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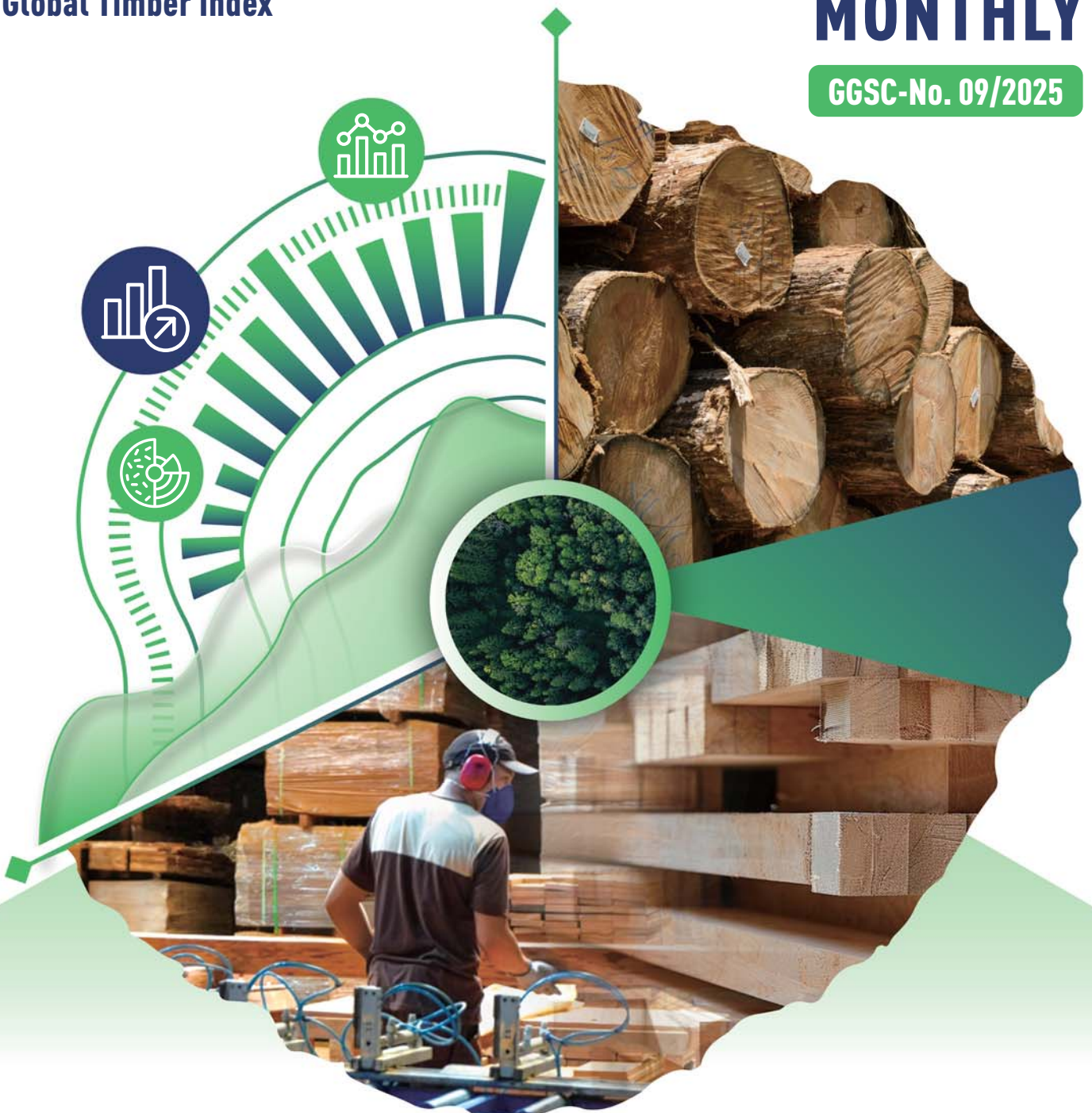
This report was prepared by GGSC, with support of ITTO and IPIM, and Focal Points of Indonesia, Malaysia, Thailand, Gabon, Republic of Congo, Ghana, Brazil, Mexico, Ecuador and China.

GTI REPORT 2025

Global Timber Index

MONTHLY

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Indonesia

- Sustainable Forest Management of the Ministry of Environment and Forestry



Malaysia

- Malaysian Timber Council (MTC)
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Thailand

- Thai Timber Association (TTA)

Gabon

- Ministry of Water and Forests, Sea and Environment, Responsible for the Climate Plan and Land Use



Republic of the Congo

- Ministry of Forest Economy

Ghana

- Forestry Commission

China

- The Secretariat of the Global Green Supply Chains Initiative (GGSC)

Ecuador

- Ministry of Environment, Water, and Ecology (MAATE)
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Mexico

- National Forestry Commission of Mexico (CONAFOR)



Brazil

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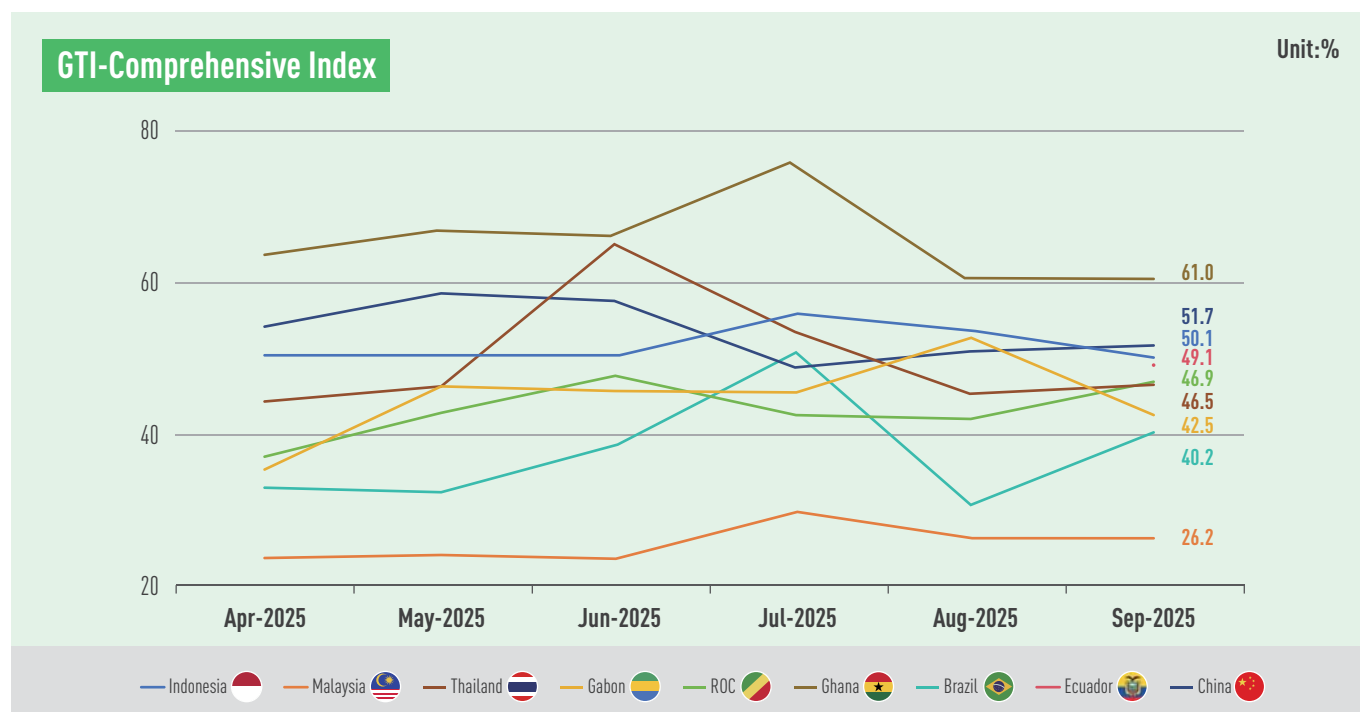


GTI REPORT 2025 SEPTEMBER



Overview of the GTI Index

GTI reflects growth and recovery in many countries



The Global Timber Index (GTI) Report for September 2025 revealed that some countries, even in contraction territory, exhibited positive signs of partial improvements, while some other countries had remained in expansion territory for several consecutive months, suggesting steady growth in overall performance. The GTIs for Ghana (61.0%), China (51.7%), and Indonesia (50.1%) were all above the 50% critical value. Notably, Ghana remained in expansion territory for the ninth consecutive month, and China almost sustained an upward trend over the past six months (slight contraction in July only).

