



ITTO
INTERNATIONAL TROPICAL
TIMBER ORGANIZATION



This report was prepared by GGSC, with support of ITTO and IPIM, and Focal Points of Indonesia, Malaysia, Thailand, Gabon, Republic of Congo, Ghana, Brazil, Mexico and China.

GTI REPORT 2024

Global Timber Index

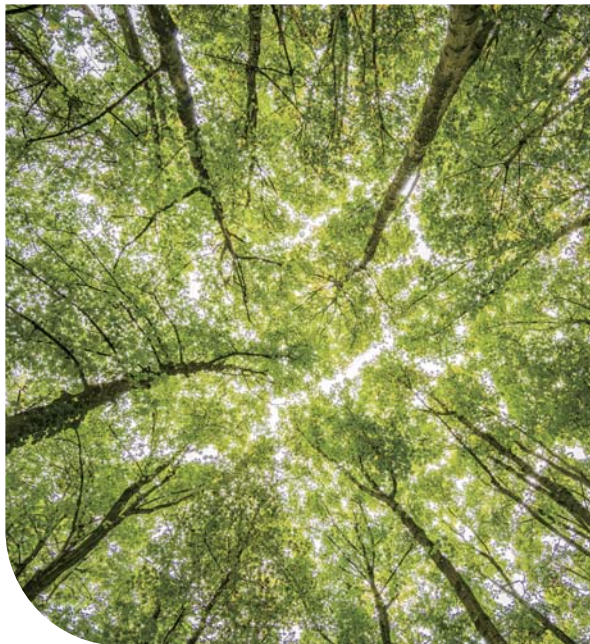
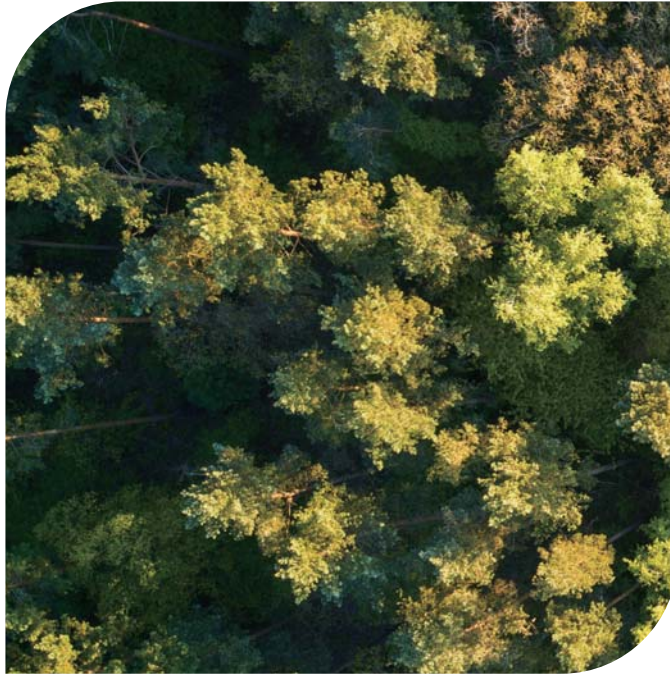
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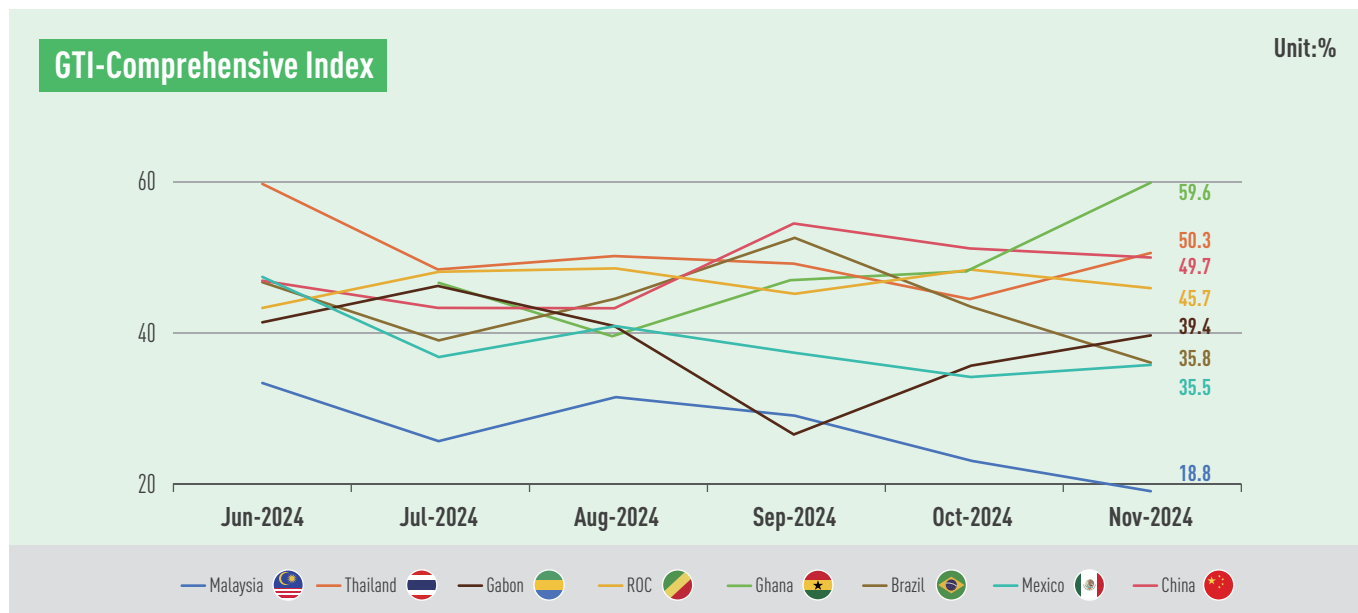


GTI REPORT 2024



The Overview of the GTI Index

Global timber market sees slight easing of downward trend



The Global Timber Index (GTI) Report for November 2024 shows positive signs for the overall trend of global timber production and trade: the GTI indices for Ghana (59.6%) and Thailand (50.3%) both rose above the critical value of 50%, indicating an overall upward trend in the timber sectors of the two countries; and compared to the previous month, the GTI indices for Gabon (39.4%) and Mexico (35.5%) increased by 4.0 and 1.6 percentage points respectively, suggesting an easing in the downward trend of their timber sectors. Due to factors such as the new year effect, the GTIs for China (49.7%), Republic of the Congo (45.7%), Brazil (35.8%), and Malaysia (18.8%) were below the critical value, thus indicating that the timber sectors in these countries remained relatively sluggish.

The GTI sub-indices also show encouraging signs on the supply and/or demand sides of some countries. In Africa, Ghana's timber supply became active, with both harvesting and production volumes increasing compared to the previous month; in Asia, Thailand saw an increase in new orders, particularly from the export market, and China's export orders continued to show a positive trend; in Latin America, the decline in orders for Mexico had eased.

In November, GTI pilot countries made encouraging progress in sustainable forest management. On November 6 during the 12th session of the Ghana-EU Joint Monitoring

and Review Mechanism (JMRR) of the Voluntary Partnership Agreement (VPA), the Ghana's Minister of Lands and Natural Resources announced that Ghana had set June 30, 2025, as the date to deliver its first consignment of FLEGT-licensed timber to the EU, and this milestone would make Ghana the first country in Africa to issue the FLEGT licenses. In the Republic of the Congo (ROC), International Tropical Timber Technical Association (ITTTA) launched the Project "Private Sector Support for the Domestic Timber Market" (ASP-MIB). Financed by the European Union Delegation to the tune of 2 million euros over 4 years, this project aims to structure and valorize the domestic wood value chain by encouraging the use of legal and sustainable wood in the domestic timber market. Besides, Brazil officially launched the country's Platform for Climate Investments and Ecological Transformation (BIP). The platform was created to mobilize national and international capital in support of the Brazilian government's Ecological and Climate Transformation Plans, and will initially focus efforts on nature-based and bioeconomy solutions, including restoration and sustainable management of native vegetation, efforts to reduce deforestation, etc.

