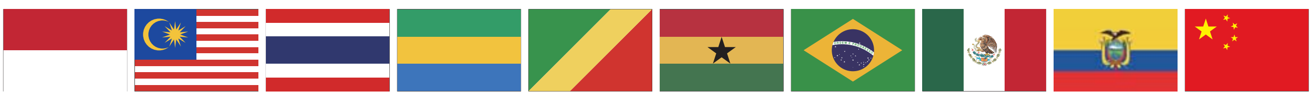
This report was prepared by GGSC, with support of ITTO and IPIM, and Focal Points of Indonesia, Malaysia, Thailand, Gabon, Republic of Congo, Ghana, Brazil, Mexico, Ecuador and China.

GTI REPORT 2026

Global Timber Index

MONTHLY

GGSC-No. 06/2026



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, Environment, Climate

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)
- Special thanks to the Forestry Directorate and the Sustainable Forest Management Corporation (COMAFORS)

Mexico
- National Forestry Commission of Mexico (CONAFOR)

Brazil
- STCP Engenharia de Projetos Ltda

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GTI REPORT 2026
JUNE

GLOBAL LEGAL & SUSTAINABLE TIMBER FORUM 2026

2026全球合法与可持续木业高峰论坛

GLSTF2026

Innovation and Transformation
— Pursuing Avenues for Resilient and Sustainable Global Timber Industries

22-23 September 2026

Galaxy International Convention Center,
Macao SAR, China

Hosts

ITTO
INTERNATIONAL TROPICAL TIMBER ORGANIZATION

澳門特別行政區
Região Administrativa Especial de Macau
Macao Special Administrative Region
招商投資促進局
Instituto de Promoção do Comércio e do Investimento
Commerce and Investment Promotion Institute

Organizer

GGSC

East Kalimantan Province, Indonesia

Forest Management Practices at PT Gunung Gajah Abadi: A Lesson in Commitment and Sustainability

Best Practice

Sustainable forest management requires a balanced integration of production, environmental, and social considerations. PT Gunung Gajah Abadi (PT GGA), a Forest Utilization Business Permit Holder (PBPH), has demonstrated a long-standing commitment to implementing sustainable forest management practices.

PT GGA has held a forest management concession since 1973 with area covers approximately 74,980 hectares. The concession is located in Kongbeng Sub-district, East Kutai Regency, East Kalimantan Province.

In sustainable natural forest management, production management serves as a fundamental pillar because it directly influences environmental and social outcomes. Sustainable production management determines the level of timber harvesting that can be maintained without compromising future forest productivity. Therefore, harvesting strategies and scenarios must be carefully designed and implemented. At PT GGA, harvest planning is conducted through the following stages:

1. Comprehensive forest inventory across the entire concession area.
2. Identification and designation of protected areas.
3. Determination of non-production areas.
4. Delineation of the Effective Productive Area (EPA).
5. Allocation of annual harvesting blocks based on forest cover conditions.
6. Implementation of RIL practices.

Preparation of RIL-based harvesting plans using pre-harvest forest inventory data.

The implementation of RIL has generated significant positive outcomes by minimizing residual stand damage and reducing disturbances to forest ecosystems. Numerous studies have demonstrated that RIL practices can substantially decrease collateral damage to remaining trees, reduce soil disturbance, and improve forest recovery compared with conventional logging methods.

Commitment of PT GGA to sustainable forest management has been recognized through the achievement of Indonesia's Sustainable Forest Management Certification (PHPL/SLK) with a "Good" rating since 2010 and the attainment of Forest Stewardship Council (FSC) certification since 2015. PT GGA is also a member of the Indonesian Forest Concession Holders Association (APHI) and has demonstrated impressive production performance over the past three years despite the challenging global economic conditions affecting wood products. This achievement is largely attributable to the company's FSC certification, which has provided broader access to international markets.

From an economic perspective, decades of sustainable forest management implementation have expanded market opportunities for timber products of PT GGA. Several Indonesian wood-processing industries serving European markets are willing to pay premium prices for timber originating from PT GGA due to its verified legality, sustainability credentials, and certification status.

At the landscape level, sustainable forest management practices implemented by PBPH concession holders such as PT GGA have proven to contribute to biodiversity conservation. This provides long-term benefits for the company by supporting the sustainability of forest resources and strengthening market confidence in the continuity of timber supply.

From an environmental perspective, responsible forest management helps maintain ecosystem health, reduce the negative impacts of harvesting activities, and conserve flora and fauna within the concession area. One notable indicator of this achievement is the increase in orangutan population density within PT GGA concession. Based on monitoring and research conducted in the Wehea-Kelay Landscape, orangutan density in the PT GGA area increased by approximately 17 percent compared to the baseline established four years earlier.

Lessons Learned

The experience of PT GGA demonstrates that long-term commitment to sustainable forest management, supported by comprehensive forest inventories, sound harvest planning, the implementation of RIL, and the integration of production, environmental, and social objectives, can generate mutually reinforcing benefits. These practices not only reduce environmental impacts and support biodiversity conservation but also improve market access, strengthen certification performance, and ensure the long-term sustainability of forest productivity.

Conclusion

The experience of PT GGA demonstrates that sustainable forest management can simultaneously deliver economic and environmental benefits. Through responsible harvesting practices, protection of conservation values, and compliance with internationally recognized certification standards, the company has successfully maintained forest productivity, supported biodiversity conservation, and secured long-term market opportunities. This case highlights that strong commitment, sound planning, and consistent implementation are essential factors for achieving sustainable forest management outcomes.

The best practice above has been provided by Gunung Gajah Abadi in Indonesia. We also appreciate the support from Sustainable Forest Management of the Ministry of Environment and Forestry (GTI focal point in Indonesia), for their contribution to the GTI Platform. For further information on this best practice, please contact Totok S at totoksuripto0@gmail.com.

PT GGA located in the Wehea-Kelay landscape, East Kalimantan

PT GGA FSC Certificate

FOREST PLANNING ACTIVITIES

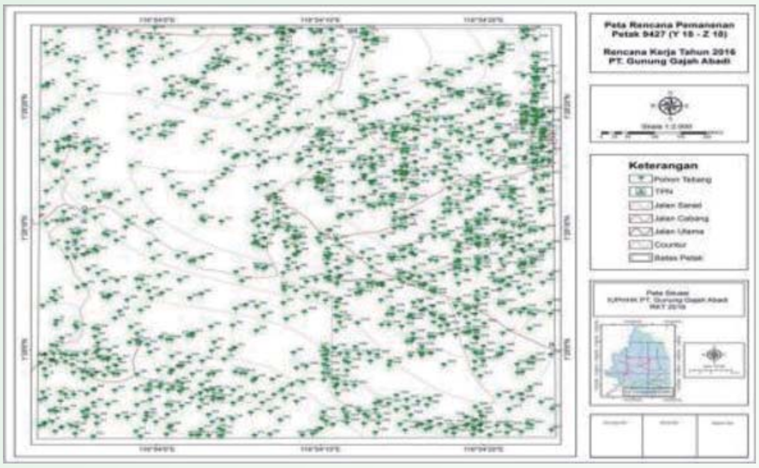
Area boundary maintenance

Block/plot boundary

Inventory before logging (Tree measurement)

Inventory before logging (Installing Barcode ID)