Ecuador, with sample enterprises beginning to submit production and operation data this month, recorded a reading of 49.1%. The readings for the Republic of the Congo (46.9%), Thailand (46.5%), Gabon (42.5%), Brazil (40.2%), and Malaysia (26.2%) were also below the 50% critical value, however, the contraction had eased in most of the countries.

GTI sub-indices revealed that Indonesia, Malaysia, Ghana and Ecuador saw an increase in their respective volume of harvesting, which may help ease the shortage of logs. Meanwhile, China maintained growth in production for the seventh consecutive month. On the demand side, several markets also showed growth, particularly the domestic market in Indonesia and the export market of Thailand.

On 29 September, U.S. President Trump announced 10% tariffs on imports of softwood timber and lumber, as well as 25% levies on kitchen cabinets, bathroom vanities and upholstered wooden

furniture, with further increases set to take effect on 1 January next year. The levies are expected to impact timber markets in many regions, driving the timber sector to explore market diversification. For example, in Brazil, the states of Paraná and Santa Catarina, heavily reliant on U.S. exports, are the most affected, and there are growing calls among businesses to develop new markets. Also, with the newly signed Indonesia-EU Comprehensive Economic Partnership Agreement (IEU-CEPA), Indonesia is expanding its presence in the EU market to boost exports of furniture and other products. And in Gabon, some enterprises are calling for stronger intra-African trade. Nevertheless, in Thailand, some timber enterprises are calling on domestic businesses not to withdraw from the U.S. market, but to enhance their competitiveness there.

In terms of sustainable forest management, on 23 September, Brazilian President Lula announced a US\$1 billion investment in the Tropical Forest Forever Facility (TFFF), making it the first country to commit to investing US\$1 billion in the fund. And it was reported that China, Norway, the UK, the United Arab Emirates, among other countries, also intended to make initial contributions. In other news, data from the Malaysian Timber Certification Council (MTCC) revealed that as of 30 September 2025, a total of 5.92 million hectares of forests in Malaysia had been certified under the MTCS-PEFC scheme, covering 26 certified natural forests and 10 certified forest plantations. The data also indicated that 387 companies had obtained the MTCS-PEFC Chain of Custody certification.

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.

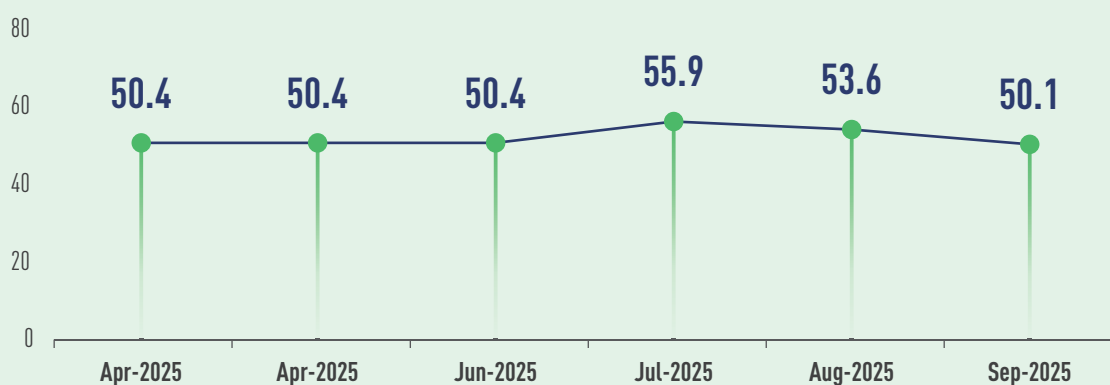


GTI-Indonesia Index in September 2025



GTI-Indonesia Comprehensive Index

Unit: %



On September 23, the Indonesian government and the European Union (EU) signed the Indonesia-EU Comprehensive Economic Partnership Agreement (IEU-CEPA). Within ASEAN, Indonesia becomes the third country to finalize such a trade pact with the EU. The IEU-CEPA covers over 98% of tariff lines and is expected to benefit Indonesian labor-intensive sectors including furniture, textiles, palm oil, among others. Data from Statistics Indonesia (BPS) in 2025 revealed that its furniture exports rank second in the handicraft subsector, reaching around 12.2%, surpassing musical instruments and parts, children's toys, and paper. On September 19, Indonesian Minister of Cooperatives and Small and Medium Enterprises (MSMEs) Maman Abdurrahman stated that the People's Business Credit (KUR) program for the housing sector, newly allocated under the government, is not only aimed at providing housing for the public but also opens wide opportunities for businesses in the housing sector, such as brick and sand producers, construction material suppliers, and consulting services.

In September 2025, the GTI-Indonesia index registered 50.1%, above the critical value of 50%, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Indonesia index expanded from the previous month. This month, Indonesia timber sector continued to see an increase in harvesting, while the production volume slightly declined. Despite a significant contraction in the export market, its overall market performance maintained an upward trend, driven by domestic demand.

As for the twelve sub-indexes, four indexes (harvesting, new orders, inventory of finished products, and market expectation) were above the critical value of 50%, five indexes (purchase

quantity, purchase price, inventory of main raw materials, employees, and delivery time) were at the critical value, and three indexes (production, export orders, and existing orders) were below the critical value. Compared to the previous month, the indexes for harvesting, new orders, existing orders, purchase price, delivery time, and market expectation increased by 1.1-10.3 percentage points; the index for purchase quantity was unchanged from the previous month; and the indexes for production, export orders, inventory of finished products, inventory of main raw materials, and employees declined by 3.1-23.1 percentage points.



Integrated Furniture in PT MMI, East Java, Indonesia. Photo: Herman Prayudi

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

	2024.04	2024.05	2024.06	2024.07	2024.08	2024.09	MoM	Performance
Comprehensive Index	50.4	50.4	50.4	55.9	53.6	50.1	-3.5 ↓	Expand
Harvesting Index	60.5	60.5	60.5	64.7	57.4	60.0	2.6 ↑	Expand
Production Index	57.1	57.1	57.1	61.1	52.9	45.0	-7.9 ↓	Contract
New Orders Index	50.0	50.0	50.0	54.0	53.1	54.5	1.4 ↑	Expand
Export Orders Index	58.3	58.3	58.3	55.6	50.0	26.9	-23.1 ↓	Contract
Existing Orders Index	42.3	42.3	42.3	40.0	45.8	47.1	1.3 ↑	Contract
Inventory Index of Finished Products	59.6	59.6	59.6	56.0	60.4	51.5	-8.9 ↓	Expand
Purchase Quantity Index	50.0	50.0	50.0	50.0	50.0	50.0	0.0	Stable
Purchase Price Index	45.8	45.8	45.8	43.8	42.9	50.0	7.1 ↑	Stable
Inventory Index of Main Raw Materials	54.5	54.5	54.5	68.8	64.3	50.0	-14.3 ↓	Stable
Employees Index	48.1	48.1	48.1	50.0	53.1	50.0	-3.1 ↓	Stable
Delivery Time Index	40.4	40.4	40.4	50.0	48.9	50.0	1.1 ↑	Stable
Market Expectation Index	50.0	50.0	50.0	56.0	57.3	67.6	10.3 ↑	Expand



Main Challenges Reported by GTI-Indonesia Enterprises

- There was heavy equipment that experienced damage.
- There was no increase in the selling price of logs.
- Demand from buyers/wood processing factories for logs was still unstable and tends to be low.
- The demand for logs from the wood processing industry was subdued, and the price of logs from natural forests was low.
- Global market conditions for plywood products were still unstable and tends to be sluggish, especially for the Japanese market, which is a main export destination.
- Weather factors (heavier rainfall) hindered logging and the transportation of harvested wood, and several vehicles were in a damaged condition.
- Logs purchased by the wood processing industry were still predominantly Merbau species, given the preference of buyers (mainly from Australia and New Zealand) for Merbau.
- There was a decrease in the supply of raw materials, and at the same time, the market demand for solid wood products made from Agathis and mixed wood species declined, due to reduced market absorption in the export destination countries.
- Global wood prices were unstable, and consumer purchasing power declined.



