

GTI-PRODUCERS REPORT

MONTHLY

GGSC-No. 07/2024

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



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



The pilot countries for the GTI-Producers include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, and Mexico. In 2022, the total production quantity of logs and sawnwood in the eight countries mentioned above was 289 million cubic meters, accounting for **63.7%** of the 37 ITTO producers' total quantity.

Introduction to the GTI-Producers

GTI-Producers is a specialized prosperity index for ITTO producers, reflecting the development trend of timber harvesting and primary processing in producers represented by the pilot countries.



1. Calculation Method

The GTI-Producers was compiled using a weighted composite index method. That is, taking all timber producing countries of GTI pilot countries as a whole, each country's weight is determined based on the proportion of logs and sawnwood production quantity. GTI-Producers is calculated based on the weight.

Data basis: The data is from ITTO database, and the logs and sawnwood production quantity is the data over the 5 years (2018-2022). GGSC evaluates the weights annually to determine whether to adjust them.

Formula:

$$\text{GTI-Producers} = 52\% \times \text{GTI-Brazil} + 28\% \times \text{GTI-Indonesia} + 7\% \times \text{GTI-Thailand} + 6\% \times \text{GTI-Malaysia} + 4\% \times \text{GTI-Mexico} + 1\% \times \text{GTI-Gabon} + 1\% \times \text{GTI-ROC} + 1\% \times \text{GTI-Ghana}$$

Please refer to the GTI Monthly Report so as to find the calculation method of GTI index for each producing country.

2. Interpretation

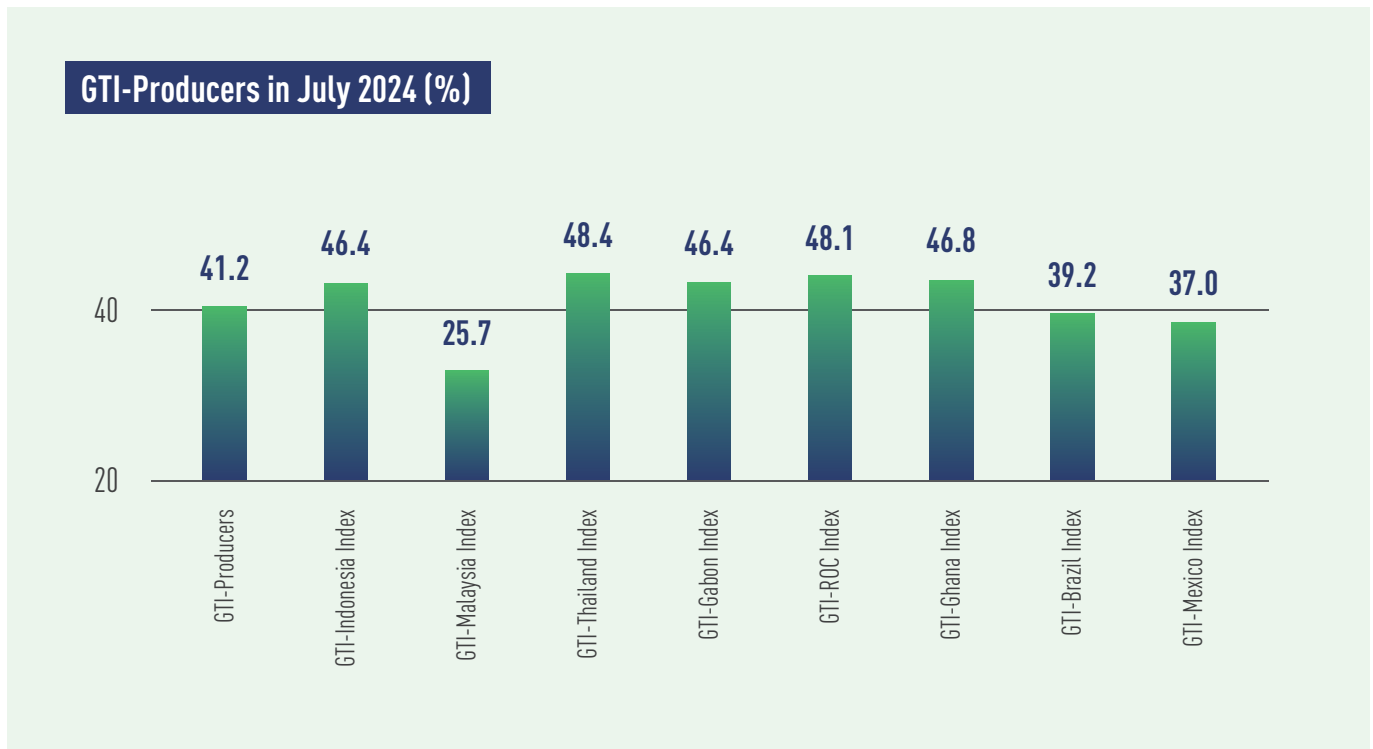
The value of the GTI-Producers is between 0-100%, and 50% is the critical value of the index.

GTI-Producers reading above 50 percent indicates that the industry prosperity is generally expanding; below 50 percent indicates that it is generally declining.

3. Index Representativeness

The pilot countries of the GTI-Producers include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico. In 2022, the total production of logs and sawnwood in the eight countries mentioned above was 289 million cubic meters, accounting for 63.7% of the 37 ITTO producers' total quantity.