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.

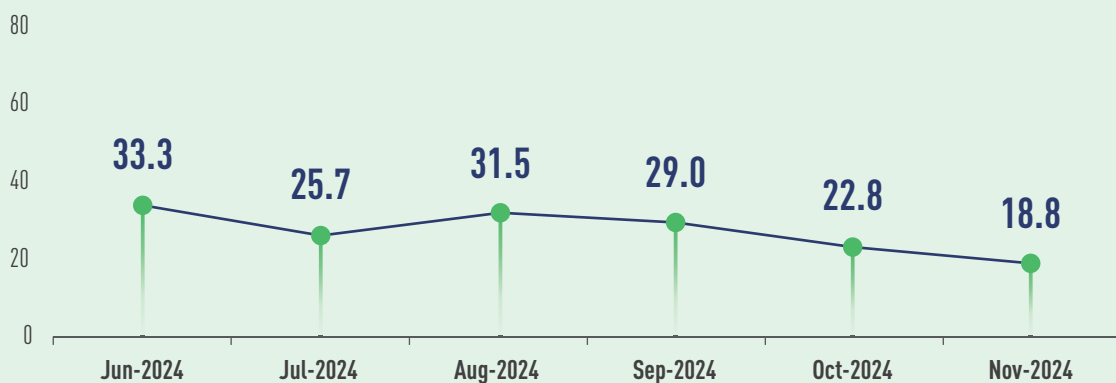


GTI-Malaysia Index in November 2024



GTI-Malaysia Comprehensive Index

Unit: %



The latest data by the country's National Property Information Centre (Naptic) shows that Malaysia's property market saw over 112,000 transactions valued at RM57.31 billion in the third quarter of this year, representing a year-on-year increase of 3.1% and 0.3%, respectively. The Chairman of Malaysian Timber Industry Board (MTIB) said that demand for wood-plastic composite (WPC) materials is growing with an estimated global market value last year amounting to US\$7.5 billion. Malaysia has also started producing WPC materials made from wood and plastic waste that can be recycled, and as this kind of material is waterproof, states that are often struck by floods, including Sabah, Sarawak and Pahang, are the key target markets in the country. On November 20, Sarawak's Deputy Premier Awang Tengah said the state is planning furniture parks in Demak Laut and Tanjung Manis to position itself as a competitive furniture production hub. In Sabah, the state is working on turning some 400,000ha of degraded forests into industrial timber plantations, and as of October this year, a total of 180,901ha have been successfully restored and converted. According to the action plan on the plantation, rubber, acacia, batai, laran and red mahogany (*Eucalyptus pellita*) would be among the main species.

In November, the GTI-Malaysia index registered 18.8%, a decrease of 4.0 percentage points from the previous month, was below the critical value (50%) for 25 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Malaysia index shrank from last month, and the contraction

had become more significant.

As for the eleven sub-indexes, only the purchase price index was at the critical value of 50%, while the remaining ten indexes were all below the critical value. Compared to the previous month, the index for harvesting increased by 14.3 percentage points; the indexes for production, purchase quantity, inventory of main raw materials, and delivery time were unchanged from the previous month; and the indexes for new orders, export orders, existing orders, inventory of finished products, purchase price, and employees declined by 5.0-15.0 percentage points.



Break down saw in Tan Chee Seng Sawmill Perak, Malaysia. Photo: Khairul nizam

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

	2024.06	2024.07	2024.08	2024.09	2024.10	2024.11	MoM	Performance
Comprehensive Index	33.3	25.7	31.5	29.0	22.8	18.8	-4.0 ↓	Contract
Harvesting Index	43.8	31.3	14.3	28.6	0.0	14.3	14.3 ↑	Contract
Production Index	33.3	11.1	27.8	27.8	22.2	22.2	0.0	Contract
New Orders Index	35.0	25.0	35.0	30.0	25.0	15.0	-10.0 ↓	Contract
Export Orders Index	27.8	33.3	22.2	30.0	30.0	25.0	-5.0 ↓	Contract
Existing Orders Index	25.0	35.0	38.9	35.0	40.0	30.0	-10.0 ↓	Contract
Inventory Index of Finished Products	55.0	50.0	55.0	60.0	60.0	45.0	-15.0 ↓	Contract
Purchase Quantity Index	27.8	27.8	16.7	16.7	16.7	16.7	0.0	Contract
Purchase Price Index	56.3	66.7	55.6	55.6	61.1	50.0	-11.1 ↓	Stable
Inventory Index of Main Raw Materials	44.4	44.4	38.9	38.9	22.2	22.2	0.0	Contract
Employees Index	25.0	30.0	30.0	25.0	25.0	20.0	-5.0 ↓	Contract
Delivery Time Index	33.3	33.3	27.8	27.8	16.7	16.7	0.0	Contract



Main Challenges Reported by GTI-Malaysia Enterprises

- There was a decrease in orders.
- The demand for wood was not enough.
- There was a shortage of logs suitable for producing face veneer.
- There were fluctuations in currency exchange rates.
- The supply of raw materials was limited and there was a shortage of manpower.
- There was a lack of orders and the costs of raw materials (woodwaste) were high.
- There was a shortage of plywood demand for export, and at the same time, there was a lack of logs.

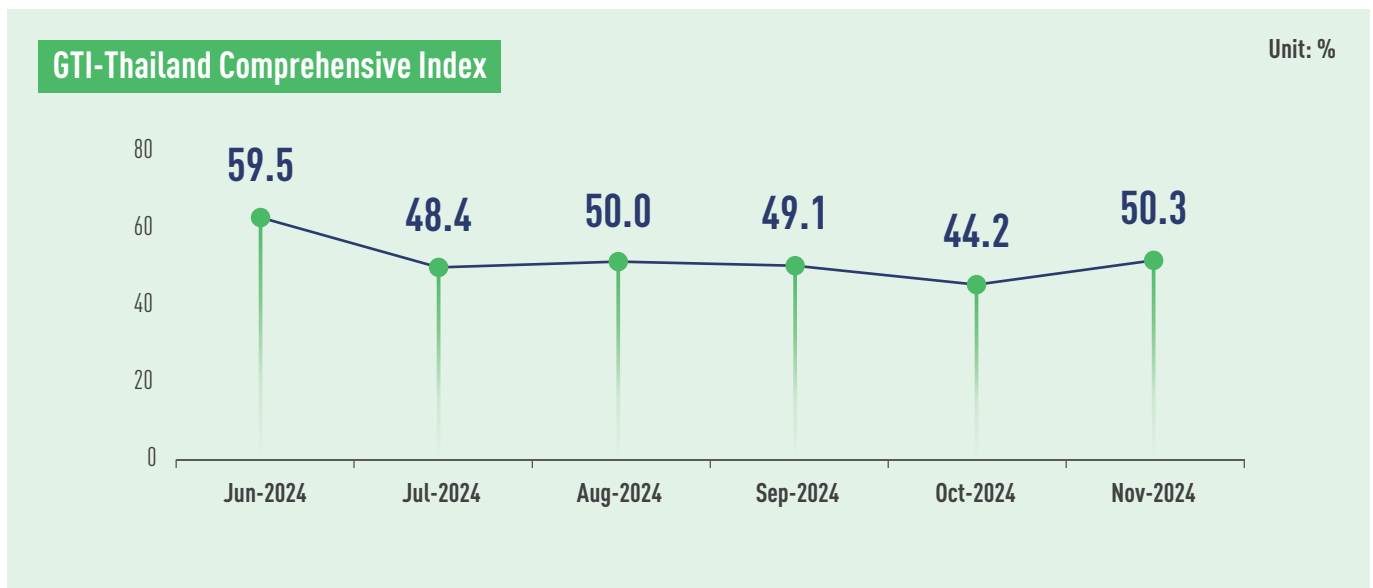


Main Suggestions from GTI-Malaysia Enterprises

- Slow down production.
- Retain woodchips for local consumption.
- Suggest that the government increase spending on building and infrastructure expansion, so as to increase consumption of building materials.