Main Suggestions from GTI-Indonesia Enterprises

- Encourage and facilitate the utilization of non-Merbau wood species for export.
- There is a need to strengthen existing markets and find new domestic and global markets for wood products.
- Ensure the availability of quality raw materials so that they can be absorbed by factories and produce high-quality products.
- Promote market diversification, and introduce policies for purchasing wood products in government projects.
- With the improved performance of the wood product market, it is expected that log prices can rise to a reasonable level.
- Encourage the provision of incentives for legal wood products in domestic markets.
- Make purchases of spare parts and repair heavy equipment, so that logging can be carried out as planned.
- Efforts are needed to encourage and promote the marketing of plywood and wood processing products, as well as to seek new markets both domestically and abroad.
- Government policy support is needed, including promoting the use of wood sourced from sustainable forest management or legal wood for government development activities and seeking new markets for Indonesian wood products.

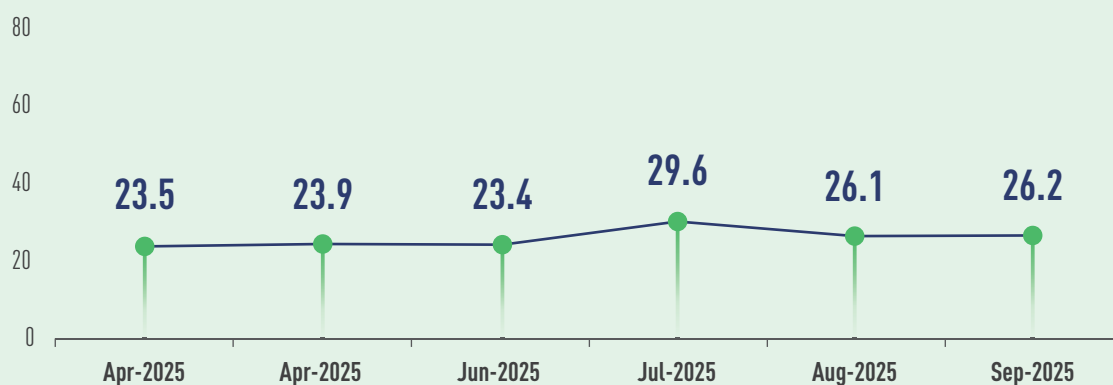


GTI-Malaysia Index in September 2025



GTI-Malaysia Comprehensive Index

Unit: %



A report from Hong Leong indicates that the Malaysian timber sector experienced a challenging first half of 2025, with headwinds such as weak global demand, cost pressures, and the depreciation of the US dollar. Malaysian Deputy Plantation and Commodities Minister Datuk Chan Foong Hin said that Malaysia's furniture industry must urgently diversify its export markets and not rely too heavily on traditional hubs. Chan also noted three megatrends would shape competitiveness in the furniture sector, namely sustainability and environmental, social and governance (ESG) practices, digital transformation, and innovation in design. Data from the Malaysian Timber Certification Council (MTCC) reveals that as of 30 September 2025, a total of 5.92 million hectares of forests in Malaysia had been certified under the MTCS-PEFC scheme, covering 26 certified natural forests and 10 certified forest plantations. Additionally, 387 companies had held the MTCS-PEFC Chain of Custody certification.

In September 2025, the GTI-Malaysia index registered 26.2%, a slight increase of 0.1 percentage point from the previous month, was below the critical value (50%) for many months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Malaysia index shrank from the previous month. On a positive note, timber harvesting achieved month-on-month growth after declining for several consecutive months.

As for the twelve sub-indexes, two indexes (harvesting, and purchase price) were above the critical value of 50%, while the remaining ten indexes (production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, employees, delivery time, and market expectation) were all below the critical value.

Compared to the previous month, the indexes for harvesting, production, existing orders, purchase price, and inventory of main raw materials increased by 2.8-15.4 percentage points; the index for delivery time was unchanged from the previous month; and the indexes for new orders, export orders, inventory of finished products, purchase quantity, employees, and market expectation declined by 5.0-11.1 percentage points.



Hot pressing in Tan Chee Seng Sawmill Perak, Malaysia. Photo: Khairul nizam

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

	2025.04	2025.05	2025.06	2025.07	2025.08	2025.09	MoM	Performance
Comprehensive Index	23.5	23.9	23.4	29.6	26.1	26.2	0.1 ↑	Contract
Harvesting Index	21.4	21.4	42.9	42.9	42.9	58.3	15.4 ↑	Expand
Production Index	18.8	22.2	25.0	21.4	22.2	28.6	6.4 ↑	Contract
New Orders Index	30.0	18.2	20.0	27.8	30.0	25.0	-5.0 ↓	Contract
Export Orders Index	35.0	25.0	22.2	31.3	38.9	27.8	-11.1 ↓	Contract
Existing Orders Index	35.0	40.9	30.0	27.8	25.0	27.8	2.8 ↑	Contract
Inventory Index of Finished Products	45.0	50.0	50.0	44.4	50.0	45.0	-5.0 ↓	Contract
Purchase Quantity Index	33.3	25.0	27.8	12.5	30.0	22.2	-7.8 ↓	Contract
Purchase Price Index	38.9	55.0	55.6	50.0	50.0	56.3	6.3 ↑	Expand
Inventory Index of Main Raw Materials	6.3	27.8	27.8	25.0	22.2	37.5	15.3 ↑	Contract
Employees Index	25.0	31.8	25.0	27.8	30.0	22.2	-7.8 ↓	Contract
Delivery Time Index	27.8	25.0	22.2	18.8	22.2	22.2	0.0	Contract
Market Expectation Index	15.0	22.7	40.0	44.4	45.5	40.0	-5.5 ↓	Contract



Main Challenges Reported by GTI-Malaysia Enterprises

- There was an increase in labour costs.
- Prices of raw materials rose.
- There was a decline in customer purchases.
- Freight rate started to increase again.
- Building markets remained weak.
- Cash flow slowed down and market was subdued.
- A lot of importation of plywood into Sarawak market posed challenges.
- Orders decreased, and costs for freight to USA increased.
- 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

- Seek new customer orders.
- Control costs.
- Slow down production.
- Suggest that the government stimulate construction industries to create more usage of sawnwood.