PRODUCTION ACTIVITIES



Map of Logging Plan

Logging

Skidding

Log transportation

WOOD ADMINISTRATION ACTIVITIES

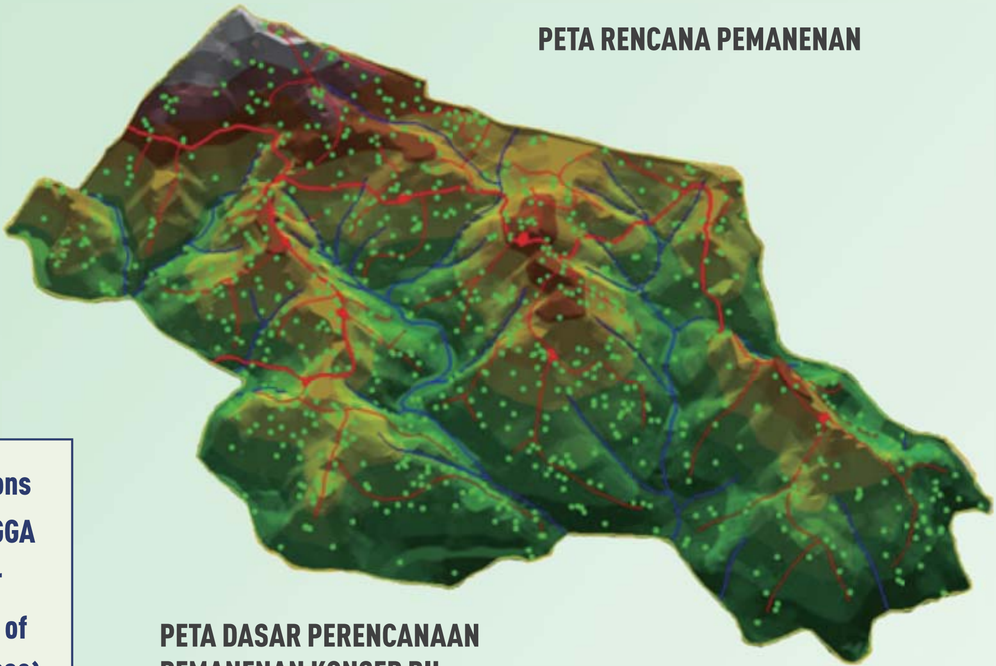
Barking

Measuring logs at the log yard

Barcode label

REDUCED IMPACT LOGGING

PETA RENCANA PEMANENAN



PETA DASAR PERENCANAAN PEMANENAN KONSEP RIL

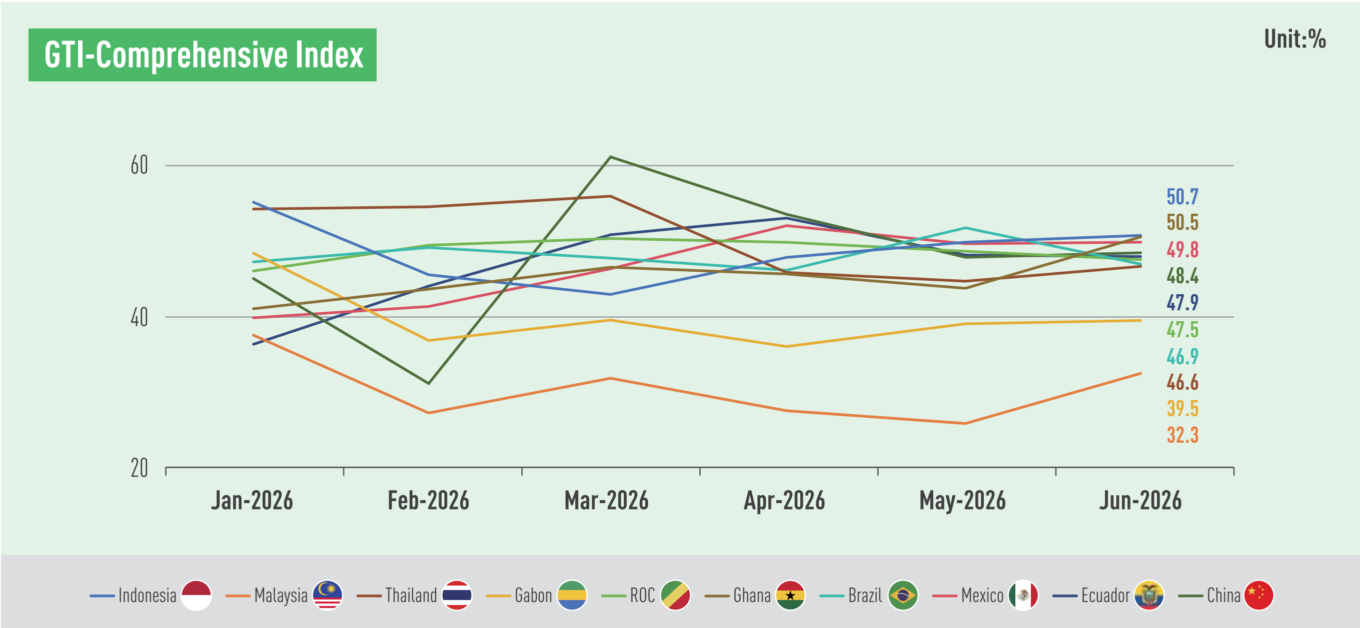
Potential for reducing emissions from implementing RIL in PT GGA is about 1.3 million tCO2eq, or 132,770 tCO2eq/year, 0,017% of NDC Nasional target (BRIN, 2023)

Enrichment planting for logged forest area (LOA), rehabilitation of non-productive area and both side of logging road planting (200 meter)

Planting and improvement of tree species SILIN (Intensive Silviculture)

Overview of the GTI Index

Two countries post slight growth, and the global timber industry navigates challenges via trade and traceability efforts



The Global Timber Index (GTI) Report for June 2026 revealed that among the ten GTI pilot countries, only Indonesia (50.7%) and Ghana (50.5%) registered GTI readings above the 50% critical value, signaling a slight expansion in their timber sectors compared to the previous month. The other eight countries were in contraction territory: Mexico (49.8%) and China (48.4%) posted readings close to the critical value, indicating slight contraction; Ecuador (47.9%), Republic of the Congo (47.5%), Brazil (46.9%), and Thailand (46.6%) showed moderate contraction; and Gabon (39.5%) and Malaysia (32.3%) recorded notably low readings, reflecting a significant downturn in their timber sectors.

The GTI sub-indices showed that both harvesting volume and production output rose in Indonesia and Mexico, while new orders increased in Indonesia, Ghana, and Brazil. The data also showed that Latin American pilot countries posted relatively strong timber export performances in the first half of 2026: Brazil's sample enterprises saw their total export orders grow for six consecutive months; Mexico's export market contracted only in April; and Ecuador's export orders grew over the past three months, and during the first half of the year, a decline was recorded only in March.

Insufficient market demand stood out as a major concern raised by GTI sample enterprises. In response, the enterprises proposed a range of self-help measures, including strengthening market and channel development, promoting market diversification, expanding online promotion and sales, as well as slowing down production and optimizing inventory management. At the same time, governments and industry associations have actively worked to create a more favorable environment for timber industry exports through trade agreements and market development: Malaysia's Ministry of Investment, Trade and Industry (MITI) is actively expanding high-potential overseas markets for wood products, including China, South Korea, India, and others, in an effort to achieve this year's export growth target of 15 percent; Indonesian Furniture and Craft Industry Association highlighted Europe, East Asia, Australia and India as priority markets for expansion; Brazil's Congress has approved the free-trade agreement between Mercosur and the European Free Trade Association. The agreement regulates sustainable forest management and relevant trade matters, with parties pledging to promote trade in products that derive from sustainably managed forests. Ecuador is advancing trade-agreement negotiations with Morocco and has listed timber as a priority category in the talks.

The pilot countries are accelerating their forest plantation efforts to strengthen the long-term raw-material supply base. Ghana, for example, has developed some 400,000 hectares of planted forests, and, on June 5, launched a large-scale annual reforestation initiative targeting 30 million seedlings. However, extreme weather and climate risks continue to disrupt timber material supplies: In Indonesia, El Niño heightens fire risks, particularly during the peak dry season from July to September, prompting the government to reactivate its forest and land fire coordination mechanism; in Mexico, extreme weather has led to a widespread bark beetle infestation in forested areas across many regions, and the National Forestry Commission and local authorities have taken proactive prevention and control measures; in addition, GTI sample enterprises in countries like Thailand, Ghana, and Ecuador reported that rainfall hampered harvesting and transportation, and proposed countermeasures such as stockpiling raw materials in advance and stepping up road maintenance.

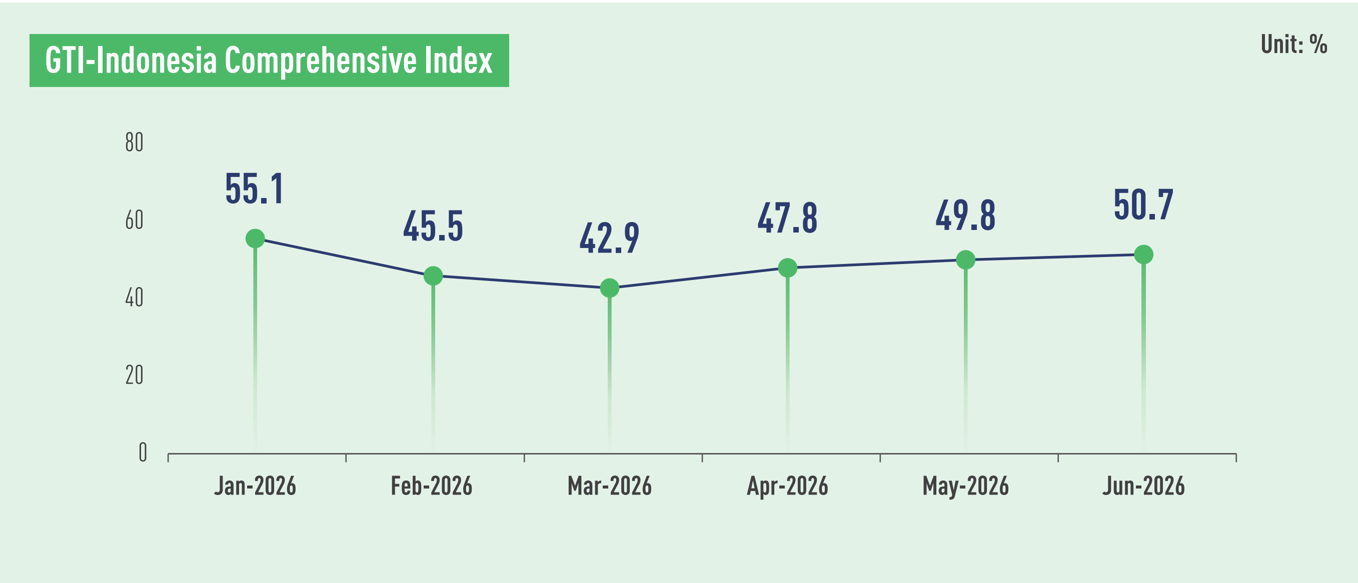
The EU Deforestation Regulation (EUDR) and the FLEGT mechanism are accelerating the development of digital traceability and legality certification systems in the relevant countries. In Thailand, 11 government agencies, including Agricultural Research Development Agency and the Royal Forest Department, recently jointly launched the "EUDR One Data Thailand" national data platform, which establishes a unified traceability system by integrating farmers' records, land and geospatial information, forestry data, and production information. At the EU-Ghana Timber Trade and Investment Forum held in Nantes, France, the Forestry Commission of Ghana announced that approximately 626 Forest Law Enforcement, Governance and Trade (FLEGT) licenses have been issued, and to better align with the requirements of the EUDR, Ghana is strengthening its Timber Legality Assurance System (GhLAS), expanding the Timber Validation Committee, and will soon incorporate geolocation data into the FLEGT licensing framework. On June 9, at a meeting between the Republic of the Congo and the EU on the FLEGT Voluntary Partnership Agreement (VPA), it was noted that the timeline for issuing FLEGT licenses was tight and accelerated progress on VPA implementation was needed.