GTI-Thailand Index in November 2024



In October 2024, Thai exports increased by 14.6% to US\$27.2221 billion, while imports increased by 15.9% to US\$28.0164 billion. On November 12, the Thai Cabinet earmarked 55 billion baht for the Government Housing Bank (GHB) to hand out as soft loans (with reduced interest rates and extended repayment period) to home buyers and homeowners who want to repair their houses, which may drive the development of industries such as building materials and furniture. Currently, the Business Development Department of Thailand, in collaboration with the Bank for Agriculture and Agricultural Cooperatives (BAAC), is driving an initiative to use perennial trees as collateral for business loans, aiming to provide farmers and entrepreneurs with greater access to finance by leveraging the value of their natural resources. On November 12, the Thai Cabinet approved two draft decrees proposed by the Ministry of Natural Resources and Environment. For the purpose of protecting forests, these decrees allow forest dwellers to stay in their communities for only 20 years and they are limited to farming only 20 rai of land. It is estimated that the decrees cover 4,265 forest communities, 462,444 households, or 1,849,792 people across 4.27 million rai of land-protected forests.

In November, the GTI-Thailand index registered 50.3%, an increase of 6.1 percentage points from the previous month, rose above the critical value (50%) after 2 months,

indicating that the business prosperity of the superior timber enterprises represented by the GTI-Thailand index expanded from last month. Despite severe flooding in many parts of Thailand this month, the timber sector had demonstrated strong development resilience, with overall stable volume of harvesting and an increase in both production and new orders compared to the previous month.

As for the eleven sub-indexes, three indexes (production, new orders, and export orders) were above the critical value of 50%, four indexes (harvesting, inventory of finished products, purchase price, and employees) were at the critical value, while the remaining four indexes (existing orders, purchase quantity, inventory of main raw materials, and delivery time) were below the critical value. Compared to the previous month, the indexes for harvesting, production, new orders, export orders, inventory of finished products, purchase quantity, inventory of main raw materials, and employees increased by 3.8-28.3 percentage points; the index for existing orders was unchanged from the previous month; and the indexes for purchase price and delivery time declined by 3.8-4.2 percentage points.

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

	2024.06	2024.07	2024.08	2024.09	2024.10	2024.11	MoM	Performance
Comprehensive Index	59.5	48.4	50.0	49.1	44.2	50.3	6.1 ↑	Expand
Harvesting Index	56.3	50.0	55.6	41.7	33.3	50.0	16.7 ↑	Stable
Production Index	63.6	46.4	50.0	46.9	50.0	58.3	8.3 ↑	Expand
New Orders Index	70.8	46.9	61.5	58.8	46.2	53.8	7.6 ↑	Expand
Export Orders Index	70.0	50.0	57.1	38.9	30.0	58.3	28.3 ↑	Expand
Existing Orders Index	66.7	65.6	53.8	55.9	38.5	38.5	0.0	Contract
Inventory Index of Finished Products	41.7	34.4	34.6	35.3	23.1	50.0	26.9 ↑	Stable
Purchase Quantity Index	63.6	42.3	61.5	50.0	29.2	45.8	16.6 ↑	Contract
Purchase Price Index	54.2	53.6	53.8	53.3	54.2	50.0	-4.2 ↓	Stable
Inventory Index of Main Raw Materials	41.7	36.7	23.1	32.4	23.1	37.5	14.4 ↑	Contract
Employees Index	50.0	53.1	46.2	47.1	46.2	50.0	3.8 ↑	Stable
Delivery Time Index	54.2	56.3	50.0	47.1	42.3	38.5	-3.8 ↓	Contract

**Main Challenges Reported by GTI-Thailand Enterprises**

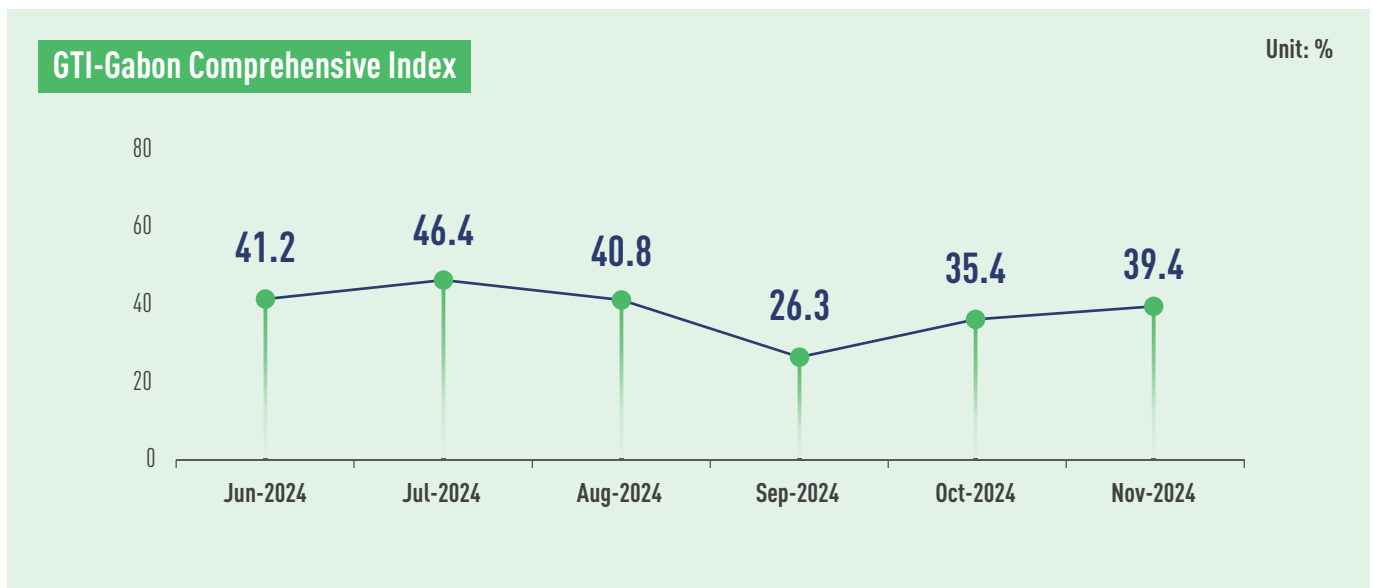
- Labor shortage was a problem.
- There was a lack of skilled labor.
- Raw materials were insufficient and prices were high.
- There may be less wood supply, and an increase in price is possible.
- Customer orders decreased due to the large amount of housing stock in the market and the bad economic conditions.

**Main Suggestions from GTI-Thailand Enterprises**

- Find new buyers.
- The government should urgently have a way to stimulate the economy in the real estate sector.
- Hire professional agencies to develop skills of workers for woodworking.
- Promote the planting of fast-growing trees so that they can be used more widely.



