

GTI-WOODBASED PANEL (GTI-WBP) REPORT

MONTHLY

GGSC-No. 01/2025

Tracking and monitoring the global woodbased panel market trend.



The pilot countries for the GTI-WBP index include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico, and China. In 2022, the total production of woodbased panel in the nine countries mentioned above was 336 million cubic meters, accounting for **63.8%** of the total global production volume of woodbased panel.

Introduction to the GTI-Woodbased Panel

GTI-Woodbased Panel (GTI-WBP), a specialized prosperity index for woodbased panel industry, reflecting the development trend of woodbased panel industry in all GTI pilot countries.

Calculation Method

The GTI-WBP index takes leading woodbased panel enterprises in GTI pilot countries as the survey objects. Each month, the enterprises need to fill the GTI index questionnaire, including the information of production, orders and export, employees, logistic, etc. Then the GTI-WBP index will be calculated and analyzed, and the report will be released at the middle of the following month.

GTI-WBP index contains diffusion index and comprehensive index.

1. GTI-WBP diffusion index. There are 11 diffusion indices (or called sub-indices) based on the data from 11 objective questions which covers production, new orders, new export orders, existing orders, inventory of products, purchasing quantity, purchasing prices of main raw materials, inventory of raw materials, employees, delivery time, and market expectation. The diffusion index is calculated by adding the percentage of enterprises with positive answers to half of the percentage with unchanged answers.

2. GTI-WBP comprehensive index. GTI-WBP comprehensive index (GTI-WBP index for short) is calculated based on five diffusion indexes with different weights: production, new orders, inventory of raw material, employees, delivery time. The five diffusion indexes and their weights are determined according to their influence on the industrial economy.

Interpretation

The value of the index is between 0-100%, and 50% is the critical value of the index. GTI-WBP index reading above 50 percent indicates that the industry prosperity is generally expanding; below 50 percent indicates that it is generally declining.

Survey Method

With the support of The International Tropical Timber Organization (ITTO), the GTI platform has set up focal points in pilot countries, including timber producing and consuming countries.

At the end of each month, major leading woodbased panel enterprises are organized by focal points to fill out survey questionnaires. The questionnaire is usually filled out by the person in charge of production and operation or personnel from the statistics department. The Global Green Supply Chains Initiative (GGSC) organizes experts to analyze the collected data and prepare the GTI-WBP index report.

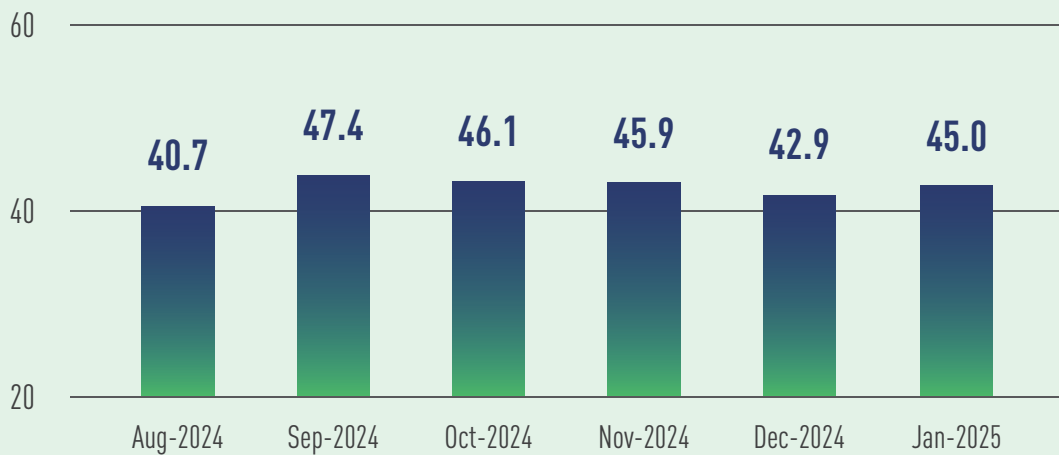
Index Representativeness

The pilot countries for the GTI-WBP index include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico and China. In 2022, the total production of woodbased panel in the nine countries mentioned above was 336 million cubic meters, accounting for 63.8% of the total global production volume of woodbased panel.

GTI-Woodbased Panel Index in January 2025



GTI-WBP Comprehensive Index



In January 2025, the GTI-Woodbased Panel (GTI-WBP) Index registered 45.0%, an increase of 2.1 percentage points from the previous month, was below the critical value (50%) for ten consecutive months, indicating that in the GTI pilot countries, the overall business prosperity of wood-based panel industry represented by the index shrank from last month.

