

GTI-PRODUCERS REPORT

MONTHLY

GGSC-No. 09/2024

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



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.

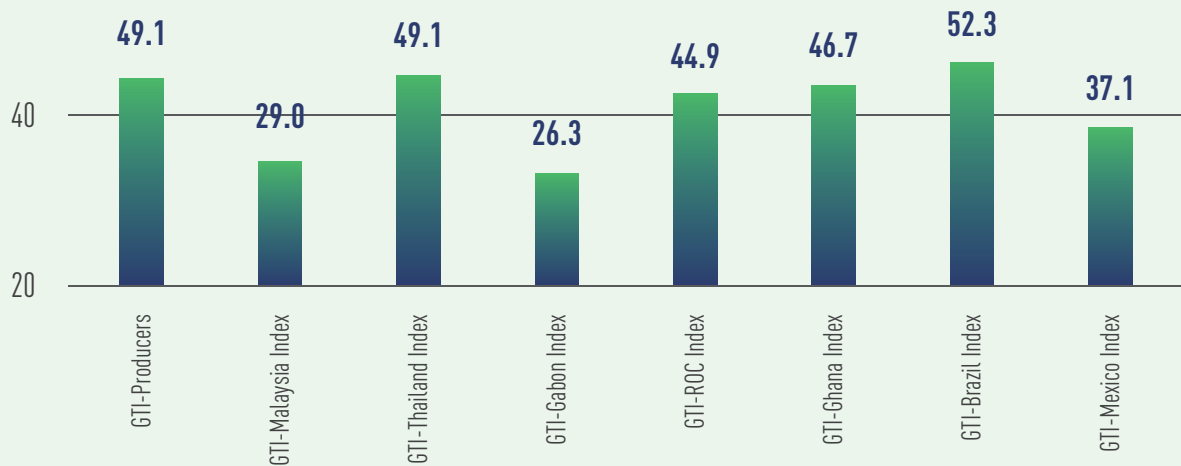
3. Index Representativeness

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 September 2024



GTI-Producers in September 2024 (%)



In September 2024, the GTI-Producers registered 49.1% and had stayed below the critical value (50%) for five consecutive months, indicating a continued downturn for the overall prosperity of the timber harvesting and primary processing industries in the pilot producing countries. Compared to the previous month, the timber sector in Brazil showed signs of recovery, while sluggish performance was observed in other countries.

In Asia, the GTI indexes for Thailand and Malaysia registered 49.1% and 29.0%, respectively, both in the contraction range below the critical value. Harvesting and production in both countries decreased from the previous month, especially in Malaysia. On the demand side, export orders of Thai sample enterprises declined for the first time in the recent nine months, while supported by strong domestic demand, the volume of new orders continued to increase. The total volume of orders for GTI-Malaysia sample enterprises decreased compared to the previous month, with some enterprises reporting that demand in the timber market was not enough, and the appreciation of the ringgit against the US dollar was unfavorable for the export market.

In Africa, the GTI indexes for Ghana, the Republic of the Congo (ROC), and Gabon were at 46.7%, 44.9%, and 26.3%, respectively, all in the contraction range below the critical value. Compared to the previous month, the total harvesting volume held steady in Ghana, while decreased in ROC and Gabon. As to production volume and orders, a decrease was observed in all the three countries (especially in

Gabon). According to feedback from GTI-Gabon sample enterprises, the contraction of international market demand for timber had led to a decrease in new orders. At the same time, timber enterprises in the country felt hindered by high production costs and frequent power outages, which also resulted in a sharp decline in timber production.

In Latin America, the GTI index for Brazil stood above the critical value (indicating expansion) and registered 52.3%. The volume of harvesting in Brazil declined from the previous month due to wildfires, however, demand in the timber market picked up, with production volume and orders of leading enterprises represented by the GTI-Brazil index increasing after four months of decline. The GTI index for Mexico registered 37.1%, which was in the contraction range below the critical value. During the rainy season, wood raw materials often got moldy, leading to a contraction in the overall performance of wood harvesting and market sales in Mexico. In addition, rising labor costs, intensifying inflation, and surging operating costs had made local timber lose competitiveness in terms of pricing against imported timber.

Overview of GTI Indexes for Pilot Countries (%)



	2024.5	2024.6	2024.7	2024.8	2024.9	MoM	Performance
GTI-Producers	39.2	48.0	41.2	45.6	49.1	3.5 ↑	Contract
GTI-Indonesia Index	42.1	51.5	46.4	50.4	50.4 (Estimate)	0	Expand
GTI-Malaysia Index	30.1	33.3	25.7	31.5	29.0	-2.5 ↓	Contract
GTI-Thailand Index	43.1	59.5	48.4	50.0	49.1	-0.9 ↓	Contract
GTI-Gabon Index	37.2	41.2	46.4	40.8	26.3	-14.5 ↓	Contract
GTI-ROC Index	40.7	43.2	48.1	48.5	44.9	-3.6 ↓	Contract
GTI-Ghana Index	-	-	46.8	39.4	46.7	7.3 ↑	Contract
GTI-Brazil Index	37.9	46.5	39.2	44.5	52.3	7.8 ↑	Expand
GTI-Mexico Index	42.5	47.2	37.0	40.9	37.1	-3.8 ↓	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)