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 June 2026



The Indonesian Ministry of Industry stated that furniture exports now account for 80% of the country's total production, yet the furniture manufacturing industry's capacity utilization rate stands at only 60%. Against the backdrop of geopolitical conflicts and global uncertainties, the Chairman of the Indonesian Furniture and Craft Industry Association (HIMKI) emphasized the need to advance market diversification, with particular focus on Europe, East Asia, Australia, and India. Meanwhile, the Indonesian Ministry of Forestry is pushing for amendments to the Law No. 41 of 1999 on Forestry, and during a meeting with the House of Representatives' legislative body on June 9, proposals were presented to revise provisions covering forest area control and ownership, forest functions, forest resource inventories, forest area and coverage, community-based forestry, forest product management, customary law communities, forest restoration, forestry information systems, forestry investment and financing, and law enforcement. At the same time, the Indonesian government had made notable progress in forest management. The Minister of Forestry announced on June 25 that the area affected by forest and land fires in the country had decreased from 2.61 million hectares in 2015 to approximately 359,000 hectares in 2025. However, the El Niño intensifies Indonesia's fire risk, particularly between July and September in peak dry season. On June 18, the Indonesian government announced the reactivation of the forest and land fire coordination mechanism, in an effort to strengthen cross-sectoral collaboration to address potential fire risks triggered by the El Niño.

In June 2026, the GTI-Indonesia index registered 50.7%, rose above the critical value (50%) after four months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Indonesia index expanded slightly from the previous month.

Regarding the twelve sub-indexes, five indexes (harvesting, production, new orders, delivery time, and market expectation) were above the critical value of 50%, one index (purchase price) was at the critical value, while the remaining six indexes (export orders, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, and employee) were below the value. Compared to the previous month, the indexes for harvesting, production, export orders, existing orders, inventory of finished products, purchase quantity, and market expectation increased by 1.6 to 6.2 percentage points; the indexes for new orders, purchase price, and inventory of main raw materials were unchanged from the previous month; and the indexes for employees, and delivery time declined by 0.8 to 1.5 percentage point(s).

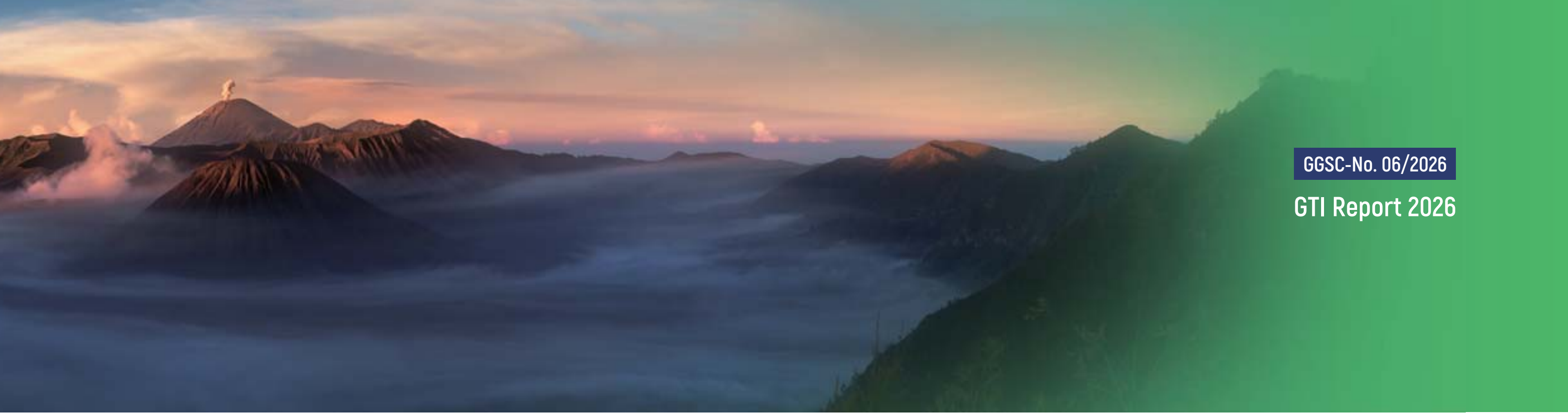


Table: Overview of GTI-Indonesia Sub-Indexes (%)

	2026.01	2026.02	2026.03	2026.04	2026.05	2026.06	MoM	Performance
Comprehensive Index	55.1	45.5	42.9	47.8	49.8	50.7	0.9 ↑	Expand
Harvesting Index	77.3	45.7	52.3	47.9	50.0	52.2	2.2 ↑	Expand
Production Index	58.3	33.3	31.3	50.0	50.0	55.6	5.6 ↑	Expand
New Orders Index	57.7	50.0	48.4	48.4	51.7	51.7	0.0	Expand
Export Orders Index	50.0	54.5	44.4	38.9	38.9	45.0	6.1 ↑	Contract
Existing Orders Index	58.3	42.4	40.3	45.3	41.4	43.3	1.9 ↑	Contract
Inventory Index of Finished Products	68.2	42.4	38.7	42.2	44.8	48.3	3.5 ↑	Contract
Purchase Quantity Index	58.3	44.4	40.0	36.4	31.3	37.5	6.2 ↑	Contract
Purchase Price Index	50.0	50.0	50.0	50.0	50.0	50.0	0.0	Stable
Inventory Index of Main Raw Materials	50.0	50.0	43.8	45.0	45.0	45.0	0.0	Contract
Employees Index	55.2	47.0	43.5	42.2	44.8	43.3	-1.5 ↓	Contract
Delivery Time Index	48.0	51.7	50.0	52.1	55.3	54.5	-0.8 ↓	Expand
Market Expectation Index	73.3	65.2	64.0	60.9	54.2	55.8	1.6 ↑	Expand

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

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

GTI-Indonesia Report

Brief on Indonesian Timber Industry

Indonesia's forestry industry remained relatively stable in June 2026, with signs of gradual improvement compared to the previous month. Upstream and downstream production activities continued to perform steadily, supported by adequate raw material availability, improved operational conditions in several regions, and greater efficiency in harvesting and timber transportation. Nevertheless, industry players continued to face challenges arising from rising operational and logistics costs, as well as uncertain export demand amid the global economic slowdown and evolving trade policies in several key export markets.

In the upstream sector, timber production from natural forests improved compared to May 2026 as more favorable weather conditions supported harvesting, timber transportation, and distribution activities. The improved supply of natural forest logs helped meet the raw material requirements of the plywood industry and other high-value wood product manufacturers. Meanwhile, timber production from plantation forests remained stable and continued to support the pulp, paper, and wood panel industries. Community forests also maintained their contribution as an important source of raw materials for small and medium-sized enterprises, particularly those serving the domestic market.

In the downstream sector, the plywood industry remained one of Indonesia's principal forestry export industries. However, compared with May 2026, export market conditions showed no significant improvement. Demand from Asian markets remained relatively stable and continued to serve as the primary source of export support. In contrast, exports to the United States continued to face pressure due to the ongoing antidumping (AD) and countervailing duty (CVD) investigations involving Indonesian plywood products Consequently, although production levels remained stable, growth in new export orders continued to be limited.

The pulp and paper industry maintained relatively stable performance throughout the reporting period. Adequate supplies of plantation forest raw materials, combined with improved operational efficiency, enabled manufacturers to sustain production. However, competition in export markets, particularly across Asia, remained intense, prompting companies to continue improving efficiency, maintaining product quality, and expanding market outreach to preserve their competitiveness.

Meanwhile, the furniture industry demonstrated greater resilience than several other wood-based industry segments. Demand from North American and European markets remained positive, particularly for higher value-added products, customized furniture, and products that comply with legality and sustainability standards. Nevertheless, overall demand growth remained moderate as international buyers continued to exercise caution amid persistent global economic uncertainty, rising logistics costs, and ongoing trade policy developments.

The woodworking products industry also maintained relatively stable performance. Demand for mouldings, engineered wood products, building components, and other processed wood products continued to be supported primarily by Asian and regional markets. However, manufacturers generally remained cautious in expanding production capacity due to continuing uncertainty regarding global market demand.