GTI-Gabon Index in November 2024



On November 15, the Gabonese government officially launched the largest solar power plant in Central Africa—the Ayeme Solar Power Plant (centrale solaire d’Ayeme), as a measure to reduce greenhouse gas emissions and develop renewable energy. On November 1, the construction of the Ndendé-Doussala highway in Libreville-Brazzaville corridor was launched, and the road upon completion will connect Gabon and the Republic of the Congo. As part of its environmental policy, Gabon is preparing to introduce a carbon tax for transit airlines and shipping companies, and at a meeting on November 13, the Transitional President of Gabon and the Gabonese Strategic Investment Fund (FGIS) had the taxation measure discussed. At the 16th Conference of the Parties to the UN Convention on Biological Diversity (COP16) held recently, Gabon received a funding commitment of US\$60 million (approximately 36.2 billion CFA francs) to strengthen the protection of its forests. Recently, the European Union submitted a proposal to include Okoume (*Aucoumea Klaineana*) in Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). However, this proposal has sparked strong opposition in Gabon, which argues that there is no reliable scientific evidence indicating that this species is in danger of extinction. Therefore, Gabon intends to mobilize other

producing countries of Okoume to jointly oppose this proposal.

In November, the GTI-Gabon index registered 39.4%, an increase of 4.0 percentage points from the previous month, was below the critical value (50%) for 16 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Gabon index shrank from last month, however, the contraction eased a little.

As for the eleven sub-indexes, two indexes (purchase price, and inventory of main raw materials) were above the critical value of 50%, one index (purchase quantity) was at the critical value, while the remaining eight indexes (harvesting, production, new orders, export orders, existing orders, inventory of finished products, employees, and delivery time) were all below the critical value. Compared to the previous month, the indexes for harvesting, new orders, export orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, employees, and delivery time increased by 1.8-17.8 percentage point(s), and the indexes for production and existing orders declined by 11.9-12.5 percentage points.

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

	2024.06	2024.07	2024.08	2024.09	2024.10	2024.11	MoM	Performance
Comprehensive Index	41.2	46.4	40.8	26.3	35.4	39.4	4.0 ↑	Contract
Harvesting Index	50.0	56.7	53.8	23.3	25.0	27.8	2.8 ↑	Contract
Production Index	34.6	60.7	45.8	26.9	50.0	37.5	-12.5 ↓	Contract
New Orders Index	36.7	43.3	34.6	18.8	26.9	31.8	4.9 ↑	Contract
Export Orders Index	27.3	40.9	36.4	25.0	31.3	33.3	2.0 ↑	Contract
Existing Orders Index	33.3	43.3	38.5	21.9	34.6	22.7	-11.9 ↓	Contract
Inventory Index of Finished Products	60.0	56.7	53.8	25.0	34.6	36.4	1.8 ↑	Contract
Purchase Quantity Index	50.0	50.0	45.5	34.6	33.3	50.0	16.7 ↑	Stable
Purchase Price Index	50.0	37.5	38.9	38.5	55.6	62.5	6.9 ↑	Expand
Inventory Index of Main Raw Materials	55.0	45.8	45.0	30.8	50.0	57.1	7.1 ↑	Expand
Employees Index	40.0	33.3	42.3	28.1	23.1	40.9	17.8 ↑	Contract
Delivery Time Index	53.6	46.4	40.0	34.6	35.0	43.8	8.8 ↑	Contract



Main Challenges Reported by GTI-Gabon Enterprises

- The supply of logs was a problem.
- There was a delay in export documentation.
- There were difficulties in transporting by railway.
- Payment by customers was very late.
- There was a decline in the market prices of products.
- Continuous rains affected production and operations.
- There was a delay in reply from administrative departments.

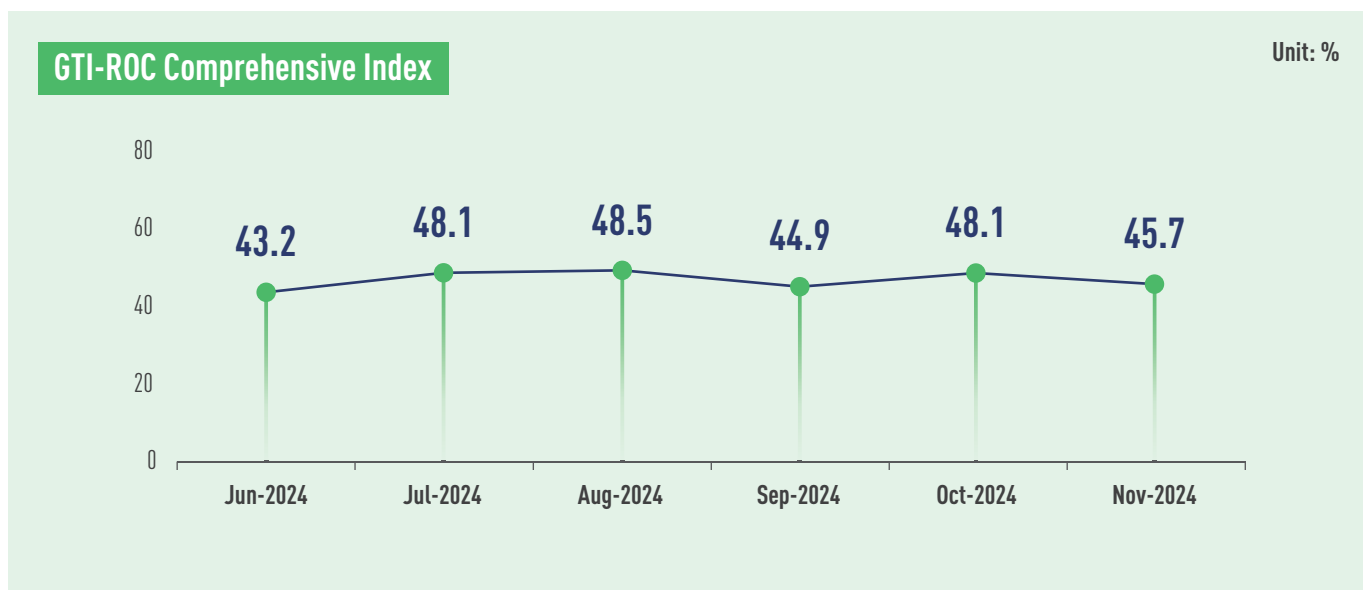


Main Suggestions from GTI-Gabon Enterprises

- Improve road conditions
- Wait for recovery of the timber market.
- Suggest that the government increase support for businesses.
- Promote the trade of forest products.
- Suggest that administrative departments enhance communication with enterprises.
- Streamline administrative procedures, especially for customs.



GTI-ROC Index in November 2024



Currently, the Republic of the Congo (ROC) is facing significant challenges in fuel supply. The Congo Refinery (CORAF) has experienced a substantial drop in monthly production due to technical problems. In the meantime, the import by ROC's national oil company SNPC is limited, due to the influence of international market prices. On November 29, ROC's National Investment Committee (CNI) held its second annual regular meeting. During the meeting, the committee reviewed investment applications from the private sector, and granted approval to companies in sectors such as logging, construction and public works, transportation, and port services. These enterprises will enjoy tax exemptions and other preferential policies provided by the government, and meanwhile, they are required to prioritize hiring Congolese nationals, register them for social security, and process raw materials in ROC to support economic diversification. In other news, International Tropical Timber Technical Association (ATIBT) launched the Project "Private Sector Support for the Domestic Timber Market" (ASP-MIB) in ROC. Financed by the European Union Delegation to the tune of 2 million euros over 4 years, this project aims to structure and valorize the domestic wood value chain by encouraging the use of legal and sustainable wood in the domestic timber market.