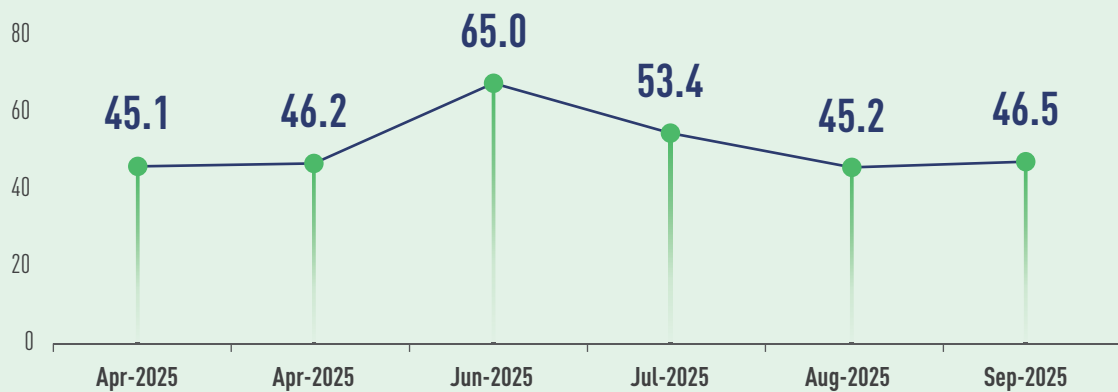
GTI-Thailand Report

GTI-Thailand Index in September 2025



GTI-Thailand Comprehensive Index

Unit: %



Data from Thailand's Trade Policy and Strategy Office showed that for the first eight months of 2025, Thai exports totalled US\$223.17 billion, reflecting a growth rate of 13.3%, while imports reached US\$224.88 billion, growing by 11.3%. Data from Thai Furniture Association (TFA) revealed that Thailand's total export value for furniture and parts reached 27,564.99 million baht in the first seven months of 2025, marking a 13.67% growth compared to the same period in 2024. TFA data also showed that the top 5 furniture & parts export destinations were USA (3,470.01 million baht), Japan (1,034.12 million baht), Malaysia (996.50 million baht), China (873.86 million baht), and Australia (730.09 million baht). On September 29, U.S. President Trump announced 10% tariffs on imports of softwood timber and lumber, as well as 25% levies on kitchen cabinets, bathroom vanities and upholstered wooden furniture. Some analysts suggested that this policy may significantly impact Thailand, which is one of the top 10 exporters of furniture to the U.S. Meanwhile, some Thai wooden furniture manufacturers called on domestic companies not to withdraw from the U.S. market, but to enhance their competitiveness there.

In September 2025, the GTI-Thailand index registered 46.5%, an increase of 1.3 percentage points from the previous month, below the critical value (50%) for 2 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Thailand index shrank from the previous month. This month, Thailand's harvesting volume was relatively stable, production volume declined, while new orders increased compared to the previous month.

As for the twelve sub-indexes, two indexes (new orders, and export orders) were above the critical value of 50%, three indexes (harvesting, employees, and market expectation) were at

the critical value, while the remaining seven indexes (production, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, and delivery time) were all below the critical value. Compared to the previous month, the indexes for new orders, export orders, employees, and market expectation increased by 8.0-11.8 percentage points, and the indexes for harvesting, production, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of raw material, and delivery time declined by 2.1-13.6 percentage points.



Rong Kwang Sawmill in Phrae, Thailand. Photo: Forest Industry Organization (FIO)

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

	2025.04	2025.05	2025.06	2025.07	2025.08	2025.09	MoM	Performance
Comprehensive Index	45.1	46.2	65.0	53.4	45.2	46.5	1.3 ↑	Contract
Harvesting Index	45.5	33.3	80.8	68.8	54.2	50.0	-4.2 ↓	Stable
Production Index	37.5	50.0	71.9	53.8	46.9	41.2	-5.7 ↓	Contract
New Orders Index	47.1	52.9	79.4	57.7	47.1	58.3	11.2 ↑	Expand
Export Orders Index	41.7	50.0	78.6	75.0	56.3	64.3	8.0 ↑	Expand
Existing Orders Index	41.2	38.2	67.6	50.0	52.9	41.7	-11.2 ↓	Contract
Inventory Index of Finished Products	38.2	35.3	47.1	38.5	38.2	36.1	-2.1 ↓	Contract
Purchase Quantity Index	46.7	37.5	63.3	40.9	46.7	33.3	-13.4 ↓	Contract
Purchase Price Index	46.7	53.1	50.0	57.7	50.0	46.9	-3.1 ↓	Contract
Inventory Index of Main Raw Materials	40.6	34.4	46.9	41.7	46.9	33.3	-13.6 ↓	Contract
Employees Index	50.0	41.2	52.9	57.7	38.2	50.0	11.8 ↑	Stable
Delivery Time Index	50.0	41.2	53.1	46.2	47.1	36.1	-11.0 ↓	Contract
Market Expectation Index	50.0	41.2	58.8	45.0	40.9	50.0	9.1 ↑	Stable



Main Challenges Reported by GTI-Thailand Enterprises

- Some enterprises saw a decline in orders.
- Market slowed down.
- It was difficult to obtain orders.
- Heavy rains affected production and operations.
- Purchasing power of small-scale customers declined.
- There was a shortage of employees who were knowledgeable about using woodworking machinery to work.
- Labor shortage was a problem, and workers lacked professional skills.
- Steam from the power plant was inconsistent and Burmese workers replacing Cambodian workers were not skilled enough.
- In the wood products market, there was an increasing number of substitute materials that were more affordable and offered better performance, especially for outdoor use.



Main Suggestions from GTI-Thailand Enterprises

- Reduce production costs.
- Enhance productivity.
- Increase efforts on marketing.
- Attend more exhibitions.
- Bring more machines into use.
- The government (Skill Development Center in particular) and private sector should have courses for woodworking.
- Promote eco-friendly sourcing and sustainability to appeal to environmentally conscious customers.
- Introduce alternative materials to be used alongside wood products, thus providing customers with more options.
- Develop wood processing technology to enhance product properties, making them more suitable for customers' specific applications.

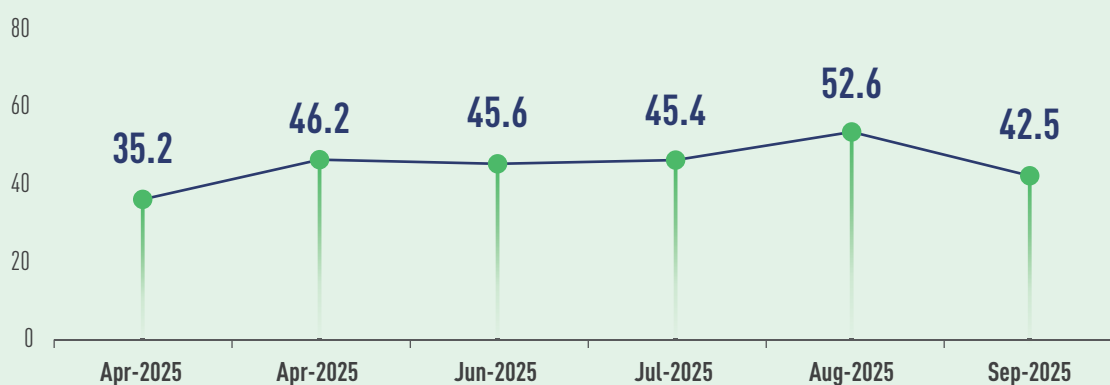


GTI-Gabon Index in September 2025



GTI-Gabon Comprehensive Index

Unit: %



On September 17, Gabon signed an agreement with Afreximbank to secure US\$3 billion to support its investment budget 2026, primarily for projects in areas such as road infrastructure, energy, water, housing, etc. During the Forestry Economy Forum held in the country on September 9-10, it was highlighted that Gabon has more than 400 exploitable wood species, 60 of which are commercialized and 54 are used for export. Since 2010, the ban on log exports has encouraged local processing, but the forestry and timber sector still accounts for only 6% of exports and 3.2% of GDP. Recently, Gabon launched its Logging Truck Monitoring Center, which relies on modern equipment to locate each logging truck in real time, monitor speed and vehicle registration, identify the owner, and communicate directly with the driver if necessary. The monitoring system has already been deployed across a fleet of 176 logging trucks in Gabon Special Economic Zone. If the pilot proves successful, it may be expanded to all 450 logging trucks operating nationwide, as well as other heavy trucks.

