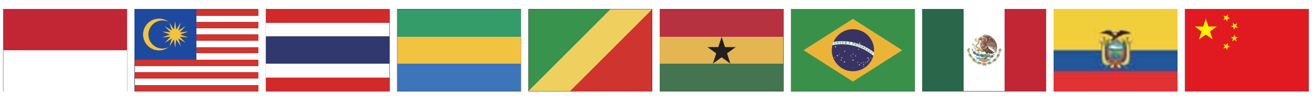
This report was prepared by GGSC, with support of ITTO and IPIM, and Focal Points of Indonesia, Malaysia, Thailand, Gabon, Republic of Congo, Ghana, Brazil, Mexico, Ecuador and China.

GTI REPORT 2025

Global Timber Index

MONTHLY

GGSC-No. 10/2025



THANKS TO THE SUPPORT AND CONTRIBUTION OF GTI FOCAL POINTS

Indonesia

- Sustainable Forest Management of the Ministry of Environment and Forestry

Malaysia

- Malaysian Timber Council (MTC)
- Special thanks to Ministry of Plantation Industries & Commodities (MPIC) and Sarawak Timber Association (STA)

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

China

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

Ghana

- Forestry Commission

Ecuador

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

- National Forestry Commission of Mexico (CONAFOR)

Brazil

- STCP Engenharia de Projetos Ltda

CONTENTS

01 Overview of the GTI Index

02-05 GTI-Indonesia Report

06-07 GTI-Malaysia Report

08-09 GTI-Thailand Report

10-11 GTI-Gabon Report

12-13 GTI-ROC Report

14-17 GTI-Brazil Report

18-19 GTI-Ecuador Report

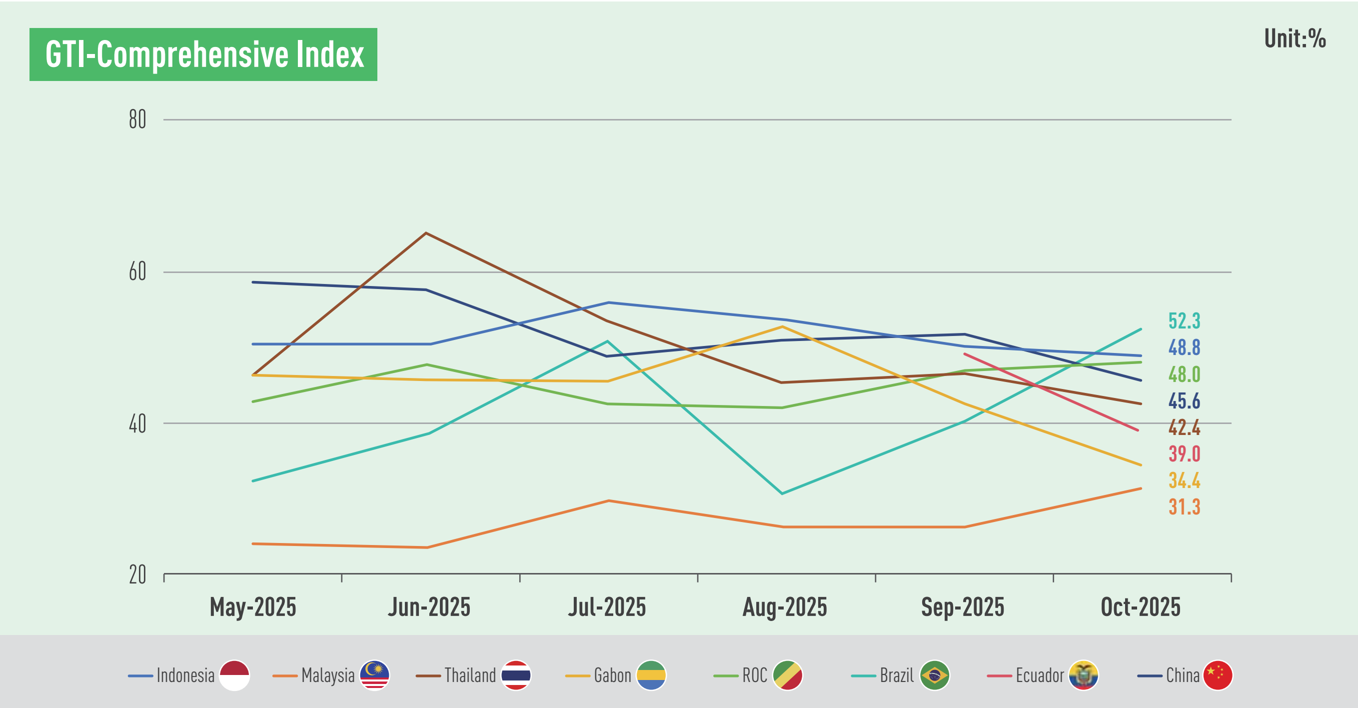
20-21 GTI-China Report

22-23 About This Report

GTI REPORT 2025 OCTOBER

Overview of the GTI Index

Brazil emerges as sole bright spot with expanding timber industry



In October 2025, the Global Timber Index (GTI) report indicated that most pilot countries remained in contraction territory, pointing to weak overall industry sentiment. Brazil stood out this month as the only country with a GTI reading above the 50% mark, registering 52.3%, signaling an overall expansion in its timber industry production and business activities. In China, influenced by the National Day holiday, enterprise production and operational activities slowed, with the GTI-China index recording 45.6%. The GTI indices for Indonesia, Congo, Thailand, Ecuador, Gabon, and Malaysia all remained below the 50% threshold, registering 48.8%, 48.0%, 42.4%, 39.0%, 34.4%, and 31.3% respectively.

Despite the prevailing contraction in most countries' timber sectors, some sub-indices released positive signals. For instance, the harvest volume of GTI sample enterprises in Indonesia had grown for several consecutive months. In Malaysia, the production side halted a streak of significant declines seen over previous months. Congo experienced growth in its domestic market. Additionally, Brazil's export orders saw growth for the first time in the recent ten months, with a notable increase compared to the previous month.

Feedback from GTI sample enterprises highlighted common challenges related to raw materials and market demand faced by the timber industry in multiple countries. Regarding raw materials, several enterprises in Thailand reported a domestic shortage of rubberwood, making it difficult to procure. Heavy rainfall in countries like Indonesia, Brazil, and Ecuador adversely impacted logging operations and log transportation within their timber industries.

Concerning market demand, GTI sample enterprises in both Brazil and Ecuador mentioned contraction in the US market. Latest industry information also shows that US tariff policies are prompting many countries to pivot towards new markets. Taking the furniture industry as an example, Chinese furniture exports to North America saw a continued decline in the first three quarters of 2025, while markets in Europe, Latin America, and Africa saw positive growth. In Brazil, the impact of tariffs was particularly felt in states like Santa Catarina, São Paulo, and Minas Gerais, which have begun shifting their focus towards markets in Latin America, Europe, and the Middle East. Furthermore, the Malaysian government, by assisting local enterprises in exploring new markets such as the Middle East and Africa, has successfully generated approximately RM 205 million in export value.