In November, the GTI-ROC index registered 45.7%, a decrease of 2.4 percentage points from the previous month, was below the critical value (50%) for 25 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-ROC index shrank from last month. Despite a slight contraction in demand for the country's timber sector this month, the supply side was relatively stable, with both harvesting and production volumes remaining on par with the previous month's performance.

As for the eleven sub-indexes, three indexes (harvesting, production, and delivery time) were at the critical value of 50%, and eight indexes (new orders, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, and employees) were below the critical value. Compared to the previous month, the index for harvesting increased by 5.0 percentage points; the indexes for production, new orders, employees, and delivery time were unchanged from the previous month; and the indexes for export orders, existing orders, inventory of finished products, purchase quantity, purchase price, and inventory of main raw materials declined by 2.2-16.7 percentage points.

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

	2024.06	2024.07	2024.08	2024.09	2024.10	2024.11	MoM	Performance
Comprehensive Index	43.2	48.1	48.5	44.9	48.1	45.7	-2.4 ↓	Contract
Harvesting Index	50.0	45.7	50.0	45.5	45.0	50.0	5.0 ↑	Stable
Production Index	50.0	50.0	46.2	45.5	50.0	50.0	0.0	Stable
New Orders Index	47.6	50.0	38.6	48.0	47.7	47.7	0.0	Contract
Export Orders Index	50.0	45.8	40.0	42.9	50.0	47.6	-2.4 ↓	Contract
Existing Orders Index	47.6	44.0	45.5	44.0	50.0	47.7	-2.3 ↓	Contract
Inventory Index of Finished Products	45.2	50.0	43.2	44.0	47.7	45.5	-2.2 ↓	Contract
Purchase Quantity Index	66.7	58.3	50.0	50.0	50.0	33.3	-16.7 ↓	Contract
Purchase Price Index	50.0	44.4	66.7	33.3	50.0	33.3	-16.7 ↓	Contract
Inventory Index of Main Raw Materials	25.0	50.0	50.0	50.0	50.0	40.0	-10.0 ↓	Contract
Employees Index	38.1	48.0	36.4	44.0	45.5	45.5	0.0	Contract
Delivery Time Index	50.0	47.6	50.0	50.0	50.0	50.0	0.0	Stable

**Main Challenges Reported by GTI-ROC Enterprises**

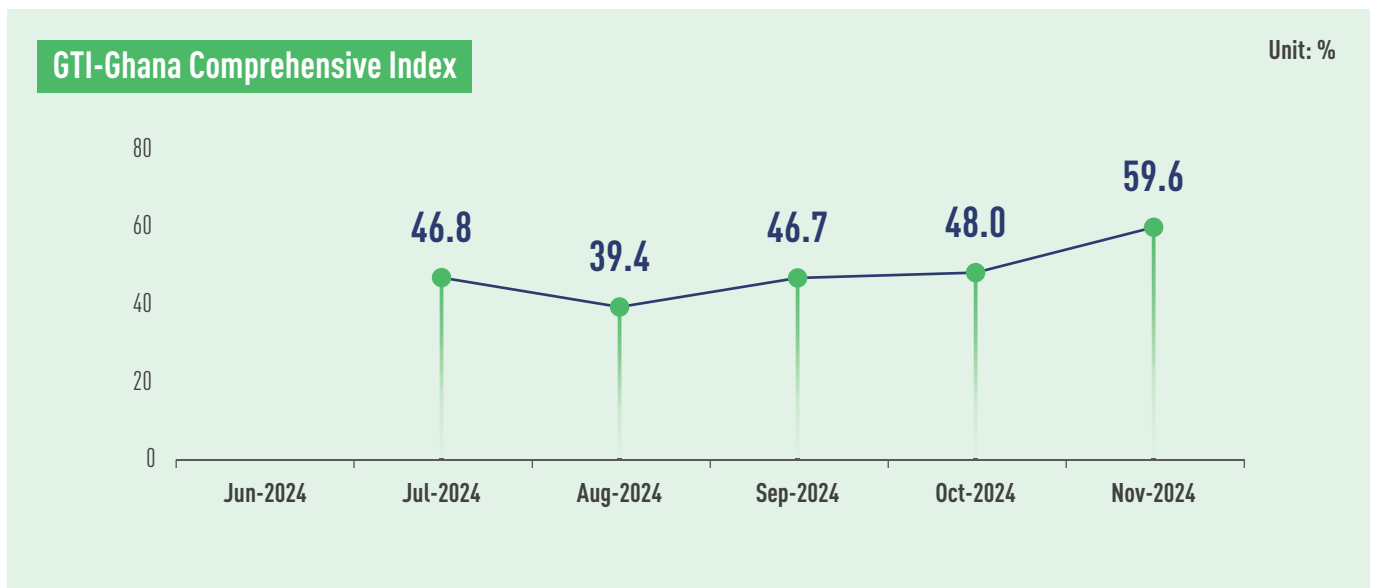
- Conditions of roads were poor and the logistics was not smooth.
- Some enterprises faced cash flow problems.
- Rains had restricted production and operations.
- Fuel supply was insufficient for the production.

**Main Suggestions from GTI-ROC Enterprises**

- Ensure fuel supply.
- Adjust the schedule of field operation according to the weather.
- Improve road conditions to increase logistics speed.



GTI-Ghana Index in November 2024



Speaking at the opening of the 29th Conference of the Parties to the UN Framework Convention on Climate Change (COP29), the President of Ghana said the country had earned about US\$800 million through carbon credit trading with other countries (mainly European countries such as Sweden and Switzerland). On November 6 during the 12th session of the Ghana-EU Joint Monitoring and Review Mechanism (JMRM) of the Voluntary Partnership Agreement (VPA), the Ghana’s Minister of Lands and Natural Resources announced that Ghana had set June 30, 2025, as the date to deliver its first consignment of FLEGT-licensed timber to the EU, and this milestone would make Ghana the first country in Africa to issue the FLEGT licenses. In other news, starting from November 25, 2024, Ghana’s energy sector face escalating challenges as major energy producers—Karpowership Energy, AKSA Energy, and Cenit Energy Limited—scale down their electricity supply, and the power crisis will also impact the country’s economic activities.

In November, the GTI-Ghana index registered 59.6%, an increase of 11.6 percentage points from the previous month, rose above the critical value (50%) after 4 months, indicating that the business prosperity of the superior timber

enterprises represented by the GTI-Ghana index expanded from the previous month. Overall, both harvesting and production volumes in the country increased compared to the previous month, and there was a recovery in demand. However, the continuous rise in the purchase prices of raw materials over several months indicates persistent cost pressures for production enterprises.

As for the eleven sub-indices, eight indexes (harvesting, production, new orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, and delivery time) were above the critical value of 50%, two indexes (export orders, and employees) were at the critical value, and only one index (existing orders) was below the critical value. Compared to the previous month, the eleven indexes increased by 1.7-18.9 percentage points.

