

GTI-PRODUCERS REPORT

MONTHLY

GGSC-No. 11/2024

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.

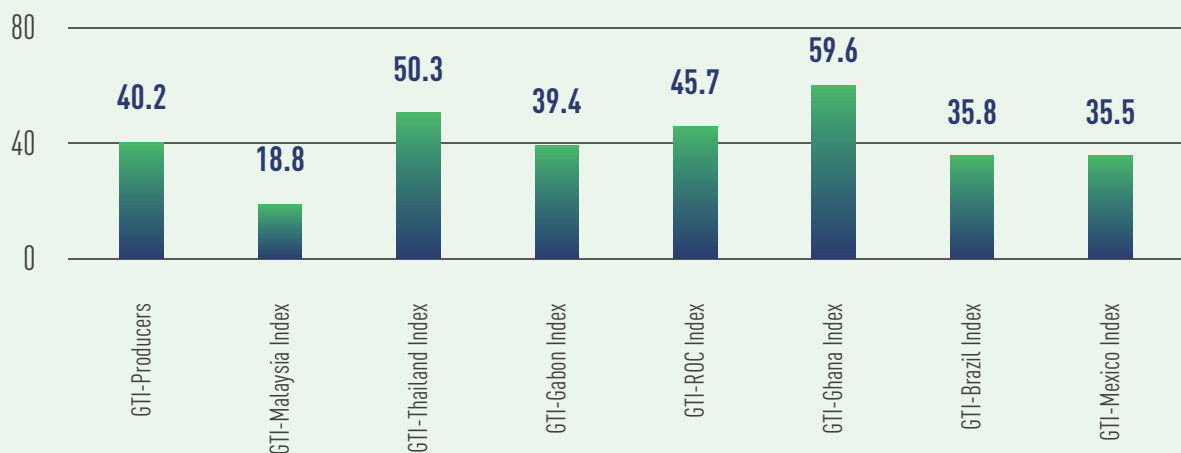
3. Index Representativeness

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GTI-Producers Report for November 2024



GTI-Producers in November 2024 (%)



In November 2024, the GTI-Producers registered 40.2% and had stayed below the critical value (50%) for seven consecutive months, indicating a continued downturn for the overall prosperity of the timber harvesting and primary processing industries in the pilot producing countries. This month, the timber sectors in Thailand and Ghana showed signs of recovery compared to the previous month, while other countries were still affected by weak demand in the timber markets, with their indexes remaining in the contraction range.

In Asia, the GTI indexes for Thailand and Malaysia registered 50.3% and 18.8%, respectively. Thailand's timber sector showed an upward trend after two months of decline, while Malaysia's timber sector remained relatively sluggish. Due to the traditional rainy season, the volumes of harvesting and production in Malaysia decreased significantly. However, in Thailand, despite severe flooding in many parts of the country, the harvesting volume held steady, and the overall production volume increased compared to the previous month. On the demand side, the volume of new orders for Malaysia, both domestically and internationally, continued to decline, while Thailand saw an increase in new orders, particularly from the export market.

In Africa, the GTI indexes for Ghana, the Republic of the Congo (ROC), and Gabon were at 59.6%, 45.7%, and 39.4%, respectively. Ghana's timber sector showed signs of recovery after a four-month downturn. 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. In ROC, the timber sector contracted slightly this month, due to a lack of effective demand. However, the supply side in the country was relatively stable, with both harvesting and production volumes remaining on par with the previous month's performance. In Gabon, the timber sector remained largely in a state of contraction, although the degree of contraction had eased slightly.

In Latin America, the GTI indexes for Brazil and Mexico registered 35.8% and 35.5%, respectively, both in the contraction range below the critical value. In Brazil, the volume of harvesting continued to decrease due to persistent rainfall, and there were no signs of recovery in production and orders amidst a contracting market. In the meantime, challenges such as low cargo handling efficiency at the ports, labor shortages, and slow administrative procedures also limited the logistics efficiency of products. In Mexico, the downward trend in timber harvesting and production continued, and the demand was still on the decline, especially in the export market, where the downturn was significant. And some companies in the country suggested that the government increase import restrictions and encourage consumers to prioritize local products.

Overview of GTI Indexes for Pilot Countries (%)



	2024.06	2024.07	2024.08	2024.09	2024.10	2024.11	MoM	Performance
GTI-Producers	48.0	41.2	45.6	49.1	43.7	40.2	-3.5 ↓	Contract
GTI-Indonesia Index	51.5	46.4	50.4	50.4 (Estimate)	50.4 (Estimate)	50.4 (Estimate)	0	Expand
GTI-Malaysia Index	33.3	25.7	31.5	29.0	22.8	18.8	-4.0 ↓	Contract
GTI-Thailand Index	59.5	48.4	50.0	49.1	44.2	50.3	6.1 ↑	Expand
GTI-Gabon Index	41.2	46.4	40.8	26.3	35.4	39.4	4.0 ↑	Contract
GTI-ROC Index	43.2	48.1	48.5	44.9	48.1	45.7	-2.4 ↓	Contract
GTI-Ghana Index	-	46.8	39.4	46.7	48.0	59.6	11.6 ↑	Expand
GTI-Brazil Index	46.5	39.2	44.5	52.3	43.2	35.8	-7.4 ↓	Contract
GTI-Mexico Index	47.2	37.0	40.9	37.1	33.9	35.5	1.6 ↑	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.



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.

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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