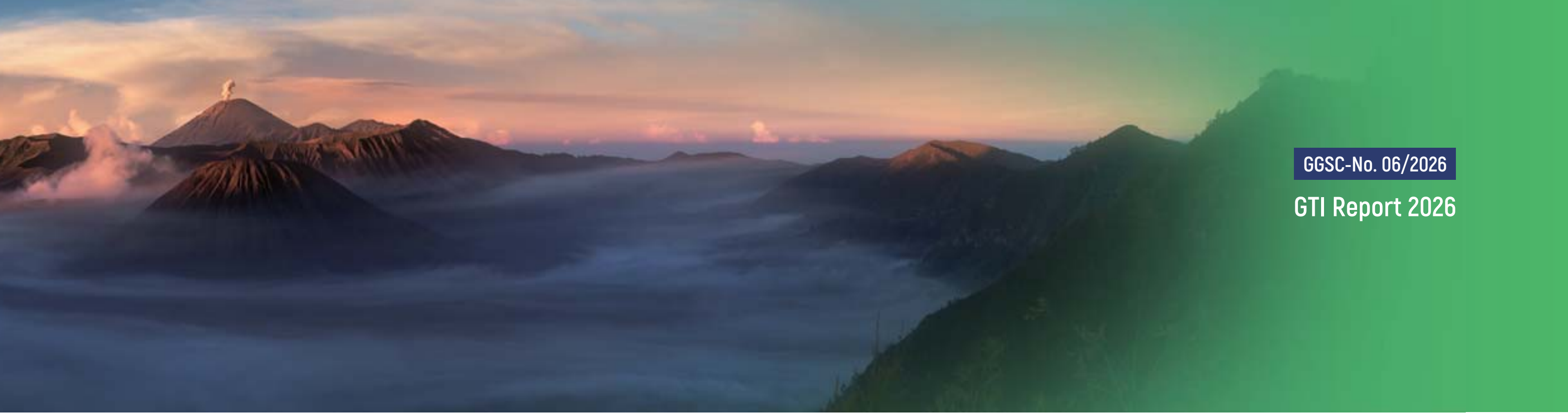
Overall, compared with May 2026, Indonesia's forestry industry showed improvements in operational performance and the stability of raw material supply during June 2026. Nevertheless, the recovery of export demand remained gradual and uneven across destination markets. These conditions indicate that the industry's fundamentals remain relatively strong; however, further improvement in export performance will largely depend on global economic conditions, the resolution of international trade barriers, and the industry's ability to diversify export markets while increasing the value-added of its forest products.

From a policy perspective, the Government of Indonesia continued to strengthen the implementation of the Timber Legality and Sustainability Verification System (SVLK), promote the development of Multi-Business Forestry (MUK), and further enhance the governance framework for carbon trading. Although the impacts of these policy initiatives have yet to be fully realized in the short term, they are expected to strengthen the competitiveness of Indonesia's forestry sector, create new sources of revenue, and further enhance international market confidence in Indonesian forest products.

Information provided by GTI-Indonesia Focal Point

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

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



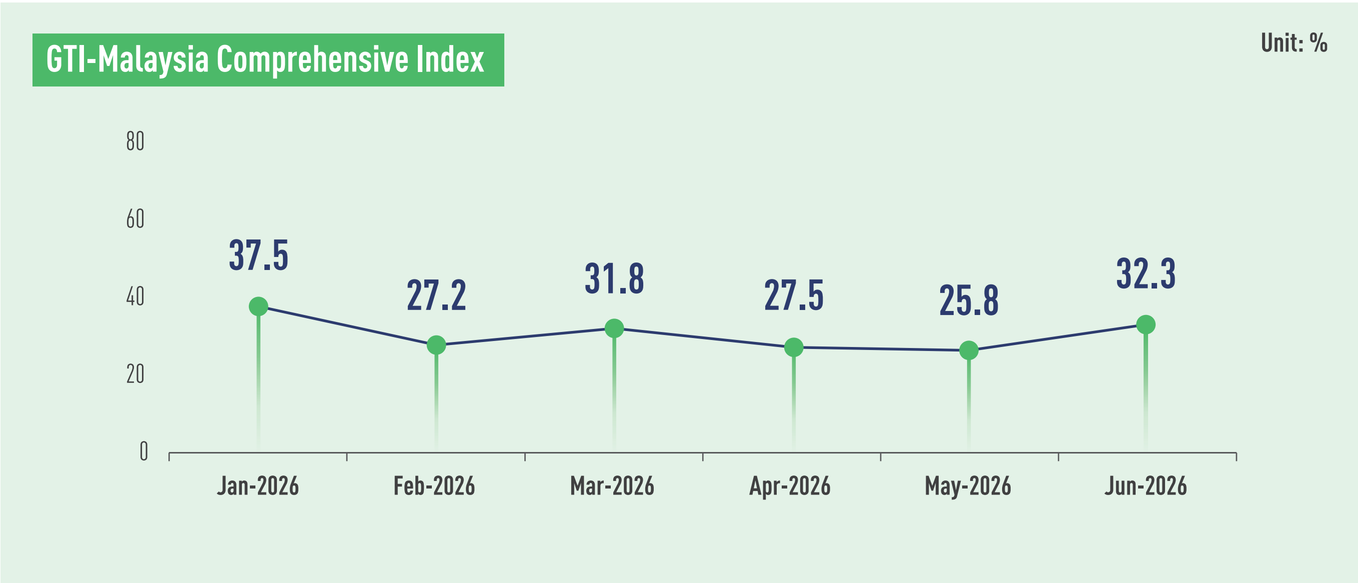
Main Challenges Reported by GTI-Indonesia Enterprises

- There were changes with the contract workers.
- Heavy rains made production drop.
- There was a decrease in the supply of raw materials.
- Labor for planting and maintenance still posed a challenge for the company.
- Some heavy equipment for logging operations broke down.
- There was a difficulty in exporting processed wood, causing a decrease in demand for wood materials.
- The regional policy prohibited logs from being taken out of the province, which limited the market.
- Transportation costs were high due to rising fuel prices and longer transportation distances.
- There was a possibility of anti-dumping/anti-subsidy tariffs that cause exports of plywood products to the United States to decline.
- Productivity declined, because many workers were aging, and the overseas market was down.
- Some enterprises faced the problem of decreasing natural wood potential; at the same time, rising oil fuel prices, cheap wood prices in the industry, and high operational costs posed challenges.
- In Surabaya and surrounding areas, demand for timber raw materials was high, but existing supply was limited, which led to raw material shortages and price increases, especially for keruing and bangkirai. As for meranti, due to low demand, the available supply was limited.

Main Suggestions from GTI-Indonesia Enterprises

- Optimize logging activities when it's not raining.
- Need a government policy that affects the rise in wood prices.
- It's necessary to look for new markets for wood products from Indonesia to other countries.
- Regular maintenance is required on the damaged heavy equipment unit.
- Anticipate changes in the workforce with a shift system and the provision of backup workers.
- It is necessary to expand marketing in other countries with support from the government.
- Efforts are needed to seek new markets and promote the marketing of plywood products.
- It should be possible to open up the export policy of sawn timber or expand sections in various types of trees, especially those naturally growing in the eastern region of Indonesia.
- There needs to be more intensive coordination and cooperation with upstream parties (suppliers and owners of raw material sources) to ensure a sustainable supply of raw materials, both through short-term supply planning and long-term partnership agreements.
- Open market opportunities based on market needs, including but not limited to diversifying the types of products required by the market and promoting alternative types of products to increase demand for roundwood, as well as conducting simultaneous sales of submerged and floating timber.

GTI-Malaysia Index in June 2026



On June 23, Malaysia's Minister of Plantation and Commodities stated at a timber day event that Malaysian wood-based products—including furniture, plywood, sawnwood, mouldings, joinery, and construction components—continued to see strong demand in international markets such as the United States, China, Japan, and Australia. In 2025, the country's timber sector recorded RM22.92 billion in export value, alongside RM18.03 billion in domestic sales, RM229.8 million in investment, and over 178,000 jobs provided nationwide. In other news, Malaysia's Ministry of Investment, Trade and Industry (MITI) is actively expanding high-potential overseas markets for wood products, including China, South Korea, India, and some other countries, in an effort to achieve this year's export growth target of 15 percent. Data from the Malaysian Timber Certification Council (MTCC) reveals that as of mid-June 2026, a total of 5.88 million hectares of forests in Malaysia had been certified under the MTCS-PEFC scheme, covering 25 certified natural forests and 11 certified forest plantations. Additionally, 363 companies had held the MTCS-PEFC Chain of Custody certification.

In June 2026, the GTI-Malaysia Index registered 32.3%, an increase of 6.5 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.

Regarding the twelve sub-indexes, the index for purchase price was above the critical value of 50%, while the remaining eleven indexes were all below the value. Compared to the previous month, the indexes for production, new orders, export orders, purchase price, employee, and delivery time increased by 2.3 to 13.3 percentage points, whereas the indexes for harvesting, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, and market expectation declined by 0.3 to 8.7 percentage point(s).