In September 2025, the GTI-Gabon index registered 42.5%, a decrease of 10.1 percentage points from the previous month, fell below the critical value (50%) after one month, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Gabon index shrank from the previous month.

This month, Gabon saw a slight decline in its harvesting volume, but production activities held steady. On the demand side, while new orders from both domestic and international markets declined, the overall volume of existing orders increased.

As for the twelve sub-indexes, two indexes (existing orders, and inventory of finished products) were above the critical value of 50%, six indexes (production, purchase quantity, purchase price, inventory of main raw materials, delivery time, and market expectation) were at the critical value, while the remaining four indexes (harvesting, new orders, export orders, and employees) were below the critical value. Compared to the previous month, the indexes for existing orders, inventory of finished products, and employees increased by 2.4-9.3 percentage points; the indexes for purchase quantity and inventory of main raw materials were unchanged from the previous month; and the indexes for harvesting, production, new orders, export orders, purchase price, delivery time, and market expectation declined by 7.1-45.0 percentage points.

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

	2025.04	2025.05	2025.06	2025.07	2025.08	2025.09	MoM	Performance
Comprehensive Index	35.2	46.2	45.6	45.4	52.6	42.5	-10.1 ↓	Contract
Harvesting Index	44.4	40.0	55.0	41.7	64.3	41.7	-22.6 ↓	Contract
Production Index	43.8	66.7	50.0	40.0	66.7	50.0	-16.7 ↓	Stable
New Orders Index	16.7	30.0	40.0	33.3	50.0	25.0	-25.0 ↓	Contract
Export Orders Index	25.0	37.5	42.9	40.0	70.0	25.0	-45.0 ↓	Contract
Existing Orders Index	22.2	30.0	40.0	58.3	50.0	58.3	8.3 ↑	Expand
Inventory Index of Finished Products	33.3	40.0	55.0	50.0	64.3	66.7	2.4 ↑	Expand
Purchase Quantity Index	40.0	16.7	42.9	37.5	50.0	50.0	0.0	Stable
Purchase Price Index	50.0	50.0	42.9	62.5	60.0	50.0	-10.0 ↓	Stable
Inventory Index of Main Raw Materials	40.0	50.0	35.7	62.5	50.0	50.0	0.0	Stable
Employees Index	38.9	40.0	50.0	58.3	35.7	45.0	9.3 ↑	Contract
Delivery Time Index	50.0	50.0	50.0	50.0	58.3	50.0	-8.3 ↓	Stable
Market Expectation Index	50.0	60.0	45.0	41.7	57.1	50.0	-7.1 ↓	Stable



● Main Challenges Reported by GTI-Gabon Enterprises ●

- Road conditions were poor.
- Logistics costs were high.
- Export tariffs rose.
- The prices of wood products were low.



● Main Suggestions from GTI-Gabon Enterprises ●

- Improve the condition of roads and railways.
- Promote growth in the African internal market and reduce tariffs and forestry taxes.
- Maintain competitiveness through obtaining certification.

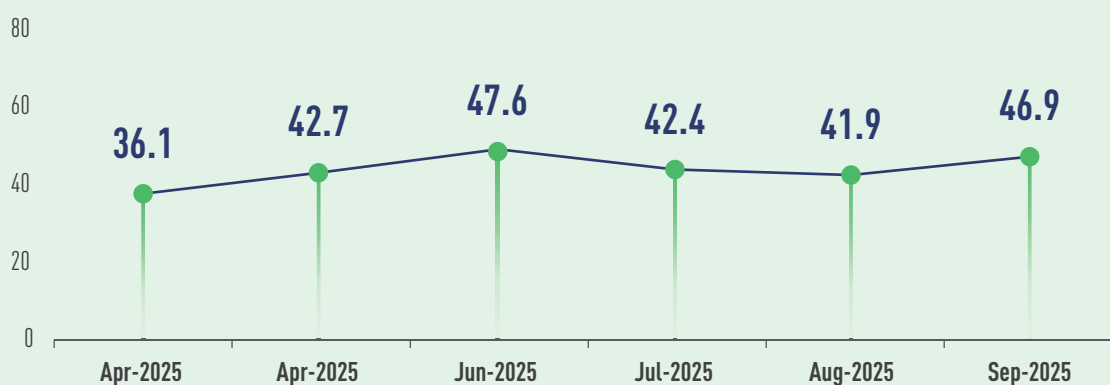


GTI-ROC Index in September 2025



GTI-ROC Comprehensive Index

Unit: %



On September 23, the World Bank released the twelfth edition of the Republic of Congo Economic Update, highlighting that its forests, which cover more than 69% of the territory, store nearly 16 billion tonnes of carbon and provide essential ecosystem services. And a senior World Bank official emphasized that an effective global financing mechanism is essential for the Republic of Congo (ROC) to turn carbon sequestration services into tangible benefits. On September 15-16, nearly 60 participants from United Nations agencies, the Congo's ministries, timber companies and civil-society associations gathered in Brazzaville for a technical workshop, discussing 'contextualising' the payment for environmental services (PES) planning tool financed by the Central African Forest Initiative (CAFI). PES is gaining momentum across Central Africa because it links verified ecosystem services to conditional payments, attracting results-based finance from multilateral partners and private buyers of carbon credits.

In September 2025, the GTI-ROC index registered 46.9%, an increase of 5.0 percentage points from the previous month, still below the critical value of 50%, indicating that the business prosperity of the superior timber enterprises represented by the GTI-ROC index shrank from the previous month.

As for the twelve sub-indices, two indexes (harvesting, and purchase quantity) were at the critical value of 50%, while the remaining ten indexes (production, new orders, export orders, existing orders, inventory of finished products, purchase price, inventory of main raw materials, employees, delivery time, and market expectation) were all below the critical value of 50%. Compared to the previous month, the indexes for harvesting, production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, employees, and market expectation increased by 0.5-20.8 percentage point(s), and the index for delivery time declined by 2.1 percentage points.

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

	2025.04	2025.05	2025.06	2025.07	2025.08	2025.09	MoM	Performance
Comprehensive Index	36.1	42.7	47.6	42.4	41.9	46.9	5.0 ↑	Contract
Harvesting Index	44.4	43.2	51.9	44.0	41.7	50.0	8.3 ↑	Stable
Production Index	44.4	45.2	48.1	44.0	44.4	47.8	3.4 ↑	Contract
New Orders Index	44.4	45.7	46.2	44.2	42.1	47.9	5.8 ↑	Contract
Export Orders Index	50.0	45.5	48.1	45.8	44.4	47.9	3.5 ↑	Contract
Existing Orders Index	41.7	45.7	50.0	44.2	42.1	47.9	5.8 ↑	Contract
Inventory Index of Finished Products	41.7	47.8	50.0	44.2	42.1	47.9	5.8 ↑	Contract
Purchase Quantity Index	25.0	30.0	40.0	37.5	37.5	50.0	12.5 ↑	Stable
Purchase Price Index	30.0	25.0	35.7	30.0	16.7	37.5	20.8 ↑	Contract
Inventory Index of Main Raw Materials	16.7	41.7	41.7	16.7	16.7	37.5	20.8 ↑	Contract
Employees Index	44.4	50.0	51.9	46.2	44.7	47.9	3.2 ↑	Contract
Delivery Time Index	46.9	50.0	47.9	47.9	50.0	47.9	-2.1 ↓	Contract
Market Expectation Index	44.4	47.8	48.1	48.1	47.4	47.9	0.5 ↑	Contract



Main Challenges Reported by GTI-ROC Enterprises

- Market demand was unstable.
- There was a lack of spare parts for equipment.
- Diesel, fuel, and lubricants were insufficient.
- Product prices in the timber market kept falling.



