

GTI-PRODUCERS REPORT

MONTHLY

GGSC-No. 05/2024

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, Brazil, and Mexico. In 2022, the total production quantity of logs and sawnwood in the seven countries mentioned above was 289 million cubic meters, accounting for **63.1%** 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 initial 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:

$$\text{GTI-Producers} = 53\% \times \text{GTI-Brazil} + 28\% \times \text{GTI-Indonesia} + 7\% \times \text{GTI-Thailand} + 6\% \times \text{GTI-Malaysia} + 4\% \times \text{GTI-Mexico} + 1\% \times \text{GTI-Gabon} + 1\% \times \text{GTI-ROC}$$

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, Brazil, Mexico. In 2022, the total production of logs and sawnwood in the seven countries mentioned above was 289 million cubic meters, accounting for 63.1% of the 37 ITTO producers' total quantity.

GTI-Producers Report for May 2024



In May 2024, the GTI-Producers registered 39.2% (below the critical value of 50%), indicating that the overall prosperity of the harvesting and primary processing industries in the pilot producers shrank this month. The main reason is the indexes for the major timber producers were all in the contraction range, when demand in the global timber market was weak. Extreme weather had a great impact on Malaysia, Brazil, and Republic of the Congo (ROC), pulling down the GTI-Producers for these countries.

In Asia, the GTI-Producers for Thailand, Indonesia, and Malaysia registered 43.1%, 42.1%, and 30.1%, respectively, all below the critical value (50%). In Thailand and Malaysia, the volumes of harvesting and production decreased due to the rainy season, however in Indonesia, there was an increase in log production from natural forest concessions and plantation forest concessions (state forests) when compared to the previous month. On the demand side, both Thailand and Indonesia saw a notable increase in the volume of export orders, while Malaysia still experienced a decline in the volume of export orders.

In Africa, the GTI indexes for Gabon and ROC registered 37.2% and 40.7% respectively, also below the critical value. In Gabon, the index for harvesting was

stable compared to the previous month, while the primary processing of wood decreased, and GTI-Gabon enterprises reported that demand from Asian and European timber markets decreased, leading to a reduction in orders. In ROC, due to the rainy season, logistics and transportation was hindered and harvesting and production activities had not yet been fully carried out.

In Latin America, the GTI indexes for Brazil and Mexico registered 37.9% and 42.5%, respectively, both in the contraction range below the critical value. In Brazil, rains had affected harvesting, and feedback from GTI-Brazil focal point showed that issues such as port bottlenecks, high waiting and storage costs, strikes by employees, extreme weather events, among other factors, continued to harm producers, limiting the quantity of wood products destined for export. Encouragingly, the market for Pine and Eucalypt logs for energy remained stable, and an increase in prices could be expected. In Mexico, the decline in harvesting and production had been contained, although challenges persisted due to unstable power supply, lack of transportation infrastructure, and weak market demand.

Overview of GTI Indexes for Pilot Countries (%)



	2024.5	Performance
GTI-Producers	39.2	Contract
GTI-Indonesia Index	42.1	Contract
GTI-Malaysia Index	30.1	Contract
GTI-Thailand Index	43.1	Contract
GTI-Gabon Index	37.2	Contract
GTI-ROC Index	40.7	Contract
GTI-Brazil Index	37.9	Contract
GTI-Mexico Index	42.5	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)