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

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

	2026.01	2026.02	2026.03	2026.04	2026.05	2026.06	MoM	Performance
Comprehensive Index	37.5	27.2	31.8	27.5	25.8	32.3	6.5 ↑	Contract
Harvesting Index	44.4	38.9	38.9	31.3	30.0	25.0	-5.0 ↓	Contract
Production Index	40.0	30.0	38.9	31.3	20.0	27.8	7.8 ↑	Contract
New Orders Index	37.5	20.8	31.8	30.0	29.2	40.9	11.7 ↑	Contract
Export Orders Index	30.0	25.0	33.3	27.8	20.0	33.3	13.3 ↑	Contract
Existing Orders Index	37.5	29.2	36.4	40.0	33.3	27.3	-6.0 ↓	Contract
Inventory Index of Finished Products	54.2	54.2	54.5	50.0	54.2	45.5	-8.7 ↓	Contract
Purchase Quantity Index	50.0	27.3	25.0	33.3	31.8	30.0	-1.8 ↓	Contract
Purchase Price Index	59.1	45.5	45.0	61.1	59.1	65.0	5.9 ↑	Expand
Inventory Index of Main Raw Materials	40.9	36.4	35.0	33.3	36.4	30.0	-6.4 ↓	Contract
Employees Index	33.3	25.0	22.7	20.0	25.0	31.8	6.8 ↑	Contract
Delivery Time Index	36.4	31.8	30.0	22.2	22.7	25.0	2.3 ↑	Contract
Market Expectation Index	40.0	41.7	40.9	45.0	45.8	45.5	-0.3 ↓	Contract

Main Challenges Reported by GTI-Malaysia Enterprises

- Market demand was low.
- There was a shortage of raw materials.
- The costs of glue and diesel increased.
- Rates for freight to the United States were high.
- Market demand was weak, production costs rose, and raw material supply was unstable.
- There were too many imported plywood products in the Sarawak market, the global construction market stayed weak, and the Middle East situation led to tight vessel space availability.

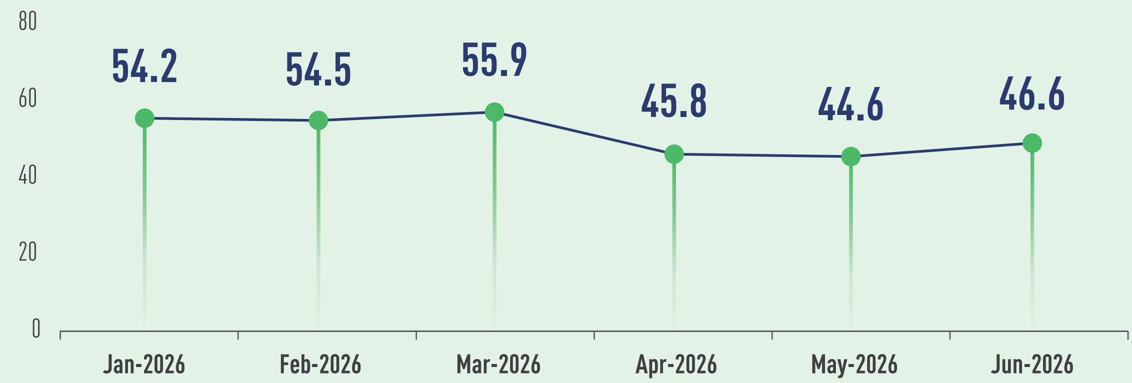
Main Suggestions from GTI-Malaysia Enterprises

- Await the global economic recovery.
- Appropriately slow down production when demand is insufficient.
- Need government intervention to increase container and vessel capacity.
- Need government stimulus policies to increase construction and building projects.
- Strengthen market development efforts, enhance supply chain stability, and improve operational efficiency and productivity.

GTI-Thailand Index in June 2026

GTI-Thailand Comprehensive Index

Unit: %



Data from the Thai Furniture Association reveal that from January to May 2026, Thailand's total exports of furniture and parts reached US$816 million, representing a year-on-year increase of 22.07%. During the same period, exports of sawn timber amounted to US$543 million, up 1.60 % year-on-year; exports of MDF stood at US$264 million, down 32.19%; and exports of particleboard totalled US$186 million, marking a decrease of 15.23%. On 5 June, the Thai government decided at a meeting to relax export controls on Siamese rosewood, reclassifying it from a 'prohibited export' item to a 'export license required' item, and restricting exports to timber sourced from plantations, cultivated forests or legally registered land, in an effort to encourage farmers to plant this species and to prevent illegal logging in natural forests, while also promoting the development of a timber certification system. In a proactive response to the EU Deforestation Regulation (EUDR), 11 government agencies, including Thailand's Agricultural Research Development Agency and the Royal Forest Department, recently jointly launched the "EUDR One Data Thailand" national data platform. By integrating farmers' records, land and geospatial information, forestry data and production information, the platform establishes a unified traceability system.

In June 2026, the GTI-Thailand index registered 46.6%, an increase of 2.0 percentage points from the previous month and below the critical value (50%) for three consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Thailand index shrank from the previous month.

Regarding the twelve sub-indexes, two indexes (purchase price, and market expectation) were above the critical value of 50%, one index (new orders) was at the value, while the remaining nine indexes (harvesting, production, export orders, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, employees, and delivery time) were below the value. Compared to the previous month, the indexes for production, export orders, existing orders, purchase quantity, deliver time, and market expectation increased by 4.8 to 13.0 percentage points, whereas the indexes for harvesting, new orders, inventory of finished products, purchase price, inventory of main raw materials, and employees declined by 1.5 to 19.7 percentage points.

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

	2026.01	2026.02	2026.03	2026.04	2026.05	2026.06	MoM	Performance
Comprehensive Index	54.2	54.5	55.9	45.8	44.6	46.6	2.0 ↑	Contract
Harvesting Index	41.7	40.9	54.2	42.3	36.4	16.7	-19.7 ↓	Contract
Production Index	58.8	60.0	56.3	50.0	34.4	47.4	13.0 ↑	Contract
New Orders Index	61.1	62.5	64.7	47.4	52.8	50.0	-2.8 ↓	Stable
Export Orders Index	50.0	40.0	75.0	61.1	33.3	42.9	9.6 ↑	Contract
Existing Orders Index	50.0	31.3	41.2	31.6	30.6	38.1	7.5 ↑	Contract
Inventory Index of Finished Products	47.2	40.6	41.2	47.4	44.4	38.1	-6.3 ↓	Contract
Purchase Quantity Index	44.1	43.3	56.7	34.4	34.6	42.1	7.5 ↑	Contract
Purchase Price Index	52.9	43.3	61.8	64.7	65.6	63.2	-2.4 ↓	Expand
Inventory Index of Main Raw Materials	50.0	46.4	40.6	30.6	50.0	40.0	-10.0 ↓	Contract
Employees Index	47.2	40.6	50.0	44.7	44.4	42.9	-1.5 ↓	Contract
Delivery Time Index	44.4	53.1	55.9	47.4	41.7	47.6	5.9 ↑	Contract
Market Expectation Index	36.1	31.3	58.8	31.6	50.0	54.8	4.8 ↑	Expand

Sa Kaeo Forest Plantation in Sa Kaeo, Thailand. @ Forest Industry Organization (FIO)

Sa Kaeo Forest Plantation in Sa Kaeo, Thailand. @ Forest Industry Organization (FIO)

GTI-Thailand Report

Brief on Thai Timber Industry

- Thailand's timber market in June 2026 remained stable but slow. Most companies reported that production, new orders, and purchasing activities were unchanged from the previous month, while some businesses experienced lower production and fewer outstanding orders. Export activity also remained limited, with many companies reporting no export orders. These results reflect Thailand's economic situation in June 2026, when businesses remained cautious because of weak domestic demand, high household debt, and uncertainty over the pace of economic recovery.

- On the supply side, raw material prices remained stable or increased slightly, while many companies kept their inventories and workforce at the same level. Businesses also managed their raw material purchases carefully to control costs. The main challenges reported included weak customer demand, higher transportation and fuel costs, shortages of raw materials, and rising labor costs. These conditions were influenced by slower economic activity, weather-related disruptions during the rainy season, and continued uncertainty in regional and global markets.

- Looking ahead, most respondents expected the timber market to remain stable over the next six months, although some anticipated gradual improvement. Companies were waiting for stronger demand before increasing production or hiring more workers. In the political and economic context of Thailand, businesses were closely watching the government's economic policies, public investment, and trade measures that could improve market confidence. Overall, the timber industry remained cautious, focusing on controlling costs and maintaining stable operations while waiting for clearer signs of economic recovery.