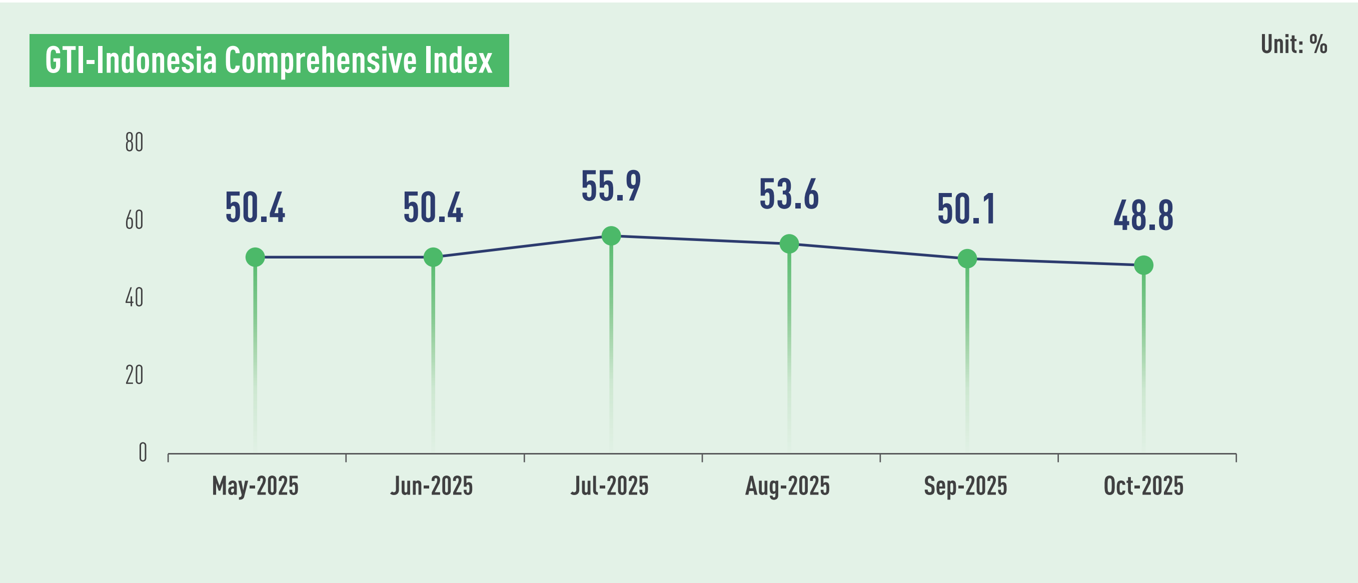
Main progresses in sustainable forest management include: As of October 2025, Indonesia has 574 Forest Utilization Business Permit (PBPH) units, covering approximately 30 million hectares of production forest. On 22 October, Gabonese Agency for Space Studies and Observations (AGEOS) and China's Land Satellite Remote Sensing Application Center (LASAC) under the Ministry of Natural Resources, signed a Memorandum of Understanding (MoU). By granting Gabon privileged access to China's high-resolution satellite imagery, the MoU aims to enhance Gabon's capabilities in forest protection and combating illegal exploitation of natural resources. In other news, a World Bank report titled "Congo Basin Forest Ecosystem Accounts and Policy Recommendations," released on 20 October, stated that countries including the Congo have made progress by embedding forest sustainability into national planning.

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 Report

GTI-Indonesia Index in October 2025



Data released by Indonesian Ministry of Investment/Investment Coordinating Board (BKPM) revealed that Indonesia's downstream projects attracted a total of IDR 431.4 trillion in investment from January to September 2025. Of that amount, the wood-based industry accounted for IDR 36.6 trillion. On 11 October, the Director General of Sustainable Forest Management under Indonesian Ministry of Forestry said that of the total national forest area of 125.92 million hectares, 68.8 million hectares are production forest areas that can be utilized for economic activities through the Forest Utilization Business Permit (PBPH) scheme. In addressing the global climate change challenges, Indonesia is committed to leading the implementation of nature-based solutions. To realize this vision, the Ministry of Forestry has established five strategic flagship programs, including the digitalization of forestry services, equitable forest management, developing forests as a source of food security, forest conservation as the earth's lungs, and implementing the One Map Policy to clarify land status and support green investments. In other news, Indonesian housing demand may grow rapidly in line with its improving economic conditions. And the construction of 3 million houses — designated as a National Strategic Project for 2025–2029 — represents a strategic effort to expand housing access and strengthen the national economy.

In October 2025, the GTI-Indonesia index registered 48.8%, fell below the critical value of 50%, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Indonesia index shrank from the previous month. Data reveals that the harvesting volume of GTI-Indonesia sample enterprises had increased for several consecutive months, but production volume had started to decline. Additionally, the export market continued to contract, while its domestic market maintained growth.

As for the twelve sub-indexes, eight indexes (harvesting, new orders, existing orders, inventory of finished products, purchase quantity, purchase price, employees, and market expectation) were above the critical value of 50%, while the remaining four indexes (production, export orders, 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, existing orders, inventory of finished products, purchase quantity, purchase price, employees, and market expectation increased by 0.6-16.9 percentage point(s), whereas the indexes for harvesting, production, inventory of main raw materials, and delivery time declined by 2.0-6.2 percentage points.

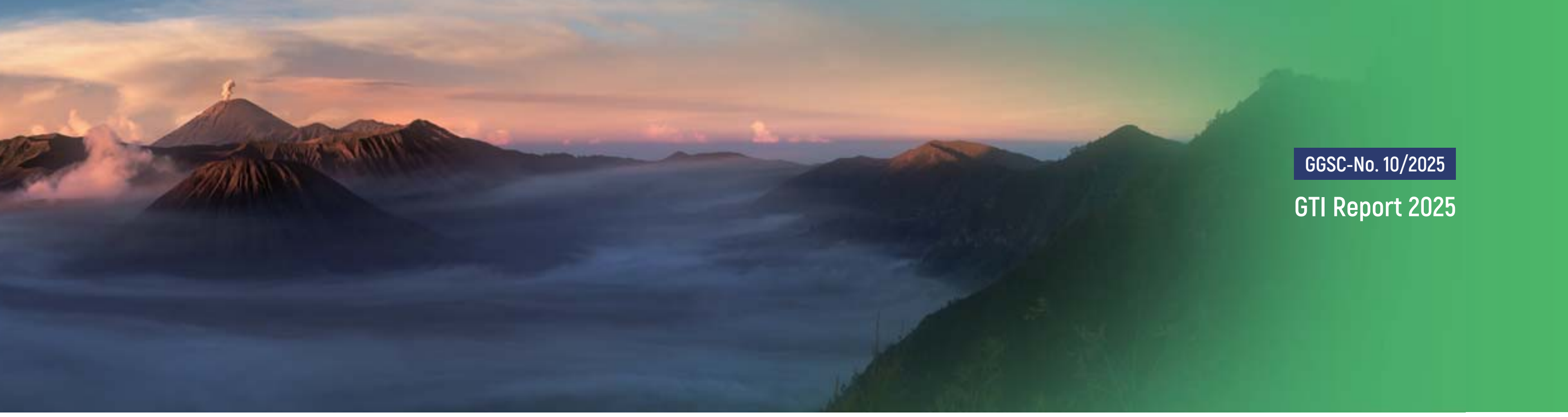


Table: Overview of GTI-Indonesia Sub-Indexes (%)

	2025.05	2025.06	2025.07	2025.08	2025.09	2025.10	MoM	Performance
Comprehensive Index	50.4	50.4	55.9	53.6	50.1	48.8	-1.3 ↓	Contract
Harvesting Index	60.5	60.5	64.7	57.4	60.0	58.0	-2.0 ↓	Expand
Production Index	57.1	57.1	61.1	52.9	45.0	38.9	-6.1 ↓	Contract
New Orders Index	50.0	50.0	54.0	53.1	54.5	56.1	1.6 ↑	Expand
Export Orders Index	58.3	58.3	55.6	50.0	26.9	43.8	16.9 ↑	Contract
Existing Orders Index	42.3	42.3	40.0	45.8	47.1	51.5	4.4 ↑	Expand
Inventory Index of Finished Products	59.6	59.6	56.0	60.4	51.5	57.6	6.1 ↑	Expand
Purchase Quantity Index	50.0	50.0	50.0	50.0	50.0	55.6	5.6 ↑	Expand
Purchase Price Index	45.8	45.8	43.8	42.9	50.0	56.3	6.3 ↑	Expand
Inventory Index of Main Raw Materials	54.5	54.5	68.8	64.3	50.0	43.8	-6.2 ↓	Contract
Employees Index	48.1	48.1	50.0	53.1	50.0	54.5	4.5 ↑	Expand
Delivery Time Index	40.4	40.4	50.0	48.9	50.0	46.6	-3.4 ↓	Contract
Market Expectation Index	50.0	50.0	56.0	57.3	67.6	68.2	0.6 ↑	Expand

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

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

GTI-Indonesia Report

Brief on Indonesian Timber Industry

- **Indonesia's plywood exports are primarily directed to Japan and South Korea, followed by China and the United States.** The U.S. market remains stable despite shifts in trade policy sentiment during the Trump administration, reflecting the ongoing competitiveness of Indonesian plywood in pricing, product quality, and delivery reliability. The industry benefits from strong manufacturing capacity and established long-term trading relationships. Raw material supply is sustained by PHPL/SVLK-certified timber, ensuring legality, traceability, and compliance with international sustainability standards, which strengthens market acceptance and minimizes regulatory barriers in environmentally sensitive markets.

- **Wood furniture exports are mainly destined for the United States and the European Union, followed by Japan, the United Kingdom, and Australia.** Demand remains resilient and continues to grow, driven by Indonesia's capability to offer design innovation, customization, and flexible production scale. The industry has successfully aligned with premium market expectations, particularly in craftsmanship, value-added finishing, and compliance with international safety and sustainability requirements. Indonesia also benefits from a diversified supplier base, expanding e-commerce distribution, and increased demand for eco-friendly, handmade, and sustainable furniture in key global consumer markets.