GTI-Producers Report for July 2024



In July 2024, the GTI-Producers registered 41.2% and had stayed below the critical value (50%) for three consecutive months, indicating a continued downturn for the overall prosperity of the timber harvesting and primary processing industries in the pilot producing countries.

In Asia, the GTI indexes for Thailand, Indonesia, and Malaysia registered 48.4%, 46.4%, and 25.7%, respectively, all in the contraction range below the critical value. Compared to the previous month, Indonesia's timber harvesting continued to grow in volume, Thailand's harvesting volume remained relatively stable, while Malaysia's timber harvesting had been decreasing for several months; looking at production and processing, the production volume had decreased in all three countries; in terms of demand, Indonesia's volume of orders was largely stable, Thai enterprises had further increased their orders on hand, while Malaysia's domestic and foreign demand remained sluggish, and GTI-Malaysia sample enterprises suggested appropriately slowing down production and hoped the government could provide support to promote the consumption of wood products. Besides, GTI-Indonesia sample enterprises proposed efforts to encourage and promote the marketing of plywood products and encourage the provision of incentives for SFM-certified or legal wood products from various certification schemes in the global and domestic markets.

In Africa, the GTI indexes for the Republic of the Congo (ROC), Ghana, and Gabon were at 48.1%, 46.8%, and 46.4%, respectively, all in the contraction range below

the critical value. On the supply side, the timber sector in Gabon had seen some improvements, with both timber harvesting and production volumes increasing compared to the previous month; in ROC, the volume of harvesting had slightly decreased, while production remained relatively stable; however in Ghana, with frequent forest fires that led to low production of raw materials for the timber sector, the production activities was hindered by problems such as shortage of raw materials and significant increase in the material prices. On the demand side, the ROC's new orders remained relatively stable in volume, while both Gabon and Ghana saw a decrease in domestic and overseas orders.

In Latin America, the GTI indexes for Brazil and Mexico registered 39.2% and 37.0%, respectively, both in the contraction range below the critical value. Affected by limited market demand, Brazil's timber harvesting and production had both declined in volume, and its number of orders had also decreased following an increase last month. Additionally, challenges such as insufficient port berths and worker strikes had severely restricted the export efficiency. In Mexico, the overall timber harvesting and market sales were in a state of contraction. Meanwhile, the imported wood products and the alternative products such as iron, aluminum, and PVC had hindered the development of its timber sector, so the enterprises hoped the government could enhance import controls and promote the development of local businesses.

Overview of GTI Indexes for Pilot Countries (%)



	2024.5	2024.6	2024.7	MoM	Performance
GTI-Producers	39.2	48.0	41.2	-6.8 ↓	Contract
GTI-Indonesia Index	42.1	51.5	46.4	-5.1 ↓	Contract
GTI-Malaysia Index	30.1	33.3	25.7	-7.6 ↓	Contract
GTI-Thailand Index	43.1	59.5	48.4	-11.1 ↓	Contract
GTI-Gabon Index	37.2	41.2	46.4	5.2 ↑	Contract
GTI-ROC Index	40.7	43.2	48.1	4.9 ↑	Contract
GTI-Ghana Index	—	—	46.8	—	Contract
GTI-Brazil Index	37.9	46.5	39.2	-7.3 ↓	Contract
GTI-Mexico Index	42.5	47.2	37.0	-10.2 ↓	Contract

ITTO Producers



Africa (14)

- Angola
- Benin
- Cameroon
- Central African Republic
- Congo
- Côte d'Ivoire
- Democratic Republic of the Congo
- Gabon
- Ghana
- Liberia
- Madagascar
- Mali
- Mozambique
- Togo

Asia & Pacific (10)

- Cambodia
- Fiji
- India
- Indonesia
- Malaysia
- Myanmar
- Papua New Guinea
- Philippines
- Thailand
- Viet Nam

Latin America (13)

- Brazil
- Colombia
- Costa Rica
- Ecuador
- Guatemala
- Guyana
- Honduras
- Mexico
- Panama
- Peru
- Suriname
- Trinidad and Tobago
- Venezuela (Bolivarian Republic of)



ITTO
INTERNATIONAL TROPICAL
TIMBER ORGANIZATION

About ITTO

The International Tropical Timber Organization, ITTO for short, is an intergovernmental organization promoting the sustainable management and conservation of tropical forests and the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests. It located in Yokohama, Japan. At present, there are 76 ITTO members countries. ITTO's membership represents about 90% of the global tropical timber trade and more than 80% of the world's tropical forests.



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About GGSC

Global Green Supply Chains Initiative (GGSC) is part of the Legal and Sustainable Supply Chains (LSSC) Programme, which was approved at the 53rd session of the International Tropical Timber Council for being included into the Biennial Work Programme (BWP) of International Tropical Timber Organization (ITTO). Launched in 2018 by leading Chinese enterprises in forest products industry, GGSC became an international initiative in 2019. Since then, GGSC has been acting as a global platform for serving the sustainable development of the forest products industry.

Declaration

GTI-Producers Report is compiled based on the data provided by the timber enterprises in timber producing countries. The data can not be used in investment decision-making, but can help to understand the timber industry trend.

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