Main Suggestions from GTI-ROC Enterprises

- Improve the forestry management model.
- Ensure fuel supply for enterprises.
- Improve road conditions to increase logistics speed.

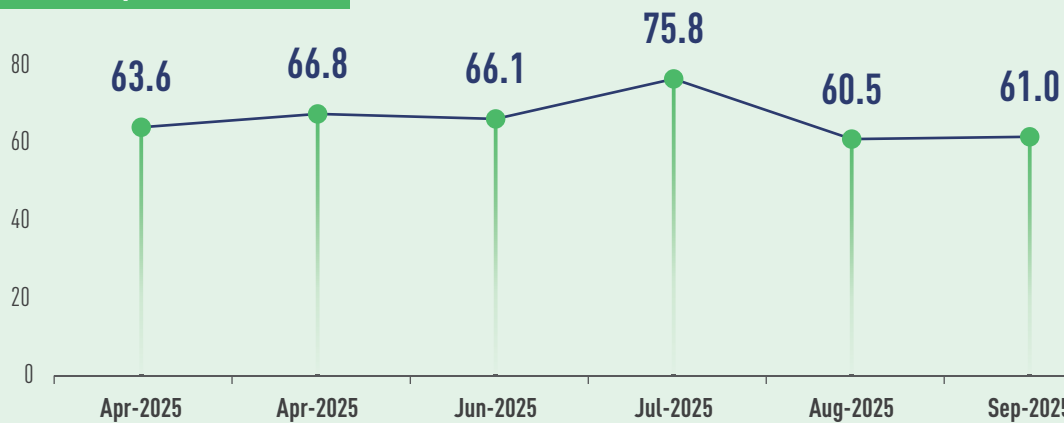


GTI-Ghana Index in September 2025



GTI-Ghana Comprehensive Index

Unit: %



Official data showed that Ghana's inflation rate dropped to 9.4% in September 2025, a significant decrease from 21.5% in the same period last year. On the monetary front, the Ghanaian cedi had appreciated by over 20% in the first eight months of 2025, following a 19% depreciation in 2024. On September 12, Ghana officially established a new Timber Validation Committee (TVC), comprising representatives from government agencies, industry associations, non-governmental organizations, etc. The Committee is tasked with supervising the licensing of timber for both domestic and international markets, ensuring compliance with the legal and regulatory frameworks, and making key recommendations regarding the implementation of the FLEGT license. Recently, Ghanaian President John Dramani Mahama met with the leadership of the Green Climate Fund (GCF) in Accra, the capital, with discussions centering on deepening Ghana-GCF collaboration in climate finance and exploring opportunities to scale up funding for sustainable development initiatives.

In September 2025, the GTI-Ghana index registered 61.0%, an increase of 0.5 percentage point from the previous month, was above the critical value (50%) for 9 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Ghana index expanded from the previous month. This month, the supply side of Ghana's timber sector remained active, and at the same time, the demand showed a slight increase compared to the previous month.

As for the twelve sub-indexes, nine indexes (harvesting, production, new orders, export orders, inventory of finished products, purchase quantity, purchase price, inventory of

main raw materials, and delivery time) were above the critical value of 50%, one index (existing orders) was at the critical value, and two indexes (employees, and market expectation) were below the value. Compared to the previous month, the indexes for production, purchase price, inventory of main raw materials, and delivery time increased by 3.6-10.2 percentage points, while the indexes for harvesting, new orders, export orders, existing orders, inventory of finished products, purchase quantity, employees, and market expectation declined by 3.0-16.7 percentage points.



Factory of AYIPA WOOD COMPANY LIMITED, Ghana. Photo: Peter Zormelo

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

	2025.04	2025.05	2025.06	2025.07	2025.08	2025.09	MoM	Performance
Comprehensive Index	63.6	66.8	66.1	75.8	60.5	61.0	0.5 ↑	Expand
Harvesting Index	66.7	75.0	67.6	79.5	70.8	60.0	-10.8 ↓	Expand
Production Index	61.8	65.0	65.8	82.7	59.4	63.3	3.9 ↑	Expand
New Orders Index	67.6	65.0	55.3	71.2	56.3	53.3	-3.0 ↓	Expand
Export Orders Index	63.3	67.3	58.8	63.0	60.0	54.5	-5.5 ↓	Expand
Existing Orders Index	50.0	61.7	60.5	57.7	53.1	50.0	-3.1 ↓	Stable
Inventory Index of Finished Products	58.8	63.3	65.8	69.2	59.4	53.3	-6.1 ↓	Expand
Purchase Quantity Index	61.8	63.3	73.7	73.1	65.6	53.3	-12.3 ↓	Expand
Purchase Price Index	73.5	70.0	63.2	65.4	68.8	73.3	4.5 ↑	Expand
Inventory Index of Main Raw Materials	67.6	66.7	76.3	82.7	53.1	63.3	10.2 ↑	Expand
Employees Index	50.0	55.0	52.6	53.8	50.0	46.7	-3.3 ↓	Contract
Delivery Time Index	58.8	63.3	73.7	69.2	53.1	56.7	3.6 ↑	Expand
Market Expectation Index	55.9	46.7	60.5	63.5	50.0	33.3	-16.7 ↓	Contract



Main Challenges Reported by GTI-Ghana Enterprises

- Electricity tariffs were high.
- There was a shortage of skilled labour.
- Port charges were high.
- Raw material costs were high.
- Market demand for wood products slowed down.
- Transportation and distribution costs were high.
- High costs of energy and production also posed challenges.
- Road network was in poor condition, coupled with high maintenance and construction costs.



Main Suggestions from GTI-Ghana Enterprises

- Government subsidy and tax incentives are needed.
- Increase participation in exhibitions and international trade fairs.
- Government support and incentives for apprenticeship training are needed.

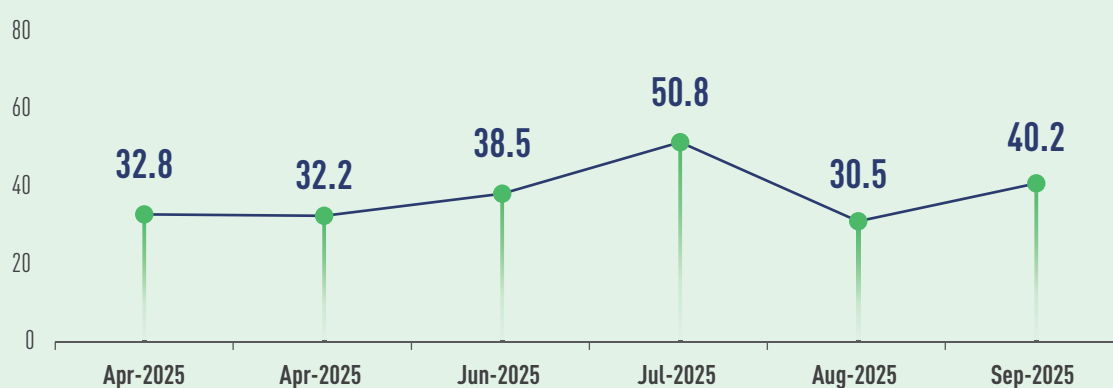


GTI-Brazil Index in September 2025



GTI-Brazil Comprehensive Index

Unit: %



In September, Brazil's total exports grew by 7.2% to US\$30.5 billion, while imports increased by 17.7% to US\$27.5 billion, resulting in a trade surplus of US\$3.0 billion. Although exports to the United States fell by 20.3% year-on-year to US\$2.58 billion during the same period, overall export performance was bolstered by increased shipments to Singapore, India, Bangladesh, the Philippines, Argentina, and China, among others. According to data from the 2024 Forestry Production Survey (PEVS) released by the Brazilian Institute of Geography and Statistics (IBGE) on September 25, Brazil's forestry production value reached a record R\$44.3 billion in 2024, an increase of 16.7%, and the share of wood products remained predominant in the silviculture sector, representing 98.3% of the value of forestry production. The data also revealed that Mato Grosso and Pará accounted for 59.6% of the total volume of logwood harvested. During a presentation of the Tropical Forest Forever Facility (TFFF) organized by Brazil and the United Nations (UN) secretariat on September 23, Brazilian President Lula announced a US\$1 billion investment in the TFFF, making it the first country to commit to investing US\$1 billion in the fund. And it was reported that China, Norway, the UK, the United Arab Emirates, among other countries, also intended to make initial contributions.