- **Pulp & Paper:** Indonesia is among the world's leading exporters of pulp and paper. Pulp exports are primarily destined for **China**, followed by **India, Bangladesh, Vietnam, and South Korea**, supported by integrated industrial capacity and sustainable certified fiber supply. Paper exports are led by **the United States, Japan, Vietnam, Malaysia, and the Philippines**, driven by product diversification, consistent quality, and compliance with global environmental and market standards.

- Indonesia's wood industry is backed by a diversified and legally verified supply chain. **Plywood primarily sources raw materials from sustainably managed natural forests, furniture from state-owned (Perhutani) and private plantation forests in Java**, and pulp & paper from industrial plantation concessions outside Java. Key commercial species include sengon, teak, mahogany, rubberwood, and meranti—all fully compliant with legality and traceability standards. Strengthened by **SVLK mandatory certification, forestry governance reforms, and expanding Sustainable Forest Management (SFM)**, Indonesia ensures reliable supply, reduced environmental risk, and increased participation of community forest producers. This positions Indonesia as a **trusted and competitive exporter for global markets demanding verified, sustainable, and traceable timber products.**

Information provided by GTI-Indonesia Focal Point

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

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

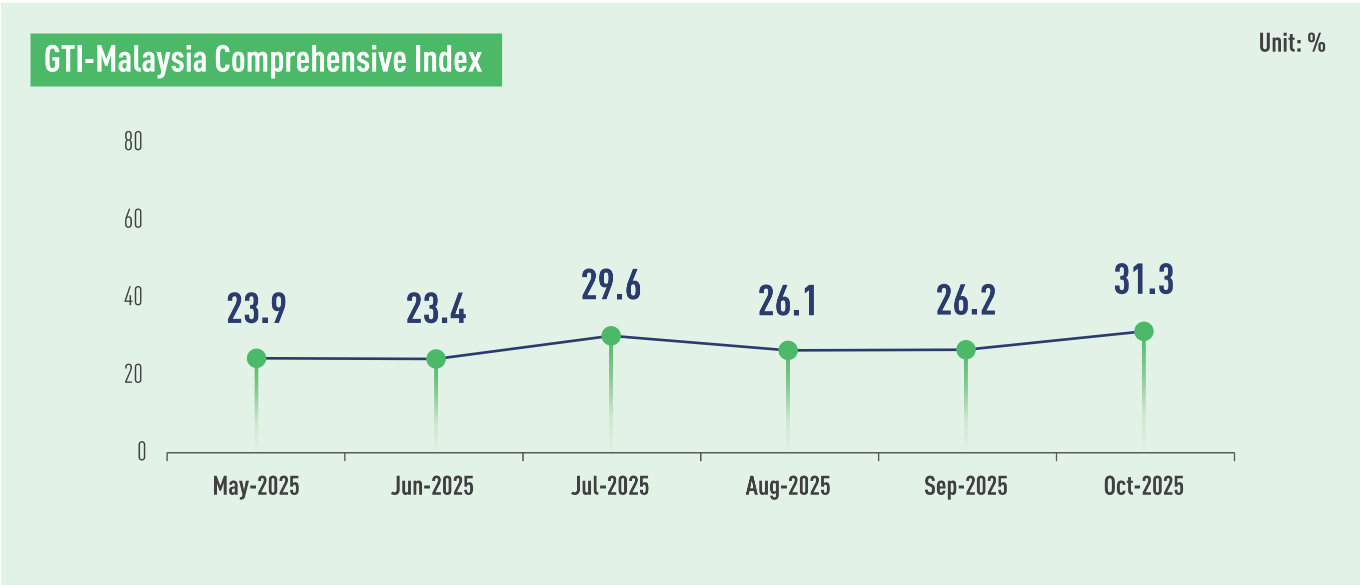
Main Challenges Reported by GTI-Indonesia Enterprises

- The terrain of logging sites was steep.
- The prices of logs in the domestic market were low.
- Heavy rainfall slowed down the transportation of logs and disrupted field operations.
- Low demand for logs from the wood processing industry was a problem.
- Frequent damage to heavy equipment affected field operations.
- Some enterprises faced a lack of orders from domestic buyers.
- Exports to Europe remained uncertain due to fluctuating standards.
- Demand from buyers/wood processing factories for logs was still unstable and tends to be low.
- Production costs rose with various cost components that were unfavorable, while product prices were declining.
- Demand from foreign buyers for wood products was hindered by regulations that limit the maximum cross-sectional area of wood products that can be exported.
- Road construction and maintenance routes to the production area become longer, and due to the weather, more intensive handling was required compared to the previous month.

Main Suggestions from GTI-Indonesia Enterprises

- Strengthen preventive maintenance and operator training to reduce equipment breakdowns.
- Establish partnerships with multiple suppliers and maintain critical spare parts.
- Procure logs from more channels and gradually invest in machinery and equipment.
- Government policy support is needed, including encouraging the exploration of new markets for Indonesian wood products.
- In order to meet the target of the annual logging plan, the company could maximize wood production during dry/not rainy weather.
- Address the decline in global market demand, promote and market plywood and wood products, explore new markets, and facilitate international trade.
- Diversify markets and promote alternative uses to increase the demand for roundwood, and conduct simultaneous sales of sinker and floater logs.
- Suggest that the government formulate incentives or policies to support the selling of processed wood, as well as promote the diversified development of wood products for fully utilizing raw materials of all quality grades.

GTI-Malaysia Index in October 2025



The Malaysian Minister of Investment, Trade and Industry stated that the new tariff measures recently implemented by the United States had led to an approximately 10% decline in Malaysia's furniture exports, particularly for major production hubs such as Muar. In response, the Malaysian government had adopted a series of strategies. For instance, by assisting local enterprises in exploring new markets in the Middle East, Africa, and other regions, it had brought in around 205 million ringgit in export earnings. Currently, Sarawak has about 94,000 hectares of land planted with rubber trees. The local government is tapping into its vast rubber wood resources, turning trees no longer suitable for latex production into sustainable raw materials for engineered wood, furniture and other high-value products. To this end, a recent government workshop formulated regulations and standard operating procedures (SOPs) for the harvesting, replanting, processing, and marketing of rubber wood and its related products. In a written parliamentary reply regarding the EU Deforestation Regulation (EUDR), the Malaysian Plantation and Commodities Minister pointed out that the ministry would ensure legitimate land ownership for plantation activities and promote good labour management practices within the agri-commodity sector. In addition, the ministry had outlined specific strategies to reduce the plantation sector's dependence on foreign workers, which currently exceeds 70%.

In October 2025, the GTI-Malaysia index registered 31.3%, an increase of 5.1 percentage points 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.

As for the sub-indexes, all the twelve indexes (harvesting, production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, employees, delivery time, and market expectation) were below the critical value. Compared to the previous month, the indexes for production, export orders, purchase quantity, employees, and delivery time increased by 2.8-14.3 percentage points; the indexes for new orders, existing orders, inventory of finished products, inventory of main raw materials, and market expectation were unchanged from the previous month; and the indexes for harvesting and purchase price declined by 12.5-25.0 percentage points.

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

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

	2025.05	2025.06	2025.07	2025.08	2025.09	2025.10	MoM	Performance
Comprehensive Index	23.9	23.4	29.6	26.1	26.2	31.3	5.1 ↑	Contract
Harvesting Index	21.4	42.9	42.9	42.9	58.3	33.3	-25.0 ↓	Contract
Production Index	22.2	25.0	21.4	22.2	28.6	42.9	14.3 ↑	Contract
New Orders Index	18.2	20.0	27.8	30.0	25.0	25.0	0.0	Contract
Export Orders Index	25.0	22.2	31.3	38.9	27.8	33.3	5.5 ↑	Contract
Existing Orders Index	40.9	30.0	27.8	25.0	27.8	27.8	0.0	Contract
Inventory Index of Finished Products	50.0	50.0	44.4	50.0	45.0	45.0	0.0	Contract
Purchase Quantity Index	25.0	27.8	12.5	30.0	22.2	27.8	5.6 ↑	Contract
Purchase Price Index	55.0	55.6	50.0	50.0	56.3	43.8	-12.5 ↓	Contract
Inventory Index of Main Raw Materials	27.8	27.8	25.0	22.2	37.5	37.5	0.0	Contract
Employees Index	31.8	25.0	27.8	30.0	22.2	27.8	5.6 ↑	Contract
Delivery Time Index	25.0	22.2	18.8	22.2	22.2	25.0	2.8 ↑	Contract
Market Expectation Index	22.7	40.0	44.4	45.5	40.0	40.0	0.0	Contract