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

	2024.07	2024.08	2024.09	2024.10	2024.11	MoM	Performance
Comprehensive Index	46.8	39.4	46.7	48.0	59.6	11.6 ↑	Expand
Harvesting Index	46.9	31.0	50.0	44.0	54.2	10.2 ↑	Expand
Production Index	42.1	33.3	47.8	43.1	62.0	18.9 ↑	Expand
New Orders Index	32.5	43.8	43.5	43.3	54.0	10.7 ↑	Expand
Export Orders Index	38.2	31.0	36.8	40.7	50.0	9.3 ↑	Stable
Existing Orders Index	35.0	45.8	45.7	36.7	44.0	7.3 ↑	Contract
Inventory Index of Finished Products	35.0	37.5	63.0	50.0	56.0	6.0 ↑	Expand
Purchase Quantity Index	36.8	40.5	37.5	44.4	54.3	9.9 ↑	Expand
Purchase Price Index	81.6	85.0	76.2	82.7	86.4	3.7 ↑	Expand
Inventory Index of Main Raw Materials	39.5	34.8	36.8	42.6	56.8	14.2 ↑	Expand
Employees Index	42.5	41.7	32.6	48.3	50.0	1.7 ↑	Stable
Delivery Time Index	55.3	39.6	47.8	53.3	58.3	5.0 ↑	Expand



Main Challenges Reported by GTI-Ghana Enterprises

- Electricity tariffs were high.
- Contracts for exports were limited.
- Contracts from buyers decreased.
- Power outages posed challenges.
- The taxes and fees imposed by the government were high.
- Frequent breakdown of logging equipment was a problem.
- Prices of logs and other raw materials increased.
- Bad road network and frequent breakdown of haulage trucks posed challenges.
- Production costs (fuel, lubricants and lumber) were high.

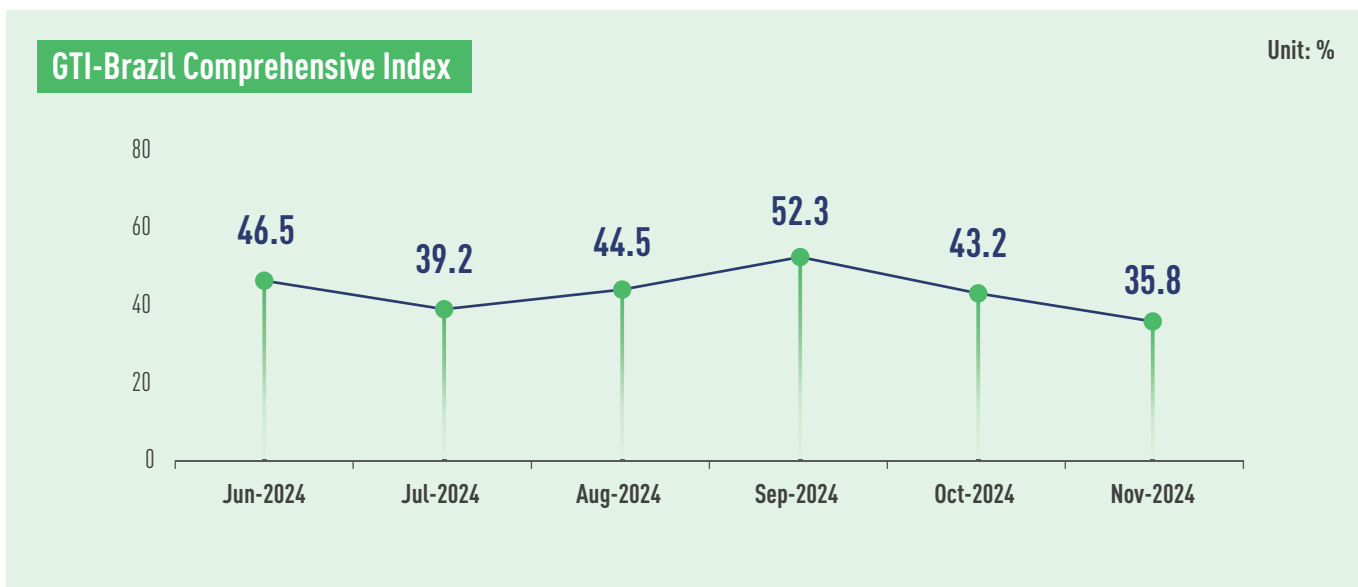


Main Suggestions from GTI-Ghana Enterprises

- Seek more contracts.
- Need tax exemption from the government.
- Invest funds in forest plantation development.
- A green energy power supply system may be helpful.
- Access to funds for purchasing new equipment.
- Government subsidies are needed to help boost production in various industries.
- Regulatory agencies and customs should adopt electronic processes and documentation.
- Implement a price control mechanism that takes into account the rise in raw material prices.



GTI-Brazil Index in November 2024



According to data released by Foreign Trade Secretariat (SECEX) of the Brazilian Ministry of Development, Industry, Trade and Services (MDIC) on November 6, Brazil's exports in October totaled US\$29.461 billion, a slight decrease of 0.7% compared to the same period last year, while imports reached US\$25.118 billion, an increase of 22.5%. In the same month, Brazil's exports of wood-based products (except pulp and paper) increased 20.0% to US\$2.636 billion. By category, the export value of wooden furniture increased 4% year-on-year, however, there was a decline in the export value of both tropical sawnwood and tropical plywood. On November 19, Brazil's Lower House approved a bill that sets rules for the carbon market in the country. After the bill is signed by the country's President, the government will have two years to regulate the mandatory carbon market, and businesses emitting gases above the established threshold must purchase carbon credits from sustainable projects, such as reforestation initiatives. Recently, Brazil officially launched the country's Platform for Climate Investments and Ecological Transformation (BIP), aiming to mobilize national and international capital in support of the Brazilian government's Ecological and Climate Transformation Plans, and reinforce the country's commitment to carbon neutrality by 2050. Public information reveals that the BIP Platform will initially focus efforts on nature-based and bioeconomy solutions, including restoration and sustainable management of native vegetation, efforts to reduce deforestation, etc.

In November, the GTI-Brazil index registered 35.8%, a decrease of 7.4 percentage points from the previous month, was below the critical value (50%) for 2 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Brazil index shrank from last month, and the contraction had become more significant.

As for the eleven sub-indexes,

- One index (inventory of finished products) was above the critical value.
- Two indexes (existing orders, and purchase prices) were at the critical value.
- Eight indexes (harvesting, production, new orders, export orders, purchase quantity, inventory of main materials, employees, and delivery time) were below the critical value.

Compared to the previous month, four indexes (production, existing orders, purchase quantity, and purchase prices) increased by 2.9-8.0 percentage points; one index (delivery time) was unchanged from the previous month; and six indexes (harvesting, new orders, export orders, inventory of finished products, inventory of main raw materials, and employees) declined by 0.3-24.8 percentage point(s).

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



	2024.06	2024.07	2024.08	2024.09	2024.10	2024.11	MoM	Performance
Comprehensive Index	46.5	39.2	44.5	52.3	43.2	35.8	-7.4 ↓	Contract
Harvesting Index	36.4	43.8	50.0	41.7	45.0	30.0	-15.0 ↓	Contract
Production Index	57.1	38.9	40.0	53.8	34.6	37.5	2.9 ↑	Contract
New Orders Index	43.3	45.0	31.8	53.6	46.2	21.4	-24.8 ↓	Contract
Export Orders Index	50.0	33.3	27.3	42.3	41.7	33.3	-8.4 ↓	Contract
Existing Orders Index	30.0	35.0	54.5	50.0	46.2	50.0	3.8 ↑	Stable
Inventory Index of Finished Products	36.7	40.0	59.1	75.0	76.9	75.0	-1.9 ↓	Expand
Purchase Quantity Index	26.9	31.3	60.0	50.0	37.5	45.5	8.0 ↑	Contract
Purchase Price Index	38.5	43.8	60.0	54.2	45.8	50.0	4.2 ↑	Stable
Inventory Index of Main Raw Materials	23.1	33.3	65.0	50.0	45.8	45.5	-0.3 ↓	Contract
Employees Index	50.0	40.0	54.5	57.1	46.2	42.9	-3.3 ↓	Contract
Delivery Time Index	46.2	31.3	50.0	42.3	45.8	45.8	0.0	Contract



Aerial Photo Branch in São Francisco de Paula RS, Brazil. Photo: Banco de Imagens Marini



Aerial Photo Headquarters in Palmas PR, Brazil. Photo: Banco de Imagens Marini



Brief on Brazilian Timber Industry



- The supply of Pinus and Eucalyptus logs remains stable, with suppliers managing to meet demand, although there are variations in demand for products such as veneer sheets and sawnwood. Demand for timber in civil construction remains high but experiences fluctuations due to the year-end cycle and economic changes, such as the rise in the dollar and interest rates.
- The outlook for 2025 anticipates a recovery in demand for sawnwood and logs, particularly in the civil construction sector, with some companies projecting an increase in sales after postponing construction work to the beginning of the year. However, companies focusing on furniture and MDF products face challenges due to the appreciation of the US dollar against the Brazilian currency Real and reduced demand.
- Sawnwood market is experiencing demand drops and price fluctuations. Some companies have reduced prices to maintain sales, while others have observed variations in products like paricá plywood. In regions such as Rio de Janeiro, demand is tied to seasonal fluctuations, with growth expected in 2025.
- While the supply of thin logs may decrease due to rising demand for thick logs which remains high, especially for use in civil construction. The supply of forest residues is also unstable, with some regions facing increased demand and supply shortages.