In September 2025, the GTI-Brazil index registered 40.2%, an increase of 9.7 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 the previous month.

As for the twelve sub-indexes, two indexes (purchase price, and inventory of finished products) were above the critical value of 50%, one index (purchase quantity) was at the critical value, while the remaining nine indexes (harvesting, production, new orders, export orders, existing orders, inventory of main raw materials, employees, delivery time, and market expectation) 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, purchase price, inventory of main raw materials, employees, and market expectation increased by 6.7-19.3 percentage points, and the indexes for existing orders and delivery time declined by 2.4-13.3 percentage points.

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



	2025.04	2025.05	2025.06	2025.07	2025.08	2025.09	MoM	Performance
Comprehensive Index	32.8	32.2	38.5	50.8	30.5	40.2	9.7 ↑	Contract
Harvesting Index	45.5	40.0	40.9	22.2	22.2	38.9	16.7 ↑	Contract
Production Index	33.3	28.6	34.6	40.0	18.2	37.5	19.3 ↑	Contract
New Orders Index	28.1	20.0	30.0	55.0	31.8	46.2	14.4 ↑	Contract
Export Orders Index	30.0	28.6	35.7	44.4	35.0	45.8	10.8 ↑	Contract
Existing Orders Index	40.6	40.0	43.3	45.0	40.9	38.5	-2.4 ↓	Contract
Inventory Index of Finished Products	59.4	66.7	70.0	65.0	50.0	57.7	7.7 ↑	Expand
Purchase Quantity Index	25.0	30.0	35.7	35.0	40.0	50.0	10.0 ↑	Stable
Purchase Price Index	57.1	53.8	57.1	65.0	55.0	62.5	7.5 ↑	Expand
Inventory Index of Main Raw Materials	32.1	34.6	39.3	45.0	18.2	30.8	12.6 ↑	Contract
Employees Index	34.4	43.3	50.0	50.0	31.8	38.5	6.7 ↑	Contract
Delivery Time Index	39.3	46.2	46.4	65.0	55.0	41.7	-13.3 ↓	Contract
Market Expectation Index	31.3	33.3	36.7	30.0	27.3	34.6	7.3 ↑	Contract



Rail Depot in Rondonópolis, Mato Grosso, Brazil. Photo: teakrc



Planted Teak Forest in Mato Grosso, Brazil. Photo: teakrc



Brief on Brazilian Timber Industry



- The Brazilian timber sector is facing a major challenge due to U.S. tariffs, initially set at 10% in April and raised to 40% in July 2025. The states of Paraná and Santa Catarina, heavily reliant on U.S. exports, were the most affected, with collective leaves, layoffs, and a 30–50% drop in plywood, sawnwood, and pine moldings exports in August 2025. Short-term federal government measures, such as credit lines, tax deferrals, and temporary incentives, provide limited relief. To regain competitiveness, the sector should diversify markets and products, reduce dependence on the U.S., and adapt to international standards, a challenge that will require strategic planning and adaptability.
- The United States announced global tariffs of 10% on imports of sawnwood and 25% on furniture and kitchen cabinets, which will take effect on October 14, 2025. From January 1, 2026, these rates will increase to 30% for furniture and 50% for kitchen cabinets. The measure is justified on national security grounds, as the country heavily depends on foreign timber supply chains, posing risks to its security, in accordance with Section 232 of the Trade Expansion Act of 1974. The decision is expected to significantly impact the Brazilian timber market.
- In the Brazilian timber sector, pine log markets show distinct regional dynamics. In states such as Rio Grande do Sul and Paraná, demand for thin logs remains stable or rising, while thick logs face declining demand due to supply constraints, regional variations in demand, and effects of external trade policies. In Santa Catarina state, forest residues like wood chips and sawdust are gaining importance due to growing demand, highlighting trends in product diversification and adjustments in the timber market flow.

Information provided by GTI-Brazil Focal Point



Operation in Mecanizada, Florestal, Mato Grosso, Brazil. Photo: teakrc



Sawmill in Caceres, Mato Grosso, Brazil. Photo: teakrc



Main Challenges Reported by GTI-Brazil Enterprises

- External taxes were high.
- The supply of raw materials was unstable.
- Business declined due to the US tariff hike.
- Factors such as wars, tariffs, and diplomacy resulted in uncertainties in the international timber market.
- There was a delay in the release of documentation (CITES, LPCO) by the environmental agencies, which caused a delay in shipping.
- Inclusion of Ipê (*Handroanthus*) and Cumaru (*Dipteryx odorata*) in CITES (Appendix II) posed challenges.
- Approval of SFMPs (Sustainable Forest Management Plans) was limited.
- The weather conditions were unfavorable for production and operations.



Main Suggestions from GTI-Brazil Enterprises

- Seek alternative markets.
- Expedite the approval of documentation by environmental agencies.
- Diplomatic trade agreements are needed.
- Promote the industrialization of the production chain.
- Obtain export authorization at the dry port in Cuiabá, Capital of Mato Grosso state.

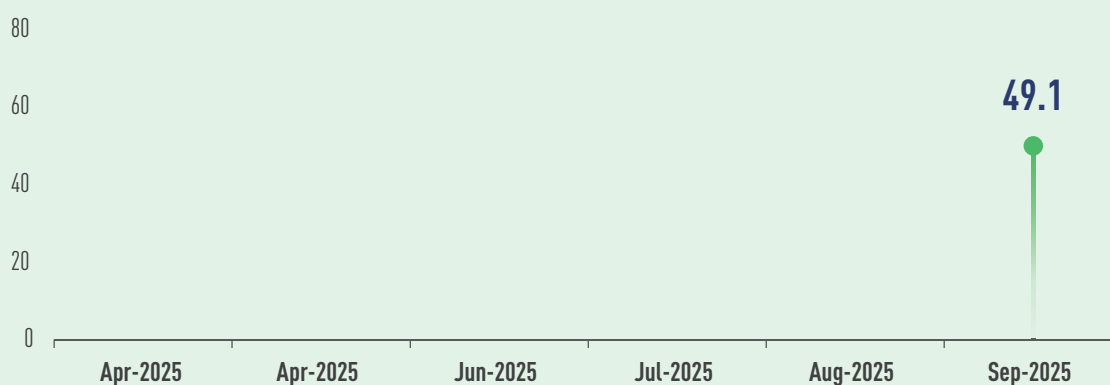


GTI-Ecuador Index in September 2025



GTI-Ecuador Comprehensive Index

Unit: %



Data released by Ecuador's Ministry of Economy and Finance showed that the country's exports increased by 11% year-on-year in the first half of 2025, and the trade surplus grew by 11.4% to US\$4.17 billion. During the same period, its exports of particleboard / MDP totaled US\$91.3 million, marking a decline of 8.1% compared to the same period in 2024. Nevertheless, key particleboard markets such as Peru, Mexico, and the United States still showed growth. On September 26, Ecuador's National Assembly approved the Credit Strengthening Bill, which introduces amendments to the regulations governing the Bank of the Ecuadorian Social Security Institute (BIESS). In an effort to resolve the situation of BIESS real estate construction projects that are currently paralyzed, the new law stipulates that trust funds should be reactivated or liquidated if they fail to meet their targets within 24 months. In September, Ecuador officially released its National Action Strategy for Climate Empowerment (ENACE) 2026-2035. As a public policy instrument, the ENACE seeks to strengthen civil society's capacity to adapt and respond to the impacts of climate change through six strategic pillars: education, training, awareness-raising, access to information, public participation, and international cooperation.