Main Challenges Reported by GTI-Malaysia Enterprises

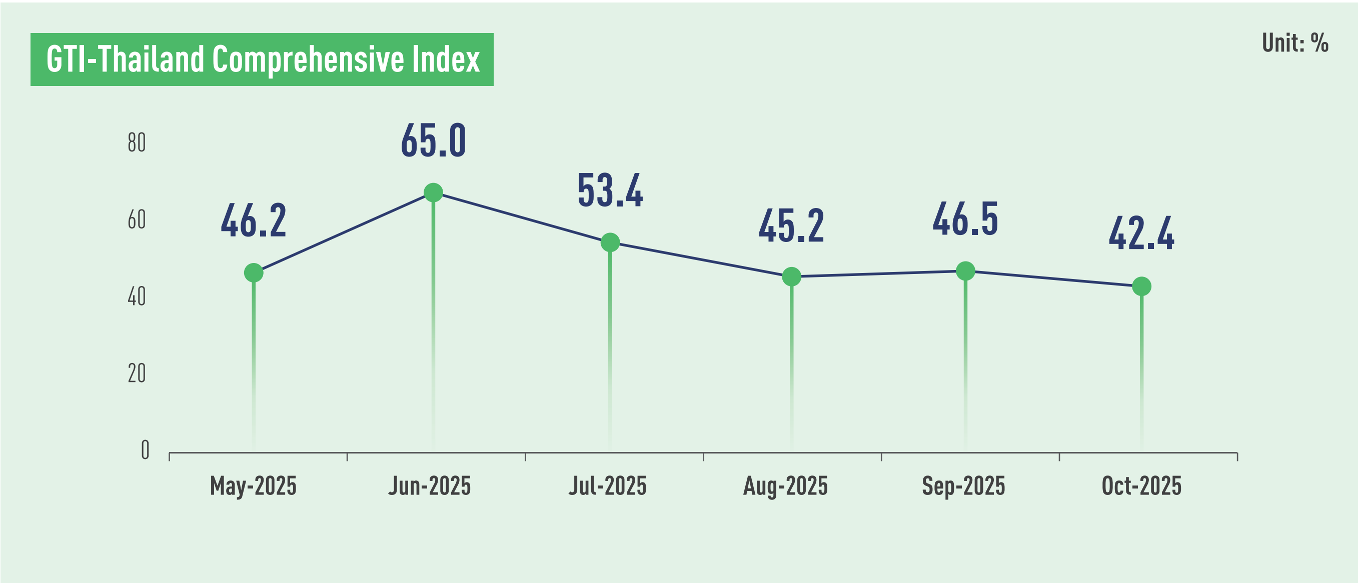
- There was an increase in labour costs.
- Demand for the products was low.
- Building markets remained weak.
- Orders decreased, and costs for freight to USA increased.
- A lot of importation of plywood into Sarawak market posed challenges.
- There was a shortage of plywood demand for export, and at the same time, there was a lack of logs.
- There was a shortage of raw materials due to wet weather and changes in government policies.

Main Suggestions from GTI-Malaysia Enterprises

- Suggest that the government stimulate construction industries to create more usage of sawnwood.
- Slow down production.

GTI-Thailand Report

GTI-Thailand Index in October 2025



News from Thailand's Ministry of Commerce and Thai Furniture Association revealed that Thailand's exports of furniture and parts from January to August 2025 climbed 12.26% over the same period in 2024, reaching 37,857.91 million baht or US$1,143.62 million, and the top 5 countries for exports include USA, Japan, Malaysia, China, and Australia. During the same period, Thailand's wood and wood products exports totaled 73,219.84 million THB, or US$2,206.29 million, with China, United Arab Emirates, USA, Saudi Arabia, and Japan as the top 5 countries for exports. At the "Thailand's Real Estate Outlook 2026: Challenges & Opportunities" forum, experts predicted that the downturn trend of Thailand's property market would persist into 2026, with new housing supply at its lowest point in over 20 years. In other news, the World Bank's new Country Climate and Development Report (CCDR) suggested that Thailand remains highly vulnerable to the impacts of climate change. To meet its adaptation and mitigation targets, Thailand will require approximately US$219 billion in climate-related investments over the next 25 years, according to the CCDR, which also concluded that these financing needs can be met through a combination of carbon pricing, fiscal reform, and private sector participation.

In October 2025, the GTI-Thailand index registered 42.4%, a decrease of 4.1 percentage points from the previous month and below the critical value (50%) for 3 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Thailand index shrank from the previous month.

As for the twelve sub-indexes, the index for purchase price was at the critical value of 50%, while the remaining eleven indexes were all below the critical value. Compared to the previous month, the indexes for existing orders, inventory of finished products, purchase quantity, purchase price, and delivery time increased by 2.7-5.6 percentage points; the index for production was unchanged from the previous month; and the indexes for harvesting, new orders, export orders, inventory of raw material, employees, and market expectation declined by 5.2-21.4 percentage points.

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

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

	2025.05	2025.06	2025.07	2025.08	2025.09	2025.10	MoM	Performance
Comprehensive Index	46.2	65.0	53.4	45.2	46.5	42.4	-4.1 ↓	Contract
Harvesting Index	33.3	80.8	68.8	54.2	50.0	37.5	-12.5 ↓	Contract
Production Index	50.0	71.9	53.8	46.9	41.2	41.2	0.0	Contract
New Orders Index	52.9	79.4	57.7	47.1	58.3	47.2	-11.1 ↓	Contract
Export Orders Index	50.0	78.6	75.0	56.3	64.3	42.9	-21.4 ↓	Contract
Existing Orders Index	38.2	67.6	50.0	52.9	41.7	44.4	2.7 ↑	Contract
Inventory Index of Finished Products	35.3	47.1	38.5	38.2	36.1	38.9	2.8 ↑	Contract
Purchase Quantity Index	37.5	63.3	40.9	46.7	33.3	36.7	3.4 ↑	Contract
Purchase Price Index	53.1	50.0	57.7	50.0	46.9	50.0	3.1 ↑	Stable
Inventory Index of Main Raw Materials	34.4	46.9	41.7	46.9	33.3	28.1	-5.2 ↓	Contract
Employees Index	41.2	52.9	57.7	38.2	50.0	44.4	-5.6 ↓	Contract
Delivery Time Index	41.2	53.1	46.2	47.1	36.1	41.7	5.6 ↑	Contract
Market Expectation Index	41.2	58.8	45.0	40.9	50.0	44.4	-5.6 ↓	Contract

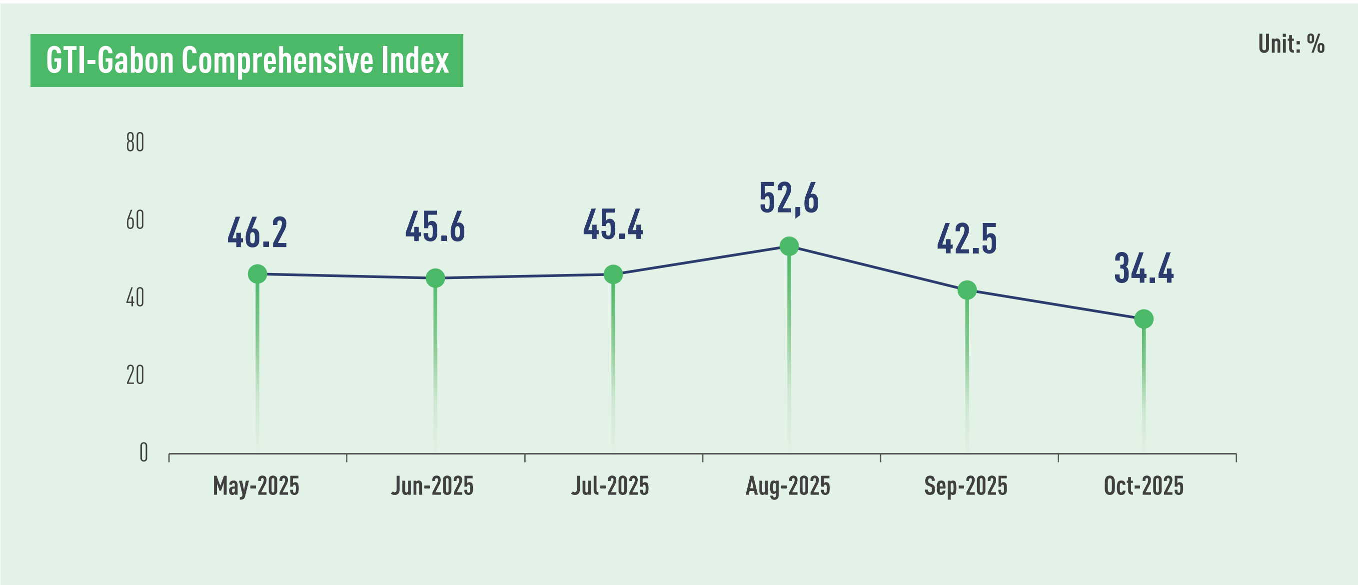
Main Challenges Reported by GTI-Thailand Enterprises