Information provided by GTI-Brazil Focal Point



Branch Dryer in São Francisco de Paula RS, Brazil. Photo: Banco de Imagens Marini



Combi Products in Palmas PR, Brazil. Photo: Banco de Imagens Marini



Main Challenges Reported by GTI-Brazil Enterprises

- Costs of maritime freight to North America were high.
- The weather (a lot of rain) had impact on field operations.
- There were occasional production stoppages due to machinery with specific problems.
- There was a lack of space at the Paranaguá Container Terminals (TCP), leaving cargo unloaded for up to 15 days after entering the port.
- Train derailments occurred between the municipalities of Rondonópolis and Santos, and there was a lack of delivery windows at the Port of Santos for container shipments.
- There were delays in the approval of documentation by environmental authority (IBAMA), particularly for Ipê and Cumaru, which are now listed under CITES (Appendix II).
- The month of November is bad for exports. Clients do not want to receive shipments at the end of the year. Shipping to the port in November for the first ship in December would result in the cargo arriving during the Chinese New Year.

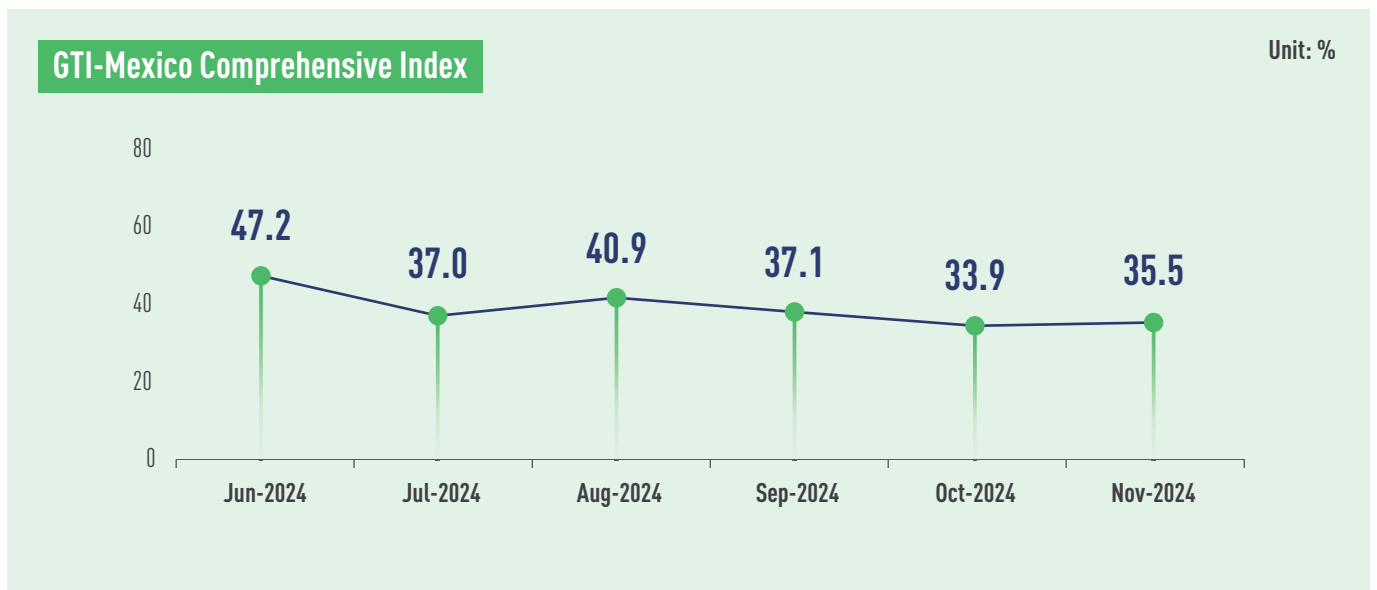


Main Suggestions from GTI-Brazil Enterprises

- Emphasize preventive machinery maintenance.
- A gradual reduction in freight costs over the coming months is needed.
- Schedule field operations according to this seasonal climate.
- Establish deadlines to be met by regulatory/control agencies.
- Increased control of container terminal concessionaires.
- Improve the quality and calibration of machinery.
- Start operating dry port in Cuiabá municipality, in the state of Mato Grosso, in the Amazon region.
- Seeking alternatives in other ports for wood export (e.g., Paranaguá and Sepetiba ports), and intensify loading via warehouses to maintain static inventory levels.



GTI-Mexico Index in November 2024



In October 2024, Mexico's exports hit US\$57.671 billion and imports reached US\$57.3 billion, resulting in a trade surplus of US\$371 million, compared to a deficit of US\$369 million in the same period of 2023. Data from Mexico's National Institute of Statistics and Geography (INEGI) shows that the country's Consumer Confidence Indicator (CCI) reached an unprecedented 49.4 points in October, the highest level since its inception in 2001. This month, consumers reported improved prospects for purchasing durable goods, with notable monthly gains in categories such as furniture. Recently, the President of Mexico launched the expansion of the port of Manzanillo that will quadruple its size and add four container terminals. The project is expected to be completed in 2030. When completed, it would put Manzanillo in the ranks of the world's top-15 container ports. On November 14, IKEA opened its largest store in Mexico. The store is located in Guadalajara, and head of IKEA Retail Mexico said that Guadalajara has been the leading city in online sales growth on IKEA's platform. Currently, 11% of products sold in IKEA's Mexican stores are manufactured locally, and the company is actively exploring partnerships with more Mexican furniture producers to increase this figure.

In November, the GTI-Mexico index registered 35.5%, an increase of 1.6 percentage points from the previous month, was below the critical value (50%) for 25 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Mexico index shrank from last month, however, the contraction had eased a little. And although the Mexican wood export market remained somewhat subdued this month, there were signs of recovery in the domestic market.

As for the eleven sub-indexes, only the purchase price index was above the critical value of 50%, while the remaining ten indexes were all below the critical value. Compared to the previous month, three indexes (new orders, existing orders, and purchase price) increased by 1.3-10.5 percentage points; one index (export orders) was unchanged from the previous month; and seven indexes (harvesting, production, inventory of finished products, purchase quantity, inventory of main raw materials, employees, and delivery time) declined by 0.8-17.9 percentage point(s).

