index	52.3	55.6	59.6	48.7	49.5	44.3	-5.2 ↓	Contract
Import Index	48.4	49.6	50.4	60.3	51.8	60.4	8.6 ↑	Expand
Inventory Index of Main Raw Materials	46.1	51.1	45.2	46.4	46.3	49.1	2.8 ↑	Contract
Employees Index	47.7	48.5	50.4	47.0	46.3	45.3	-1.0 ↓	Contract
Delivery Time Index	48.0	52.2	48.7	46.7	47.2	50.9	3.7 ↑	Expand
Market Expectation Index	50.0	54.4	57.0	48.7	57.3	36.8	-20.5 ↓	Contract



• Main Challenges Reported by GTI-China Enterprises

- Enterprises struggled with insufficient orders.
- The costs of raw materials rose.
- Demand in the timber market was not enough.
- There was intense competition in terms of product prices.

• Main Suggestions from GTI-China Enterprises

- Break through homogenized competition.
- Broaden financing channels.
- Need the government's policy 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 (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 is located in Yokohama, Japan. At present, there are 76 ITTO member 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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