- The timber market shrank.
- There was a lack of orders.
- It was difficult to procure rubberwood.
- Export risks for enterprises increased.
- There was a shortage of labor, and some workers lacked professional skills.
- The global economy slowed down, and the new Labor Protection Act would increase production costs.
- There was a lack of rubberwood in the country, as the Rubber Plantation Welfare Organization did not have money to compensate for the cutting of rubber trees, and meanwhile, there was a lack of labor.
- Due to the uncertainty of customer orders, some enterprises faced challenges in maintaining adequate inventory of raw materials and finished goods. This situation impacted their production planning and led to frequent overtime requirements.

Main Suggestions from GTI-Thailand Enterprises

- Find new customers.
- Plant fast-growing forests to increase timber production.
- Suggest that the government step up efforts to assist enterprises in expanding overseas markets, as well as review and delay the adoption of the new Labor Protection Act.
- To mitigate production uncertainty, enterprises can collaborate more closely with customers to improve forecast accuracy.
- Optimize inventory levels and implement flexible production scheduling to minimize excess raw materials, finished goods, and overtime, thereby enhancing overall efficiency and reducing operational costs.

GTI-Gabon Index in October 2025



Gabon is positioned as the least risky country for investment in the CEMAC region in 2025, a ranking that underscores the country's economic recovery and strengthened governance, according to the Global Investment Risk and Resilience Index 2025 jointly released by consulting firm Henley & Partners and analytics platform AlphaGeo on 21 October. Recently, Gabon's Ministry of Water and Forests announced a plan to establish a permanent joint commission comprising authorities such as customs, taxation, and forestry agencies, aiming to cross-check tax and forestry information to prevent revenue losses, and this integrated mechanism would make it possible to identify discrepancies between operators' declarations and the volumes actually exported. On 22 October, the Gabonese Agency for Space Studies and Observations (AGEOS) signed a strategic Memorandum of Understanding (MoU) with the Land Satellite Remote Sensing Application Center (LASAC), an agency affiliated with the Chinese Ministry of Natural Resources. By granting Gabon privileged access to very high-resolution Chinese satellite imagery, this MoU would help strengthen Gabon's capacity to protect its forests and combat the illegal exploitation of natural resources.

In October 2025, the GTI-Gabon index registered 34.4%, a decrease of 8.1 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-Gabon index shrank from the previous month.

As for the twelve sub-indexes, the index for market expectation was above the critical value of 50%, the index for production was at the critical value, while the remaining ten indexes (harvesting, new orders, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, employees, and delivery time) were below the critical value. Compared to the previous month, the index for market expectation increased by 12.5 percentage points; the indexes for production, new orders, and export orders were unchanged from the previous month; and the indexes for harvesting, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, employees, and delivery time declined by 6.0-45.8 percentage points.

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

	2025.05	2025.06	2025.07	2025.08	2025.09	2025.10	MoM	Performance
Comprehensive Index	46.2	45.6	45.4	52.6	42.5	34.4	-8.1 ↓	Contract
Harvesting Index	40.0	55.0	41.7	64.3	41.7	35.7	-6.0 ↓	Contract
Production Index	66.7	50.0	40.0	66.7	50.0	50.0	0.0	Stable
New Orders Index	30.0	40.0	33.3	50.0	25.0	25.0	0.0	Contract
Export Orders Index	37.5	42.9	40.0	70.0	25.0	25.0	0.0	Contract
Existing Orders Index	30.0	40.0	58.3	50.0	58.3	12.5	-45.8 ↓	Contract
Inventory Index of Finished Products	40.0	55.0	50.0	64.3	66.7	43.8	-22.9 ↓	Contract
Purchase Quantity Index	16.7	42.9	37.5	50.0	50.0	30.0	-20.0 ↓	Contract
Purchase Price Index	50.0	42.9	62.5	60.0	50.0	30.0	-20.0 ↓	Contract
Inventory Index of Main Raw Materials	50.0	35.7	62.5	50.0	50.0	30.0	-20.0 ↓	Contract
Employees Index	40.0	50.0	58.3	35.7	45.0	25.0	-20.0 ↓	Contract
Delivery Time Index	50.0	50.0	50.0	58.3	50.0	42.9	-7.1 ↓	Contract
Market Expectation Index	60.0	45.0	41.7	57.1	50.0	62.5	12.5 ↑	Expand

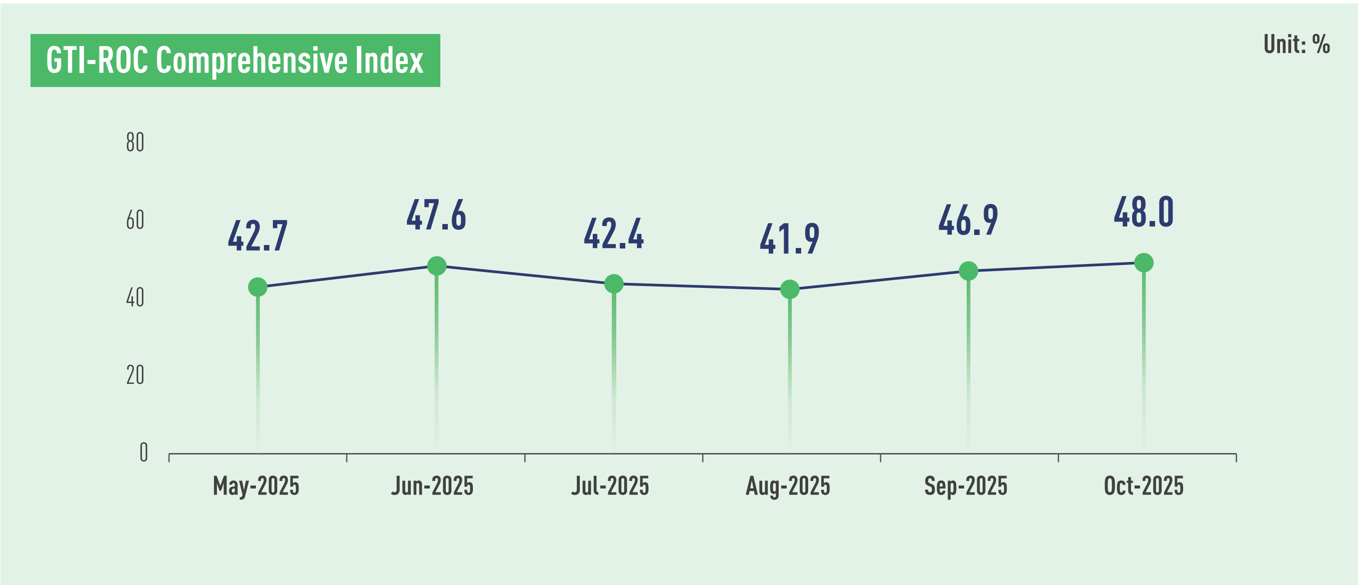
Main Challenges Reported by GTI-Gabon Enterprises

- The export tariffs rose.
- Enterprises faced financial pressure.
- The price of logs dropped while the volume of orders decreased.
- Logistics slowed down, and the selling price of products was low.
- Market access was a challenge.
- The conditions of roads and railways were poor.

Main Suggestions from GTI-Gabon Enterprises

- Adjust the prices of wood products.
- Stimulate local market demand.
- Improve road and railway conditions.
- Banks offer loan incentives for businesses.
- Companies may maintain competitiveness through certification.