Information provided by GTI-Thailand Focal Point

Sa Kaeo Forest Plantation in Sa Kaeo, Thailand. @ Forest Industry Organization (FIO)

Sa Kaeo Forest Plantation in Sa Kaeo, Thailand. @ Forest Industry Organization (FIO)

Main Challenges Reported by GTI-Thailand Enterprises

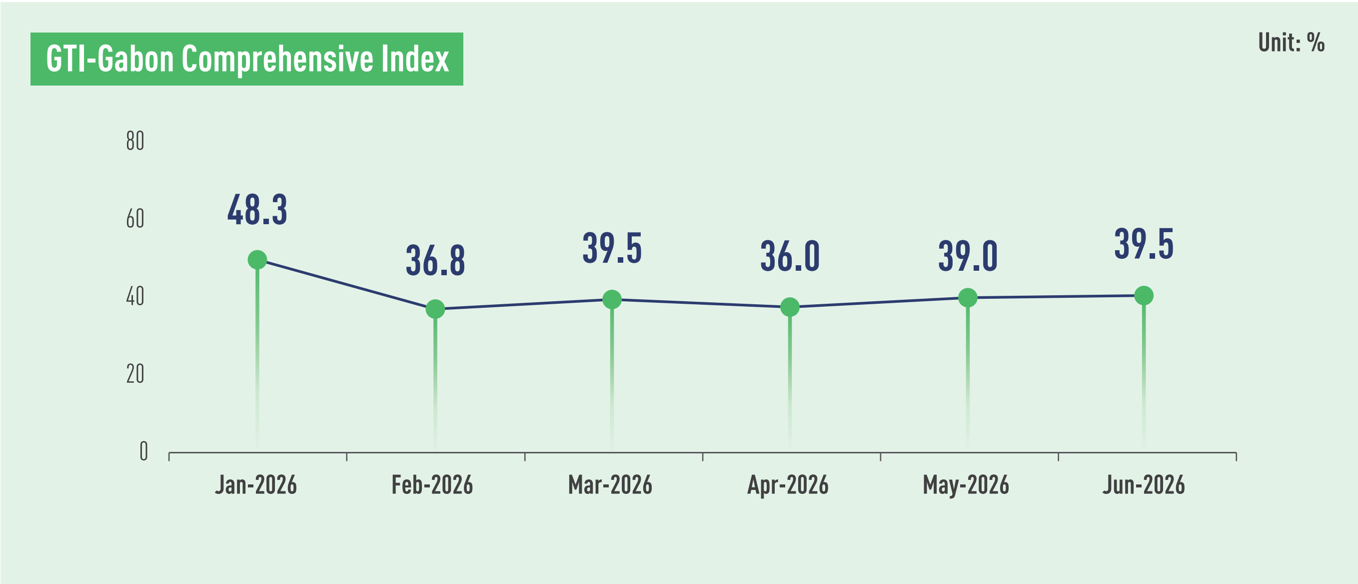
- There was a decrease in customer orders.
- Employees lacked capabilities.
- Purchasing power of consumers declined.
- There was a shortage of raw materials.
- Logistics and transportation costs rose.
- Material prices and skilled labor costs were high.
- There were problems related to outstanding accounts receivable and overdue customer payments.
- A large volume of dead stock and slow-moving inventory posed challenges.
- Most products were sold through offline channels, with limited online presence.
- Rainy season caused delivery delays, combined with rising fuel prices leading to higher production costs.
- Labor costs had increased significantly.

Main Suggestions from GTI-Thailand Enterprises

- Encourage the public to plant more fast-growing trees.
- Promote knowledge regarding wood products.
- Conduct campaign for using real wood instead of wood substitutes.
- Promote sales on the company's social media page.
- Stockpile raw materials and recruit new employees in advance.
- Implement fuel price pegging policy to support SME entrepreneurs.
- Expand online sales channels to reach more customers and diversify revenue streams.
- Strengthen credit control and improve inventory management to reduce overdue receivables and dead stock.
- Invest in automation and workforce productivity improvements to mitigate rising labor costs.

GTI-Gabon Report

GTI-Gabon Index in June 2026



Since the 2010 ban on log exports, the Gabonese government has been committed to developing a domestic processing industry capable of producing export products with higher added value, with the majority of enterprises concentrated in the Nkok Special Economic Zone. Currently, there are more than 150 enterprises engaged in timber processing, manufacturing and industrial production within the NKok. Although industrial production capacity has increased, access to continental African markets for timber products remains constrained by high transport costs, cumbersome border formalities and limited trade connectivity in the Central African region. Against this backdrop, during a meeting in Libreville between the Secretary-General of the African Continental Free Trade Area and the Gabonese government, strategies to enhance Gabon's participation in intra-African trade were discussed, including the establishment of a one-stop border post at Kieossi, which connects Gabon, Cameroon and Equatorial Guinea. In other news, in a recent interview at Gabon's Radio 1, the Minister for Water and Forests, Environment, Climate outlined the achievements made during his first 100 days in office, including the implementation of the national digital timber traceability system, the fight against illegal logging and the promotion of economic transformation in the timber sector. He also outlined the drafting of a new Forestry Act to accelerate legislative reform, with major innovations including the integration of certification mechanisms, the utilization of carbon credits, enhanced management of protected areas, and more effective resolution of human-wildlife conflicts.

In June 2026, the GTI-Gabon index registered 39.5%, an increase of 0.5 percentage point from the previous month and below the critical value (50%) for several consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Gabon index shrank from the previous month.

Regarding the twelve sub-indexes, one index (purchase price) was above the critical value of 50%, while the remaining eleven indexes were all below the value. Compared to the previous month, the indexes for existing orders, purchase quantity, purchase price, inventory of main raw materials, employees, and market expectation increased by 1.4 to 21.4 percentage points, whereas the indexes for harvesting, production, new orders, export orders, inventory of finished products, and delivery time declined by 1.8 to 13.9 percentage points.

Field operaion in the forest, Gabon. @ BONUS HARVEST

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

	2026.01	2026.02	2026.03	2026.04	2026.05	2026.06	MoM	Performance
Comprehensive Index	48.3	36.8	39.5	36.0	39.0	39.5	0.5 ↑	Contract
Harvesting Index	50.0	25.0	35.7	33.3	37.5	35.7	-1.8 ↓	Contract
Production Index	50.0	50.0	35.7	58.3	41.7	38.9	-2.8 ↓	Contract
New Orders Index	50.0	28.6	35.7	22.2	37.5	33.3	-4.2 ↓	Contract
Export Orders Index	50.0	37.5	37.5	21.4	58.3	44.4	-13.9 ↓	Contract
Existing Orders Index	41.7	28.6	35.7	16.7	37.5	38.9	1.4 ↑	Contract
Inventory Index of Finished Products	41.7	28.6	28.6	33.3	37.5	33.3	-4.2 ↓	Contract
Purchase Quantity Index	37.5	50.0	25.0	25.0	35.7	42.9	7.2 ↑	Contract
Purchase Price Index	50.0	37.5	37.5	83.3	35.7	57.1	21.4 ↑	Expand
Inventory Index of Main Raw Materials	50.0	50.0	37.5	16.7	35.7	42.9	7.2 ↑	Contract
Employees Index	41.7	28.6	42.9	33.3	31.3	44.4	13.1 ↑	Contract
Delivery Time Index	50.0	33.3	50.0	42.9	50.0	43.8	-6.2 ↓	Contract
Market Expectation Index	50.0	21.4	42.9	33.3	37.5	44.4	6.9 ↑	Contract

Main Challenges Reported by GTI-Gabon Enterprises

- Market prices for timber products fell.
- Logistics and fuel costs remained high.
- Production slowed down due to equipment failures in some areas.
- Fuel prices rose, and export duties on timber products were high.
- Export tariff rates increased (under the new Finance Act), and regional conflicts were affecting international trade.

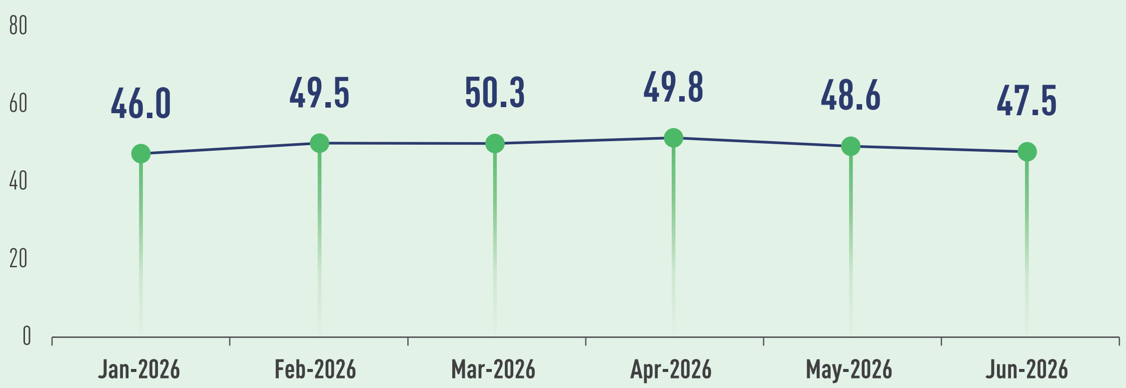
Main Suggestions from GTI-Gabon Enterprises

- Adjust market prices for products.
- Improve the condition of roads and railways, and increase energy supply at a lower cost.
- Step up maintenance of production equipment, and where necessary, invest in upgrading some of the equipment.
- Reduce diesel prices and tariffs on timber products, and take action against enterprises that fail to comply with national legislations.