On the demand side, the overall demand for wood-based panels of pilot countries continued to decline. This month, the new orders index and the export orders index registered 37.0% and 32.5%, respectively, both below the critical value of 50% and more than 10 percentage points lower than the previous month. During New Year holidays, some enterprises proactively suspended operations, leading to seasonal fluctuations and a decline in market demand. It is expected that with the end of holidays and the resumption of business operations, the demand for wood-based panels will gradually return to normal levels.

On the supply side, the downward trend in wood-based panel production had lasted for ten months, however, the decline had significantly eased and the production was approaching stability. This month, the production index registered 49.4%, an increase of 9.8 percentage points from the previous month. The main reason for the improvement is the levels of product inventory had been reduced in many countries over the past year. This reduction had, in turn, spurred the production enthusiasm of enterprises.

In terms of prices, the purchase price index for raw materials registered 71.7%, above the critical value for seven consecutive months, indicating a significant increase in the prices. This month, all GTI-WBP pilot countries reported problems related to raw materials. Higher transportation costs, continuous rise in log prices, and inadequate raw material supply had intensified the raw material procurement pressures faced by wood-based panel manufacturers. For example, Chinese enterprises reported difficulties in raw material procurement, Brazilian enterprises said the supply of raw materials for production was unstable, Ghanaian enterprises mentioned that poor road conditions led to a shortage of raw materials, and enterprises in Republic of the Congo said heavy rains restricted logging efficiency. In addition, enterprises in Malaysia, Thailand, Gabon, and Mexico also reported insufficient raw material supply.

Main updates related to the wood-based panel market include: In 2024, China exported 17.8599 million cubic meters of wood-based panels, up 24.79% year-on-year. During the same period, it imported 2.1291 million cubic meters of wood-based panels, up 36.02% year-on-year. Despite the growth in both imports and exports of wood-based panels, the average unit prices of both imports and exports declined. In December 2024, Brazilian exports of tropical plywood amounted to 3,300 m³ in volume and US\$1.9 million in value, representing a significant year-on-year increase of 83% and 73%, respectively.

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



	Aug. 2024	Sep. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	MoM	Performance
Comprehensive Index	40.7	47.4	46.1	45.9	42.9	45.0	2.1 ↑	Contract
Production Index	43.2	49.4	45.3	37.5	39.6	49.4	9.8 ↑	Contract
New Orders Index	36.5	50.6	46.6	50.0	47.8	37.0	-10.8 ↓	Contract
Export Orders Index	34.7	40.9	43.5	45.3	43.9	32.5	-11.4 ↓	Contract
Existing Orders Index	39.5	46.7	39.0	39.5	42.8	36.4	-6.4 ↓	Contract
Inventory Index of Finished Products	45.2	48.9	44.4	50.0	48.6	51.9	3.3 ↑	Expand
Purchase Quantity Index	40.1	48.6	44.5	48.1	41.7	35.5	-6.2 ↓	Contract
Purchase Price Index	54.2	53.5	61.3	67.7	53.7	71.7	18.0 ↑	Expand
Inventory Index of Main Raw Materials	38.5	38.0	47.7	46.9	43.5	47.8	4.3 ↑	Contract
Employees Index	38.3	43.3	43.5	48.2	40.6	51.9	11.3 ↑	Expand
Delivery Time Index	49.3	49.4	48.6	48.1	41.2	42.4	1.2 ↑	Contract
Market Expectation Index	-	-	-	-	51.3	40.3	-11.0 ↓	Contract



Main Challenges Reported by GTI-WBP Enterprises

- The production costs of enterprises increased. (Thailand)
- The entry of imported timber products was unregulated. (Mexico)
- The competition in both buying and selling was fierce. (Thailand)
- There was a shortage of raw materials due to poor roads. (Ghana)
- There was a shortage of logs suitable for producing face veneer. (Malaysia)
- There was a lack of market for products. Non-competitive price was also a problem. (Mexico)
- The prices of logs and other raw materials (fuel, lubricants, etc.) increased. (Ghana)
- The return of the main suppliers and customers happened mostly after January 16, reducing the inflow of raw materials and the production. Additionally, January is traditionally a month of decreased order intake. (Brazil)



Main Suggestions from GTI-WBP Enterprises

- Regulate imports of timber products. (Mexico)
- Retain woodchips for local consumption. (Malaysia)
- Fix bad roads and reduce production costs to attract customers. (Ghana)
- Reduce raw material costs through better negotiation and efficient production design. (Ghana)



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-WBP report is compiled based on the data provided by the woodbased panel 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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