GTI-ROC Index in October 2025



Recently, the timber sector in the Republic of the Congo (ROC) continued to face pressure on exports to the Asian market. Taking the latest statistical data as an example, in September, the ROC's wood exports to China decreased by 15.8% in volume and 17.3% in value. To alleviate the pressure brought about by weak demand in markets such as Asia, some Congolese timber producers had turned to Southern Europe (e.g., Portugal and Italy) and other markets in the hope of securing contracts to maintain baseline activity. The World Bank's 20 October report, Congo Basin Forest Ecosystem Accounts and Policy Recommendations, noted that countries such as ROC have made progress by embedding forest sustainability into national planning. The report also recommends that countries in the Congo Basin integrate ecosystem accounting into economic planning, develop sustainable and inclusive industrial chains, and improve forest governance and data management. On 27 October, the ROC initiated the update of its National Strategy for Sustainable Development (Stratégie nationale de développement durable, Sndd) in Brazzaville, centering around five major objectives: integrating sustainable development into all public policies, reducing poverty and inequality while protecting natural resources, promoting a green and resilient economy, strengthening participatory governance and transparency, and ensuring the coherence of national policies with international commitments.

In October 2025, the GTI-ROC index registered 48.0%, an increase of 1.1 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. This month, the country had entered the rainy season, yet overall, the harvesting activities remained stable.

As for the twelve sub-indexes, two indexes (existing orders, and inventory of finished products) were above the critical value of 50%, six indexes (harvesting, production, new orders, employees, delivery time, and market expectation) were at the critical value, while the remaining four indexes (export orders, purchase quantity, purchase price, and inventory of main raw materials) were all below the critical value. Compared to the previous month, the indexes for production, new orders, existing orders, inventory of finished products, employees, delivery time, and market expectation increased by 2.1-4.6 percentage points; the index for harvesting was unchanged from the previous month; and the indexes for export orders, purchase quantity, purchase price, and inventory of main raw materials declined by 0.4-12.5 percentage point(s).

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

	2025.05	2025.06	2025.07	2025.08	2025.09	2025.10	MoM	Performance
Comprehensive Index	42.7	47.6	42.4	41.9	46.9	48.0	1.1 ↑	Contract
Harvesting Index	43.2	51.9	44.0	41.7	50.0	50.0	0.0	Stable
Production Index	45.2	48.1	44.0	44.4	47.8	50.0	2.2 ↑	Stable
New Orders Index	45.7	46.2	44.2	42.1	47.9	50.0	2.1 ↑	Stable
Export Orders Index	45.5	48.1	45.8	44.4	47.9	47.5	-0.4 ↓	Contract
Existing Orders Index	45.7	50.0	44.2	42.1	47.9	52.5	4.6 ↑	Expand
Inventory Index of Finished Products	47.8	50.0	44.2	42.1	47.9	52.5	4.6 ↑	Expand
Purchase Quantity Index	30.0	40.0	37.5	37.5	50.0	37.5	-12.5 ↓	Contract
Purchase Price Index	25.0	35.7	30.0	16.7	37.5	30.0	-7.5 ↓	Contract
Inventory Index of Main Raw Materials	41.7	41.7	16.7	16.7	37.5	30.0	-7.5 ↓	Contract
Employees Index	50.0	51.9	46.2	44.7	47.9	50.0	2.1 ↑	Stable
Delivery Time Index	50.0	47.9	47.9	50.0	47.9	50.0	2.1 ↑	Stable
Market Expectation Index	47.8	48.1	48.1	47.4	47.9	50.0	2.1 ↑	Stable

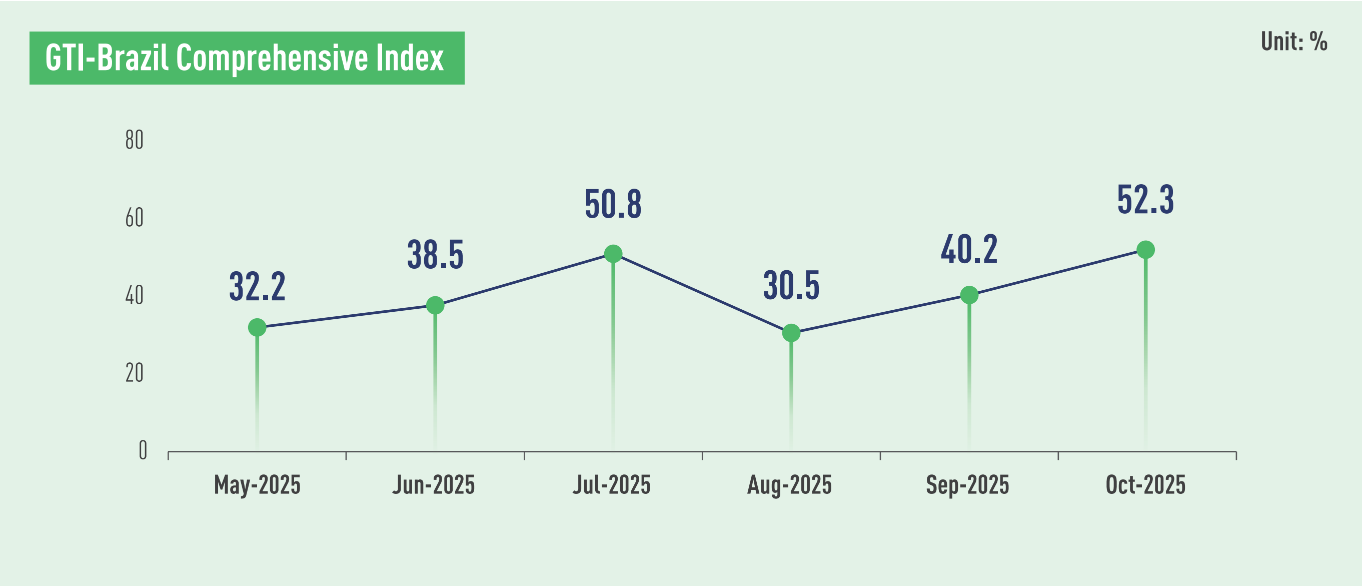
Main Challenges Reported by GTI-ROC Enterprises

- There was a lack of spare parts for equipment.
- The costs of fuel and lubricants were high.
- The supply of diesel was insufficient and the prices were rising.
- Product prices in the timber market kept falling.

Main Suggestions from GTI-ROC Enterprises

- Ensure fuel supply for enterprises.
- Adjust the forestry management model.
- Suggest that the government intensify its efforts in road maintenance and improve road facilities.

GTI-Brazil Index in October 2025



On 15 October, Brazil established the Special Secretariat for the Carbon Market under the Ministry of Finance, aiming to promote sustainable development and complete the emissions reduction market by 2030. In August, Brazilian furniture and mattress exports declined by 14.5% compared to July. August was also the first month the U.S. 50% tariffs on Brazilian products were in effect, and as a result, exports of finished furniture to the United States decreased by 22% compared to July and 26% compared to the same period in 2024. The impact was felt mainly in Santa Catarina, São Paulo, and Minas Gerais, which saw a reduction in sales to the U.S. market and a redirection to alternative destinations in Latin America, Europe, and the Middle East—especially Uruguay, Argentina, France, and the United Arab Emirates. On 20 October, the Brazilian federal government launched the Reforma Casa Brasil program, which will make available a total amount of R$40 billion in housing credit for renovations and expansions of existing homes. If the R$40 billion were released in a single year, the total impact on the construction sector's GDP was estimated at R$17.7 billion.

In October 2025, the GTI-Brazil index registered 52.3%, an increase of 12.1 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-Brazil index expanded from the previous month. This month, Brazil saw growth in both harvesting and production, while demand—particularly in export markets—also showed signs of recovery.

As for the twelve sub-indexes, eight indexes (harvesting, production, new orders, export orders, existing orders, inventory of finished products, purchase price, and market expectation) were above the critical value of 50%, one index (purchase quantity) was at the critical value, while the remaining three indexes (inventory of main raw materials, employees, and delivery time) were below the critical value. Compared to the previous month, the indexes for harvesting, production, new orders, export orders, existing orders, inventory of main raw materials, employees, delivery time, and market expectation increased by 4.7-22.1 percentage points; the index for purchase quantity was unchanged from the previous month; and the indexes for inventory of finished products and purchase price declined by 1.0-4.4 percentage point(s).