GTI-ROC Index in June 2026

GTI-ROC Comprehensive Index

Unit: %



In the first quarter of 2026, the log export ban of the Republic of the Congo (ROC) showed some tangible results. According to the economic outlook report released by the Directorate General of Economy (DGE), its export value of processed timber rose 3% year-on-year to FCFA 21.6 billion in Q1, signaling a gradual realignment of the export mix toward higher-value-added products. The report also noted a sharp 98.6% surge in peeled veneer production, which reached 5,383 cubic meters, while export volume of peeled veneer jumped 89.8%, driven largely by robust overseas demand from Asian and European markets. On June 9, the Congo and the European Union convened a meeting on the Forest Law Enforcement, Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA), during which it was stressed that time is running short for the issuance of FLEGT licenses and that accelerated progress on VPA implementation is needed. On the resource management front, the Congolese government reclaimed some forest concessions in coastal and northern regions, and initiated inventory work for relevant concession areas, in an effort to evaluate commercially viable tree species and sustainable harvesting volumes, as well as to lay the groundwork for future reallocation, sale, or partnership arrangements involving these forestlands.

In June 2026, the GTI-ROC index registered 47.5%, a decrease of 1.1 percentage points from the previous month and below the critical value of 50% for three consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-ROC index shrank from the previous month.

Regarding the twelve sub-indexes, six indexes (purchase quantity, purchase price, inventory of main raw materials, employees, delivery time, and market expectation) were at the critical value of 50%, while the other six indexes (harvesting, production, new orders, export orders, existing orders, and inventory of finished products) were below the value. Compared to the previous month, the indexes for purchase quantity, and delivery time increased by 2.0 to 2.2 percentage points; the indexes for inventory of main raw materials, employees, and market expectation were unchanged from the previous month; and the indexes for harvesting, production, new orders, export orders, existing orders, inventory of finished products, and purchase price declined by 2.2 to 6.8 percentage points.

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

	2026.01	2026.02	2026.03	2026.04	2026.05	2026.06	MoM	Performance
Comprehensive Index	46.0	49.5	50.3	49.8	48.6	47.5	-1.1 ↓	Contract
Harvesting Index	50.0	52.1	50.0	47.8	46.0	43.2	-2.8 ↓	Contract
Production Index	50.0	47.9	50.0	50.0	47.9	45.5	-2.4 ↓	Contract
New Orders Index	47.7	50.0	50.0	50.0	48.0	45.5	-2.5 ↓	Contract
Export Orders Index	50.0	50.0	50.0	50.0	50.0	47.7	-2.3 ↓	Contract
Existing Orders Index	47.7	48.0	50.0	50.0	50.0	43.2	-6.8 ↓	Contract
Inventory Index of Finished Products	50.0	48.0	47.7	50.0	50.0	47.7	-2.3 ↓	Contract
Purchase Quantity Index	16.7	50.0	54.2	47.8	47.8	50.0	2.2 ↑	Stable
Purchase Price Index	16.7	50.0	54.2	47.8	52.2	50.0	-2.2 ↓	Stable
Inventory Index of Main Raw Materials	16.7	50.0	52.0	47.8	50.0	50.0	0.0	Stable
Employees Index	50.0	50.0	45.5	50.0	50.0	50.0	0.0	Stable
Delivery Time Index	50.0	50.0	56.8	50.0	48.0	50.0	2.0 ↑	Stable
Market Expectation Index	50.0	46.0	50.0	50.0	50.0	50.0	0.0	Stable

Main Challenges Reported by GTI-ROC Enterprises

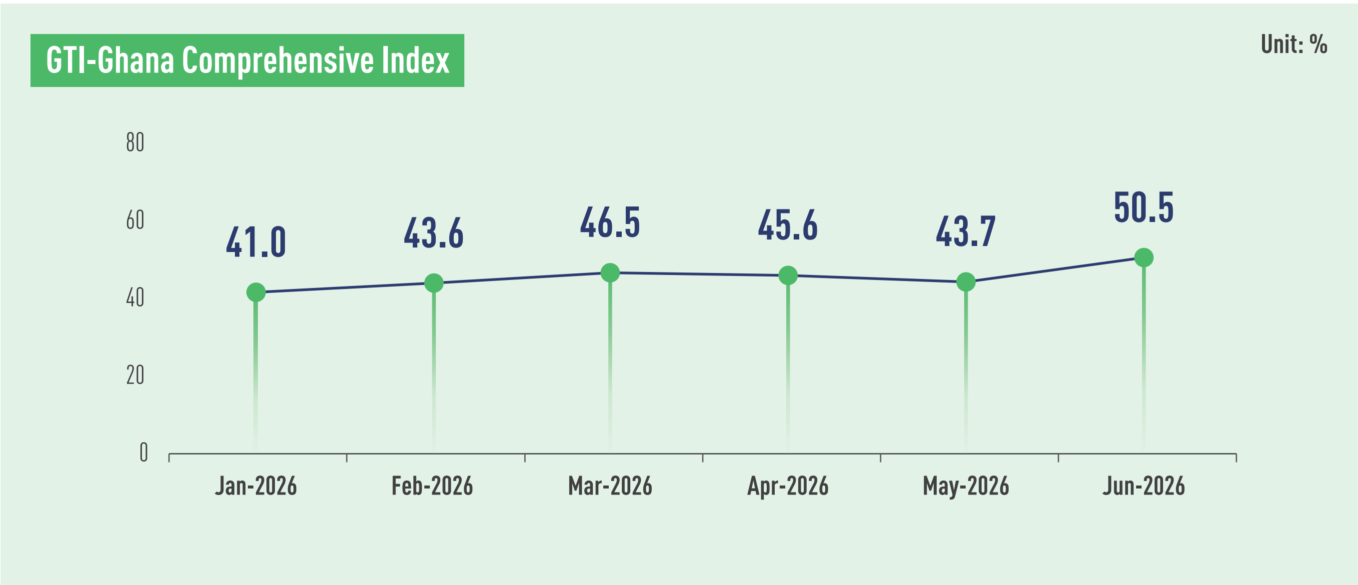
- The logistics was slow.
- Enterprises faced great tax pressure.
- Diesel was in short supply and its prices were high.
- Forestry management procedures needed improvement.
- Severe weather affected production and operations.

Main Suggestions from GTI-ROC Enterprises

- Improve logistics efficiency.
- Increase diesel supply and stabilize the prices.
- Suggest that relevant authorities adjust forestry administration models.
- Suggest that the government provide tax incentives for enterprises.
- The government should enhance road maintenance efforts to improve road infrastructure.

GTI-Ghana Report

GTI-Ghana Index in June 2026



According to data from the Timber Industry Development Division (TIDD) of Ghana's Forestry Commission, the country saw a decline in total timber product exports during the first four months of 2026, yet exports of secondary processed products (primarily sawnwood) rose 27% year-on-year to 26,924 cubic meters. At the EU-Ghana Timber Trade and Investment Forum held in Nantes, France, on June 2, the Forestry Commission disclosed that Ghana had issued approximately 626 Forest Law Enforcement, Governance and Trade (FLEGT) licenses. To better align with the requirements of the EU Deforestation Regulation (EUDR), Ghana is strengthening its Timber Legality Assurance System (GhLAS), expanding the Timber Validation Committee, and will soon incorporate geolocation data into the FLEGT licensing framework. To secure a stable timber supply, Ghana has developed some 400,000 hectares of planted forests, of which 340,000 hectares are on public land and 60,000 hectares on private holdings. Following the successful planting of over 31 million trees in 2025, the Ghanaian government on June 5 launched the 2026 "Tree for Life" national reforestation initiative, with the target of planting 30 million seedlings nationwide, aiming to restore degraded lands, enhance forest cover, and strengthen the country's resilience to climate change.

In June 2026, the GTI-Ghana index registered 50.5%, an increase of 6.8 percentage points from the previous month and above the critical value (50%) again after five months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Ghana index expanded slightly from the previous month.

Regarding the twelve sub-indexes, seven indexes (production, new orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, and market expectation) were above the critical value of 50%, three indexes (existing orders, employees, and delivery time) were at the value, while the remaining two indexes (harvesting, and export orders) were below the value. Compared to the previous month, the indexes for harvesting, production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, employees, delivery time, and market expectation increased by 2.3 to 17.9 percentage points, whereas the index for purchase price declined by 3.2 percentage points.