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



	2024.06	2024.07	2024.08	2024.09	2024.10	2024.11	MoM	Performance
Comprehensive Index	47.2	37.0	40.9	37.1	33.9	35.5	1.6 ↑	Contract
Harvesting Index	43.2	33.3	38.5	39.5	33.3	29.2	-4.1 ↓	Contract
Production Index	44.1	35.7	34.1	41.7	29.4	28.6	-0.8 ↓	Contract
New Orders Index	52.3	35.4	42.6	28.9	33.3	43.8	10.5 ↑	Contract
Export Orders Index	30.0	40.0	40.0	33.3	33.3	33.3	0.0	Contract
Existing Orders Index	43.2	37.5	37.0	44.7	31.0	37.5	6.5 ↑	Contract
Inventory Index of Finished Products	50.0	45.8	44.4	47.4	28.6	27.1	-1.5 ↓	Contract
Purchase Quantity Index	43.3	40.0	41.2	46.2	50.0	32.1	-17.9 ↓	Contract
Purchase Price Index	50.0	56.7	57.9	66.7	67.9	69.2	1.3 ↑	Expand
Inventory Index of Main Raw Materials	43.3	42.5	47.2	46.2	30.0	26.7	-3.3 ↓	Contract
Employees Index	50.0	33.3	42.6	39.5	35.7	33.3	-2.4 ↓	Contract
Delivery Time Index	40.9	43.8	42.6	36.8	42.9	39.6	-3.3 ↓	Contract



Roundwood pile, Mexico. Photo: Forestal Salto de Camellones



Wooden Storage, Mexico. Photo: Forestal Salto de Camellones



Brief on Mexican Timber Industry



Introduction

The present report displays economic information on Mexico’s Timber Market for the month of October. The information presented in this report is obtained by Mexico’s National Forest Commission (CONAFOR) through the Timber Pricing System (abbreviated SIPRE in Spanish).

The Timber Pricing System is a tool by which the National Forest Commission obtains referential prices for forest wood and non-wooden products in temperate and tropical climates. Prices are obtained from ejidos, rural communities and private landowners in seven states of Mexico. However, these prices are reported at a regional level.

Timber prices (\$ USD) for Tzalam (*Lysiloma latisiliquum*)

Tzalam (*Lysiloma latisiliquum*) is a tropical specie naturally distributed in the southeastern regions of Mexico. The specie is found in northern Chiapas, Tabasco and Yucatan. In Mexico’s southeast, landowners use this specie to feed their livestock. Additionally, Tzalam timber is used to produce floor boards, wood panels, veneer and plywood.

Roundwood prices and standing timber prices (\$ USD/m³) are reported for Tzalam. Timber Prices are reported at the exchange rate of 19.8925 Mexican pesos, established on October 15th by the Bank of Mexico.

Table 1. Roundwood prices and standing timber prices (\$ USD/ m³) for Tzalam.

Specie	Long Dimensional Boards (First Degree)	Long Dimensional Boards (Second Degree)	Standing timber
	Bought at sawmill	Bought at sawmill	
Tzalam	186.40	60.32	82.59

Information provided by GTI-Mexico Focal Point



Main Challenges Reported by GTI-Mexico Enterprises

- Freight costs were high.
- The electrical power supply was unstable.
- Prices of products were low.
- The supply of raw materials was insufficient.
- There was a lack of market for products.
- The entry of imported wood products was unregulated.
- Rains led to slow field operations.
- The constant rains had affected the supply of roundwood.
- There was a lack of forestry documentation due to slow forestry procedures.



Main Suggestions from GTI-Mexico Enterprises

- Improve roads.
- Increase harvest capacity during the dry season.
- Schedule overtime when there is power.
- Reduce the import of forest products and impose tariffs on timber imports.
- The Federal Electricity Commission maintains the electricity network.



Wood Pile, Mexico. Photo: Forestal Salto de Camellones



Wood Debarker, Mexico. Photo: Forestal Xochiapa



GTI-China Index in November 2024



Latest data from Chinese customs reveals that in October 2024, China's cumulative wood imports reached 4.66 million cubic meters, marking a 10% decline compared to the same period last year. Within this total, the import volume of logs amounted to 2.67 million cubic meters, registering a 11% year-on-year decrease, while sawnwood imports stood at 1.99 million cubic meters, reflecting an 8% drop from the previous year. Despite these reductions, the average import price per unit for both logs and sawnwood increased. Data also shows that there was a sharp decline in the import volume of some traditional species. For example, both Okoume logs and Merbau sawnwood saw a 78% decline in import volume this month. Currently, China's subsidy policies for home furnishing and kitchen & bathroom renovations have been implemented nationwide, and their positive effects are gradually emerging. According to data released by China's Ministry of Commerce, by November 10, the country had subsidized 10.38 million pieces of products associated with partial kitchen and bathroom renovations, and 8.2 million pieces of furniture and home furnishing products. And the latest report from China's National Bureau of Statistics shows that in October, the total retail sales of furniture in China reached 15.2 billion yuan, representing a 7.4% year-on-year increase. On November 15, the first working meeting for the revision of the country's national standard "Chinese Main Wood Names" was held. Since 1997, the standard has been implemented for nearly 27 years. And the standard after revision will further align with international and domestic

markets to meet the needs of Chinese timber trade.

In November, the GTI-China index registered 49.7%, a decrease of 1.2 percentage points from the previous month, fell below the critical value (50%) after 2 months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-China index shrank from the previous month. Despite a slight slowdown in China's wood processing industry this month, the volume of export orders increased compared to the previous month.

As for the eleven sub-indexes, five indexes (export orders, existing orders, purchase price, inventory of main raw materials, and delivery time) were above the critical value of 50%, the new orders index was at the critical value, while the remaining five indexes (production, inventory of finished products, purchase quantity, import, and employees) were all below the critical value. Compared to the previous month, the indexes for export orders, existing orders, inventory of finished products, import, purchase price, inventory of main raw materials, employees, and delivery time increased by 0.6-5.3 percentage point (s), and the indexes for production, new orders, and purchase quantity declined by 1.2-8.4 percentage points.

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

	2024.06	2024.07	2024.08	2024.09	2024.10	2024.11	MoM	Performance
Comprehensive Index	46.7	43.5	43.1	54.2	50.9	49.7	-1.2 ↓	Contract
Production Index	48.2	40.7	40.1	59.3	52.3	46.9	-5.4 ↓	Contract
New Orders Index	44.6	38.6	38.6	59.3	51.2	50.0	-1.2 ↓	Stable
Export Orders Index	50.0	45.8	43.0	51.9	50.0	51.6	1.6 ↑	Expand
Existing Orders Index	39.8	42.1	43.0	42.6	45.7	51.0	5.3 ↑	Expand
Inventory Index of Finished Products	54.8	55.0	49.3	50.0	48.4	49.0	0.6 ↑	Contract
Purchase Quantity Index	43.4	43.6	44.1	61.1	56.3	47.9	-8.4 ↓	Contract
Purchase Price Index	49.4	41.4	46.0	38.9	48.4	51.0	2.6 ↑	Expand
Import Index	47.0	50.0	46.9	53.7	47.6	48.9	1.3 ↑	Contract
Inventory Index of Main Raw Materials	45.2	45.7	50.4	42.6	50.8	51.6	0.8 ↑	Expand
Employees Index	45.8	45.7	43.8	46.3	48.8	49.0	0.2 ↑	Contract
Delivery Time Index	50.6	53.6	51.5	53.7	50.8	53.6	2.8 ↑	Expand

**Main Challenges Reported by GTI-China Enterprises**

- It was difficult to procure raw materials.
- The recovery of funds was slow.
- There was a lack of orders.
- The number of customers in the timber market decreased.

**Main Suggestions from GTI-China Enterprises**

- Broaden financing channels.
- Adjust production to avoid overcapacity.
- Expand international markets to increase 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 9 countries, including Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico 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 11 diffusion indexes (or called sub-indices) based on the data from 11 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, and delivery time. 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 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.

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