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

	2025.05	2025.06	2025.07	2025.08	2025.09	2025.10	MoM	Performance
Comprehensive Index	32.2	38.5	50.8	30.5	40.2	52.3	12.1 ↑	Expand
Harvesting Index	40.0	40.9	22.2	22.2	38.9	59.1	20.2 ↑	Expand
Production Index	28.6	34.6	40.0	18.2	37.5	57.1	19.6 ↑	Expand
New Orders Index	20.0	30.0	55.0	31.8	46.2	60.0	13.8 ↑	Expand
Export Orders Index	28.6	35.7	44.4	35.0	45.8	64.3	18.5 ↑	Expand
Existing Orders Index	40.0	43.3	45.0	40.9	38.5	53.3	14.8 ↑	Expand
Inventory Index of Finished Products	66.7	70.0	65.0	50.0	57.7	53.3	-4.4 ↓	Expand
Purchase Quantity Index	30.0	35.7	35.0	40.0	50.0	50.0	0.0	Stable
Purchase Price Index	53.8	57.1	65.0	55.0	62.5	61.5	-1.0 ↓	Expand
Inventory Index of Main Raw Materials	34.6	39.3	45.0	18.2	30.8	36.7	5.9 ↑	Contract
Employees Index	43.3	50.0	50.0	31.8	38.5	46.7	8.2 ↑	Contract
Delivery Time Index	46.2	46.4	65.0	55.0	41.7	46.4	4.7 ↑	Contract
Market Expectation Index	33.3	36.7	30.0	27.3	34.6	56.7	22.1 ↑	Expand

TRC Collaborators in Para, Brazil. Photo: teakrc

TRC Collaborators in Para, Brazil. Photo: teakrc

GTI-Brazil Report

Brief on Brazilian Timber Industry

- Impacts of U.S. Tariffs and Institutional Mobilization: The Brazilian timber industry is facing a significant downturn due to new tariffs imposed by the United States, which may reach up to 50% on wood products and derivatives. This measure has led to a decline in exports, contract cancellations, and layoffs, raising concerns throughout the entire production chain. In response, industry associations such as Brazilian Association of Mechanically Processed Timber Industry (ABIMCI) have intensified dialogue with the federal government and the National Congress to seek alternatives that could mitigate the effects of the crisis. Proposed measures include tax incentives, facilitated access to credit, and emergency labor policies under the Sovereign Brazil Plan ("Plano Brazil Soberano"), aimed at preserving the sector's competitiveness and sustainability. This Plan is considered a national instrument to support production chains affected by external crises, such as the recent case of wood exports.

- State actions and multisectoral coordination to address the tariff crisis: In the states of Paraná and Santa Catarina, the timber industry has intensified its efforts to seek support from local governments and financial institutions such as the Southern Regional Development Bank (BRDE) and Paraná Development Agency (Fomento Paraná), aiming to implement measures that expand access to credit and reduce the tax burden. "Fomento Paraná" is a public financial institution created to promote economic and social development through credit and financing for businesses, municipalities, and entrepreneurs. The creation of crisis committees, bringing together business associations, state secretariats, and legislative assemblies, highlights the importance of a coordinated response between the public sector and the production sector. This joint mobilization is essential to preserve jobs, ensure business liquidity, and maintain the international competitiveness of Brazilian wood products.

- Strengthening the Sustainable Forest-Based Sector in the State of Mato Grosso in the Amazon region: The Center of Timber Producing and Exporting Industries of the State of Mato Grosso (CIPEM), in partnership with the state government, has presented strategic agendas focused on sustainable forest management, the use of wood biomass, and the improvement of logistical infrastructure for production outflow. This institutional dialogue strengthens the role of the forest sector as a driver of job creation, income generation, and environmental conservation, particularly in the northern and northwestern regions of the state, contributing to the consolidation of an economic development model aligned with sustainability.

- Technical and Sustainable Advancement of Silviculture in the State of Paraná: With a 24% increase in the Gross Value of Silvicultural Production (VBPS) in 2024, Paraná state reaffirms its position as Brazil's second-largest forestry hub, supported by 1.17 million hectares of planted pine and eucalyptus forests. The state stands out for its high forest certification rate (79%), responsible forest management practices, and productive integration that generates over 100,000 direct jobs. These results consolidate Paraná as a national benchmark in technical efficiency, sustainability, and innovation within Brazil's forestry sector.

Information provided by GTI-Brazil Focal Point

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

TRC Collaborators in Para, Brazil. Photo: teakrc

Main Challenges Reported by GTI-Brazil Enterprises

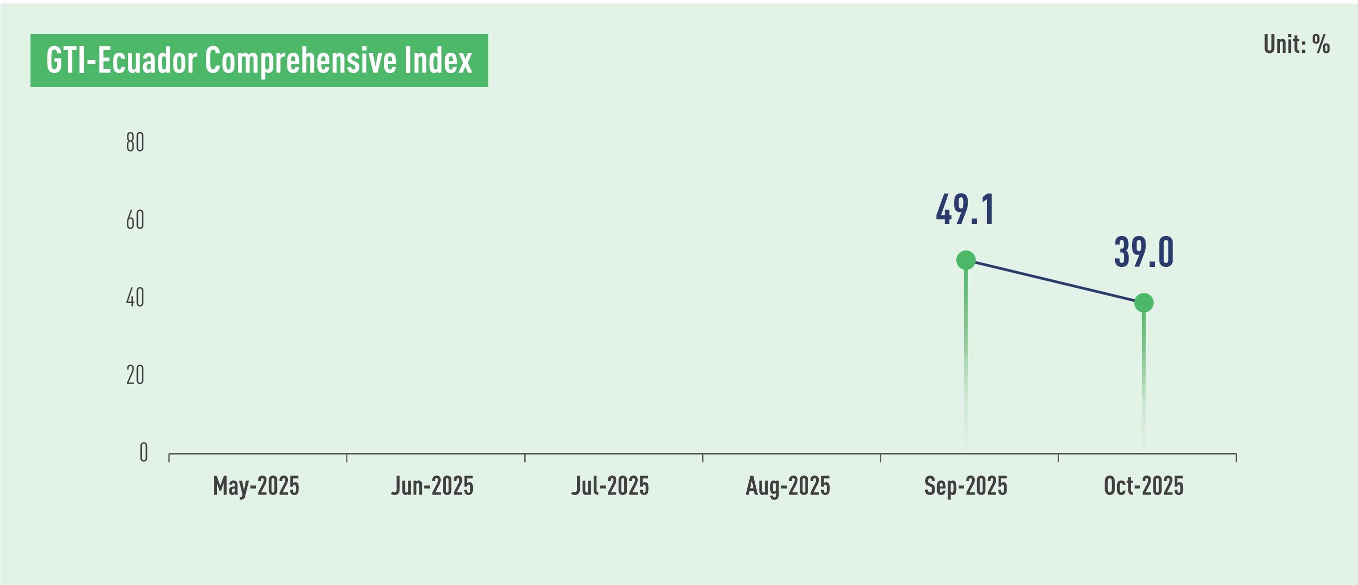
- The supply of raw materials was unstable.
- The train derailment delayed transportation.
- Heavy rains disrupted production and operations.
- U.S. and European tariffs were high.
- Business declined due to the US tariff hike.
- There were delays in the issuance of Licenses, Permits, Certificates, and Other Documents (LPCO) by Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA).
- Inadequate infrastructure at some ports made it difficult for large vessels to dock.

Main Suggestions from GTI-Brazil Enterprises

- Expedite the approval of documentation by IBAMA.
- Promote the industrialization of the production chain.
- Leverage trade and diplomatic agreements to mitigate risks.
- Start operating dry port in Cuiabá municipality, in the state of Mato Grosso, in the Amazon region.
- Expand operations into other markets, particularly in Europe and Latin America.
- Until rail service normalizes following the derailment, part of the cargo could be transported by road.

GTI-Ecuador Report

GTI-Ecuador Index in October 2025



Customs data showed that Ecuador's exports of particleboard reached US$128.2 million between January and August 2025, a 3.5% decrease compared to the same period in 2024. The main change in this trade flows was the rise of Peru as Ecuador's top particleboard market, with imports climbing 26.7% to US$55.1 million, while Colombia, traditionally the largest buyer, fell 25.4% to US$53.5 million. Recently, Ecuadorian President Daniel Noboa stated that the country's sales grew by 8.4% in October, with the construction sector seeing a remarkable 21.6% increase. On 27 October, Ecuador's Internal Revenue Service (SRI) stated that during September and October 2025. it had refunded more than US$47.5 million in value-added tax (VAT) to taxpayers involved in real estate projects. The SRI would continue to implement this tax refund mechanism in the coming months, with the goal of maintaining the continuity of construction projects and supporting the recovery of the construction sector. In other news, led by the Ministry of Environment and Energy (MAE), Ecuador is restoring over 2,300 hectares of Amazonian forests, with trees such as cedars and palm trees being planted. This restoration initiative is being carried out simultaneously in Zamora Chinchipe, Pastaza, and Morona Santiago, receiving support from partners such as the NGOs Hivos, the Reforestación Pastaza Consortium, and the Arcoíris Ecological Foundation.