In September 2025, the GTI-Ecuador index registered 49.1%, below the critical value of 50%, indicating that the business prosperity of the superior timber enterprises

represented by the GTI-Ecuador index shrank from the previous month. This month, Ecuador's timber sector saw a slight increase in both timber harvesting and production, when compared to the previous month. However, the overall demand slowed down, particularly with a significant decline in overseas orders.

As for the twelve sub-indexes, five indexes (harvesting, production, inventory of finished products, inventory of main raw materials, and market expectation) were above the critical value of 50%, two indexes (purchase quantity, and employees) were at the critical value, while the remaining five indexes (new orders, export orders, existing orders, purchase price, and delivery time) were below the critical value.

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

	2025.09	Performance
Comprehensive Index	49.1	Contract
Production Index	53.8	Expand
New Orders Index	54.2	Expand
Export Orders Index	42.9	Contract
Existing Orders Index	36.4	Contract
Inventory Index of Finished Products	46.4	Contract
Purchase Quantity Index	60.7	Expand
Purchase Price Index	50.0	Stable
Import Index	35.7	Contract
Inventory Index of Main Raw Materials	57.1	Expand
Employees Index	50.0	Stable
Delivery Time Index	46.4	Contract
Market Expectation Index	75.0	Expand



Main Challenges Reported by GTI-Ecuador Enterprises

- The fuel prices rose.
- Market demand was not enough.
- Security and delinquency issues posed challenges.
- There was uncertainty in the global market.
- The rise in diesel prices led to social protests.
- Administrative procedures were slow due to internal changes in certain ministries.
- It was difficult to control the quality of wood from forest plantations, due to social security issues in rural areas.



Main Suggestions from GTI-Ecuador Enterprises

- Reduce fuel prices.
- Step up road patrols by the police.
- Strengthen cooperation with customers.
- Enhance product diversification.
- Provide training for employees.
- It is suggested that the government strengthen social security management.
- Strengthen the management of forest plantations to alleviate pressure on wood quality.
- Strengthen communication and coordination with government agencies.
- Develop safeguard measures in response to logistics disruptions caused by social protests.
- Clarify standards and improve internal management within ministries.
- Improve public security conditions in rural coastal areas of Ecuador.

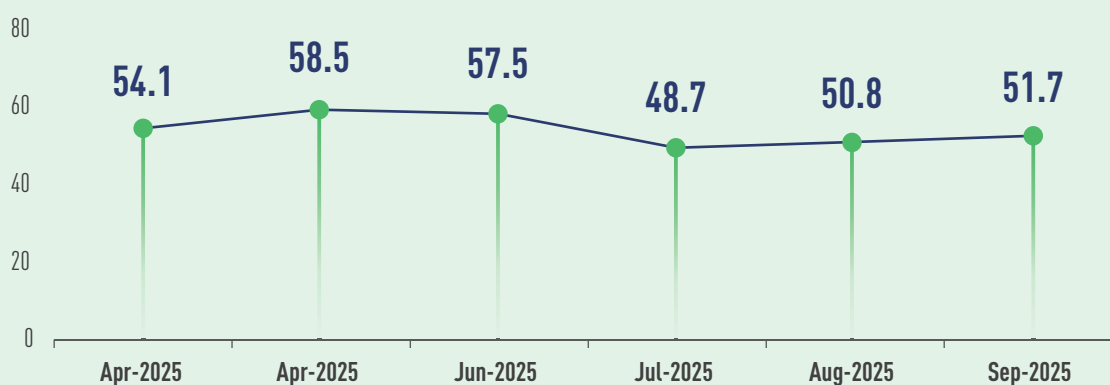


GTI-China Index in September 2025



GTI-China Comprehensive Index

Unit: %



Data from China's General Administration of Customs showed that China's cumulative import volume of logs and sawnwood from January to August 2025 reached 37.50 million cubic meters, representing a year-on-year decrease of 13.2%. The total import value amounted to 54.54 billion yuan, down 15.6%. On September 24, six authorities, including China's Ministry of Industry and Information Technology jointly issued the "Work Plan for Stabilizing Growth in the Building Materials Industry (2025-2026)", which proposes demand-side measures such as promoting the use of green building materials in rural areas and matching the "Good Housing" initiative to stimulate the domestic market. The Plan seeks to deeply integrate the building materials industry into green building development and the national dual-carbon goals, and sets a target to generate over 300 billion yuan in revenue from green building materials by 2026. In other news, a report on the economic performance of China's furniture industry from January to August 2025, released by the China National Furniture Association, showed that driven by a series of government policies, the domestic consumer market remained active with positive growth. While the furniture exports continued to decline year-on-year, the overall performance still remained higher than the level seen during the same period in 2023.

In September 2025, the GTI-China index registered 51.7%, an increase of 0.9 percentage point from the previous month, was above the critical value (50%) for 2 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-China index expanded from the previous month. This month, both production volume and new orders (domestic and international) in China's timber sector showed slight growth compared to the previous month.

As for the twelve sub-indexes, eight indexes (production, new orders, export orders, purchase quantity, purchase price, import, employees, and market expectation) were above the critical value of 50%, while the remaining four indexes (existing orders, inventory of finished products, inventory of main raw materials, and delivery time) were below the critical value. Compared to the previous month, the indexes for new orders, export orders, purchase quantity, purchase price, import, employees, and market expectation increased by 0.8-5.9 percentage point(s), and the indexes for production, existing orders, inventory of finished products, inventory of raw materials, and delivery time declined by 0.6-8.3 percentage point(s).

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

	2025.04	2025.05	2025.06	2025.07	2025.08	2025.09	MoM	Performance
Comprehensive Index	54.1	58.5	57.5	48.7	50.8	51.7	0.9 ↑	Expand
Production Index	59.1	63.4	62.4	51.6	54.1	53.5	-0.6 ↓	Expand
New Orders Index	53.6	57.0	55.9	48.0	48.9	54.8	5.9 ↑	Expand
Export Orders Index	53.2	56.7	56.0	43.0	51.1	54.4	3.3 ↑	Expand
Existing Orders Index	52.3	53.5	52.6	46.9	51.1	48.7	-2.4 ↓	Contract
Inventory Index of Finished Products	55.5	51.1	51.3	46.9	54.8	46.5	-8.3 ↓	Contract
Purchase Quantity Index	53.2	59.5	57.8	42.6	52.6	56.1	3.5 ↑	Expand
Purchase Price Index	52.3	54.6	53.6	52.3	55.6	59.6	4.0 ↑	Expand
Import Index	47.5	56.0	55.7	48.4	49.6	50.4	0.8 ↑	Expand
Inventory Index of Main Raw Materials	45.9	52.8	52.6	46.1	51.1	45.2	-5.9 ↓	Contract
Employees Index	50.5	57.0	55.6	47.7	48.5	50.4	1.9 ↑	Expand
Delivery Time Index	56.8	59.2	58.5	48.0	52.2	48.7	-3.5 ↓	Contract
Market Expectation Index	56.4	61.3	60.0	50.0	54.4	57.0	2.6 ↑	Expand



Main Challenges Reported by GTI-China Enterprises

- Enterprises struggled with insufficient orders.
- The costs of raw materials increased.
- The global economic environment was not so good.
- There was intense competition in terms of market prices.



Main Suggestions from GTI-China Enterprises

- Regulate practices in the industry.
- Broaden financing channels.
- Need government support for timber enterprises.
- Expand into international markets to increase the volume of 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 10 countries, including Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico, Ecuador 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 (GGSCI) 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 12 diffusion indexes (or called sub-indices) based on the data from 12 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, 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) 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.



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.

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GTI REPORT

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