In October 2025, the GTI-Ecuador index registered 39.0%, below the critical value (50%) for 2 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Ecuador index shrank from the previous month.

As for the twelve sub-indexes, the index for purchase price was above the critical value of 50%, the index for market expectation was at the critical value, while the remaining ten indexes were all below the critical value. Compared to the previous month, the index for purchase price increased by 26.1 percentage points, whereas the remaining eleven indexes declined by 4.7-25.4 percentage points.

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

	2025.09	2025.10	MoM	Performance
Comprehensive Index	49.1	39.0	-10.1 ↓	Contract
Production Index	53.8	39.3	-14.5 ↓	Contract
New Orders Index	54.2	38.5	-15.7 ↓	Contract
Export Orders Index	42.9	38.2	-4.7 ↓	Contract
Existing Orders Index	36.4	31.3	-5.1 ↓	Contract
Inventory Index of Finished Products	46.4	29.4	-17.0 ↓	Contract
Purchase Quantity Index	60.7	35.3	-25.4 ↓	Contract
Purchase Price Index	50.0	32.4	-17.6 ↓	Contract
Import Index	35.7	61.8	26.1 ↑	Expand
Inventory Index of Main Raw Materials	57.1	35.3	-21.8 ↓	Contract
Employees Index	50.0	41.2	-8.8 ↓	Contract
Delivery Time Index	46.4	41.2	-5.2 ↓	Contract
Market Expectation Index	75.0	50.0	-25.0 ↓	Stable

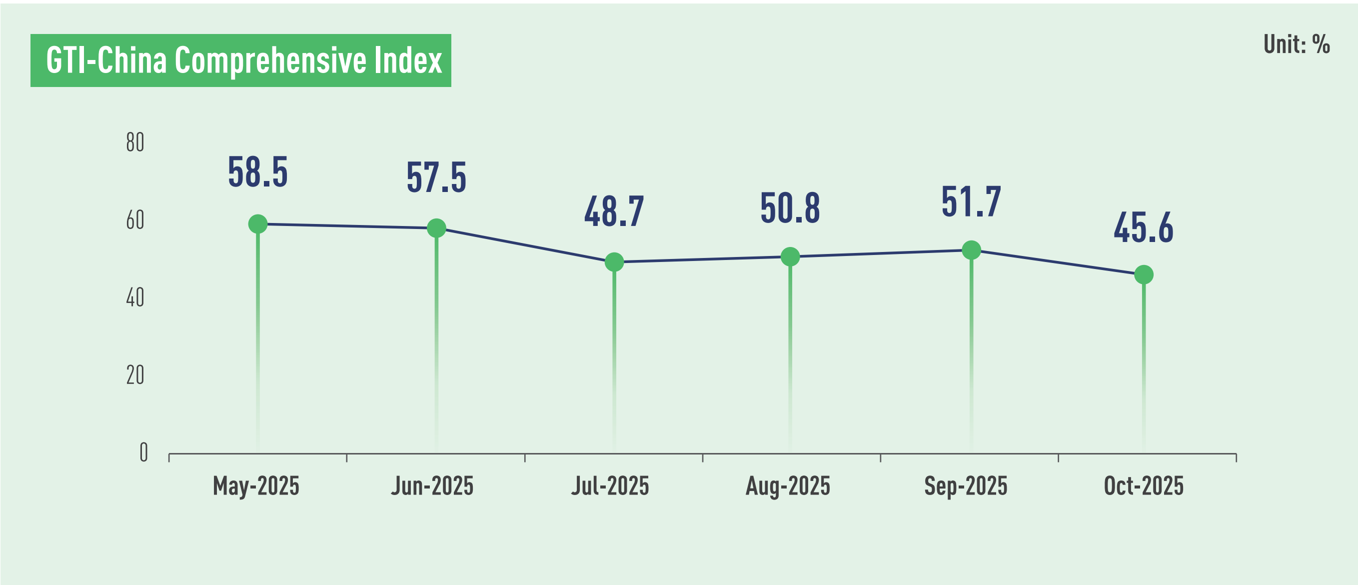
Main Challenges Reported by GTI-Ecuador Enterprises

- Fuel prices rose.
- The costs for timber production increased.
- Demand in the U.S. market declined.
- Timber product prices were unstable.
- The climate was abnormal with excessive rainfall.
- Domestic trade decreased due to strikes.
- Timber harvesting was affected by strikes, leading to reduced output.
- There was a lack of clear forestry policies, and large-scale national afforestation programmes were also not enough.
- Log supply was insufficient, and there was a shortage of harvesting equipment adapted to complex terrain.

Main Suggestions from GTI-Ecuador Enterprises

- Reduce fuel prices.
- Impose military control at the ports.
- Formulate regulations to regulate the market.
- Enhance the competitiveness of local enterprises.
- Strengthen supervision of timber prices.
- Enterprises may strengthen other related business lines.
- Suggest that relevant authorities promote reforestation and sustainable forest management.
- Suggest that the government provide support (e.g., financing support) for equipment procurement.

GTI-China Index in October 2025



Data from China's General Administration of Customs revealed that in September this year, China's total imports of logs and sawnwood reached 4.67 million cubic meters, representing a year-on-year decline of 7.9%. However, compared to the previous month, the volume increased by15.9%, marking an end to the consecutive five-month decline. From January to September, China imported a total of 42.17 million cubic meters of logs and sawnwood, down 12.7% year on year. The data also revealed a mixed performance in China's furniture industry, characterized by recovering domestic demand and subdued overseas demand. While its domestic furniture sales saw substantial growth during the first nine months, cumulative exports fell by 4.6% year-on-year to US$50.18 billion. On 28 October, the Recommendations of the Central Committee of the Communist Party of China for Formulating the 15th Five-Year Plan for National Economic and Social Development were released, outlining key directions for promoting high-quality development in the real estate sector. Under the Recommendations, real estate development is considered within the framework of new-type urbanization, with its livelihood-oriented attributes further emphasized. And it is reported that in the future, this will drive the real estate sector to shift from scale expansion to quality enhancement.

In October 2025, the GTI-China index registered 45.6%, a decrease of 6.1 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-China index shrank from the previous month. Due to factors such as China's eight-day National Day holiday, the production and business activities of Chinese timber enterprises generally slowed down this month.

As for the twelve sub-indexes, one index (import) was above the critical value of 50%, while the remaining eleven indexes (production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, 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 import and inventory of raw materials increased by 1.2-9.9 percentage points, and the indexes for production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, employees, delivery time, and market expectation declined by 0.5-10.9 percentage point(s).

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

	2025.05	2025.06	2025.07	2025.08	2025.09	2025.10	MoM	Performance
Comprehensive Index	58.5	57.5	48.7	50.8	51.7	45.6	-6.1 ↓	Contract
Production Index	63.4	62.4	51.6	54.1	53.5	45.0	-8.5 ↓	Contract
New Orders Index	57.0	55.9	48.0	48.9	54.8	44.4	-10.4 ↓	Contract
Export Orders Index	56.7	56.0	43.0	51.1	54.4	48.3	-6.1 ↓	Contract
Existing Orders Index	53.5	52.6	46.9	51.1	48.7	41.7	-7.0 ↓	Contract
Inventory Index of Finished Products	51.1	51.3	46.9	54.8	46.5	46.0	-0.5 ↓	Contract
Purchase Quantity Index	59.5	57.8	42.6	52.6	56.1	49.3	-6.8 ↓	Contract
Purchase Price Index	54.6	53.6	52.3	55.6	59.6	48.7	-10.9 ↓	Contract
Import Index	56.0	55.7	48.4	49.6	50.4	60.3	9.9 ↑	Expand
Inventory Index of Main Raw Materials	52.8	52.6	46.1	51.1	45.2	46.4	1.2 ↑	Contract
Employees Index	57.0	55.6	47.7	48.5	50.4	47.0	-3.4 ↓	Contract
Delivery Time Index	59.2	58.5	48.0	52.2	48.7	46.7	-2.0 ↓	Contract
Market Expectation Index	61.3	60.0	50.0	54.4	57.0	48.7	-8.3 ↓	Contract

Main Challenges Reported by GTI-China Enterprises

- Enterprises struggled with insufficient orders.
- The costs of raw materials rose.
- Demand in the timber market was not enough.
- There was intense competition in terms of prices.

Main Suggestions from GTI-China Enterprises

- Regulate practices in the industry.
- Broaden financing channels.
- Need the government's policy 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 (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 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.

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.

GGSC 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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