Factory of AYUM FOREST PRODUCTS LIMITED, Ghana. @ Peter Zormelo

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

	2026.01	2026.02	2026.03	2026.04	2026.05	2026.06	MoM	Performance
Comprehensive Index	41.0	43.6	46.5	45.6	43.7	50.5	6.8 ↑	Expand
Harvesting Index	38.2	44.7	37.5	45.0	40.0	42.3	2.3 ↑	Contract
Production Index	38.1	43.5	47.8	40.9	40.5	53.6	13.1 ↑	Expand
New Orders Index	33.3	37.0	39.1	36.4	35.7	53.6	17.9 ↑	Expand
Export Orders Index	34.6	34.4	23.3	23.5	33.3	41.7	8.4 ↑	Contract
Existing Orders Index	35.7	50.0	37.0	47.7	47.6	50.0	2.4 ↑	Stable
Inventory Index of Finished Products	50.0	56.5	32.6	52.3	42.9	60.7	17.8 ↑	Expand
Purchase Quantity Index	34.4	47.4	30.8	44.4	44.4	55.0	10.6 ↑	Expand
Purchase Price Index	56.3	55.3	67.9	57.1	58.8	55.6	-3.2 ↓	Expand
Inventory Index of Main Raw Materials	38.1	34.8	45.7	44.4	42.9	54.2	11.3 ↑	Expand
Employees Index	45.2	45.7	45.7	50.0	47.6	50.0	2.4 ↑	Stable
Delivery Time Index	46.2	50.0	41.2	40.0	36.1	50.0	13.9 ↑	Stable
Market Expectation Index	39.5	39.1	45.2	43.2	45.2	53.8	8.6 ↑	Expand

Main Challenges Reported by GTI-Ghana Enterprises

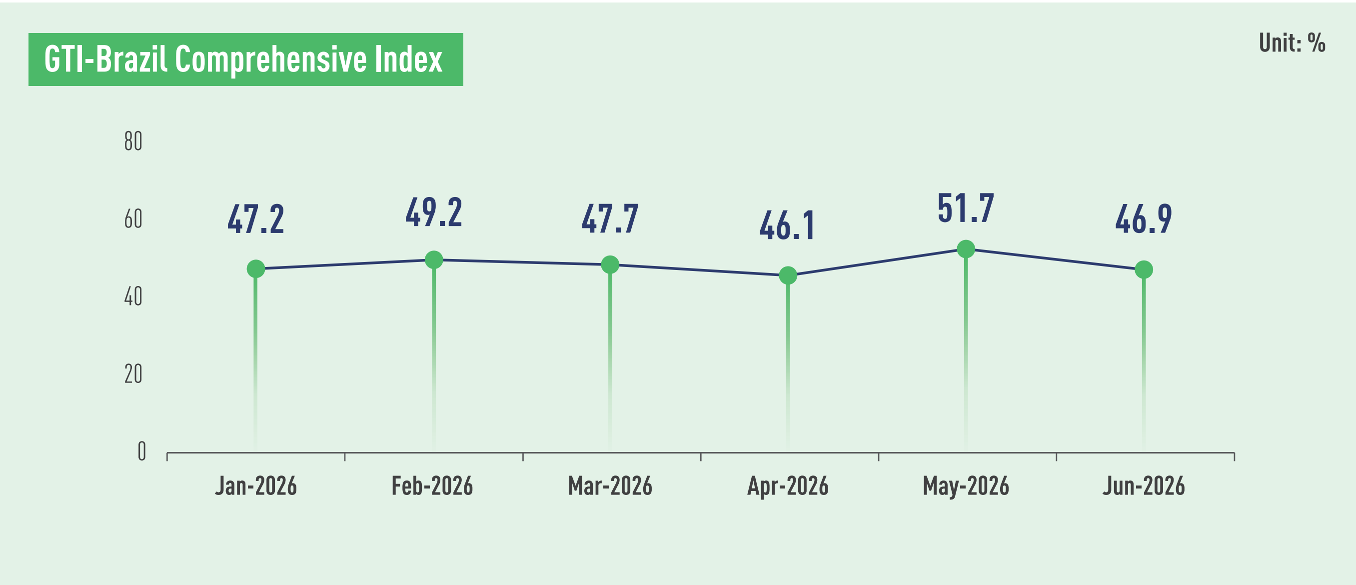
- Fuel costs were high.
- Production costs were high.
- Port charges were expensive.
- Electricity supply was unstable and costly.
- Erratic rainfall made log transportation difficult.
- Heavy rains made access to forest roads difficult.

Main Suggestions from GTI-Ghana Enterprises

- Need government support on tax incentives.
- Suggest that the government invest in power generation.
- Enhance government efforts in road maintenance.
- Suggest that the government step up its support for the forestry sector.
- Secure funding to invest in alternative renewable energy systems.

GTI-Brazil Report

GTI-Brazil Index in June 2026



Data from Brazil's Ministry of Development, Industry, Trade and Services reveal that the country's total log exports in the first half of 2026 reached 448,100 tons, a year on year decline of 17.2%; the total export value fell 5.4% to US$60.5 million; and the average export price rose 14.3% to US$135.0 per ton. On June 22, Legislative Decree No. 146 of Brazil approved the free trade agreement between Mercosur and the European Free Trade Association (EFTA). The agreement regulates sustainable forest management and relevant trade matters, with parties pledging to promote trade in products that derive from sustainably managed forests. Meanwhile, Brazil has made continued strides in combating deforestation. Data released by the Brazilian government on June 11 show that deforestation in the Amazon region in May 2026 fell by 61.4% compared with the same month in 2025, which is the sharpest decline ever recorded for that area.

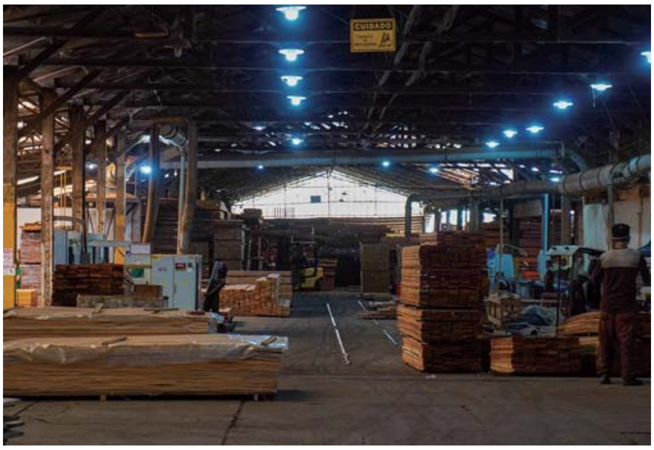
In June 2026, the GTI-Brazil index registered 46.9%, a decrease of 4.8 percentage points from the previous month and below the critical value (50%) again after one month, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Brazil index shrank from the previous month.

Regarding the twelve sub-indexes, four indexes (new orders, export orders, purchase price, and market expectation) were above the critical value of 50%, one index (employees) was at the critical value, while the remaining seven indexes (harvesting, production, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, and delivery time) were below the value. Compared to the previous month, the indexes for inventory of finished products, purchase quantity, inventory of main raw materials, delivery time, and market expectation increased by 1.1 to 17.3 percentage points; the index for employees was unchanged from the previous month; and the indexes for harvesting, production, new orders, export orders, existing orders, and purchase price declined by 2.7 to 16.2 percentage points.

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

	2026.01	2026.02	2026.03	2026.04	2026.05	2026.06	MoM	Performance
Comprehensive Index	47.2	49.2	47.7	46.1	51.7	46.9	-4.8 ↓	Contract
Harvesting Index	44.4	50.0	50.0	50.0	43.8	37.5	-6.3 ↓	Contract
Production Index	45.8	46.4	50.0	46.4	45.0	40.9	-4.1 ↓	Contract
New Orders Index	50.0	53.3	46.4	50.0	70.0	53.8	-16.2 ↓	Expand
Export Orders Index	54.2	57.1	53.8	57.1	72.2	62.5	-9.7 ↓	Expand
Existing Orders Index	42.3	46.7	50.0	56.7	45.0	42.3	-2.7 ↓	Contract
Inventory Index of Finished Products	61.5	56.7	53.6	56.7	25.0	42.3	17.3 ↑	Contract
Purchase Quantity Index	45.0	37.5	45.5	41.7	27.8	45.0	17.2 ↑	Contract
Purchase Price Index	59.1	73.1	75.0	80.8	72.2	63.6	-8.6 ↓	Expand
Inventory Index of Main Raw Materials	53.8	46.7	46.4	40.0	27.8	37.5	9.7 ↑	Contract
Employees Index	42.3	50.0	53.6	50.0	50.0	50.0	0.0	Stable
Delivery Time Index	45.8	46.2	39.3	36.7	44.4	45.5	1.1 ↑	Contract
Market Expectation Index	53.8	67.9	71.4	60.0	55.0	65.4	10.4 ↑	Expand

Lamapa Facade in Belém, Brazil. @ Fernanda Tocantins



Inner Factory in Belém, Brazil. @ Fernanda Tocantins

GTI-Brazil Report

Brief on Brazilian Timber Industry

- The forestry and wood products market continues to operate at a moderate pace, with prices remaining largely stable and business confidence for new investments still low. Across several segments, including sawnwood, plywood, doors, and pine and eucalyptus logs, the number of completed transactions remained limited, reflecting a more cautious purchasing environment. In contrast, specific markets such as fuelwood, wood chips, and sawnwood recorded more favorable performance, indicating that demand recovery remains uneven and concentrated in selected segments.

- Operating costs continue to be among the main challenges facing the forestry sector. Rising expenses for diesel, freight, harvesting operations, and timber transportation have put pressure on producers' margins and reduced operational competitiveness. On the other hand, companies supplied by forests located close to their industrial facilities reported lower logistics costs, highlighting the significant influence of raw material proximity on operational efficiency and overall sector competitiveness.

- The market continues to closely monitor developments in international trade measures, particularly the tariffs announced by the United States, whose implementation could affect the competitiveness of Brazilian wood product exports in the coming weeks. In this context, export companies remain attentive to the potential impacts on demand, prices, and trade flows, against a backdrop already characterized by high logistics costs and exchange rate volatility, both of which continue to increase uncertainty across the forest sector.

Information provided by GTI-Brazil Focal Point

Guillotine in Belém, Brazil. @ Fernanda Tocantins

Log Stock in Belém, Brazil. @ Fernanda Tocantins

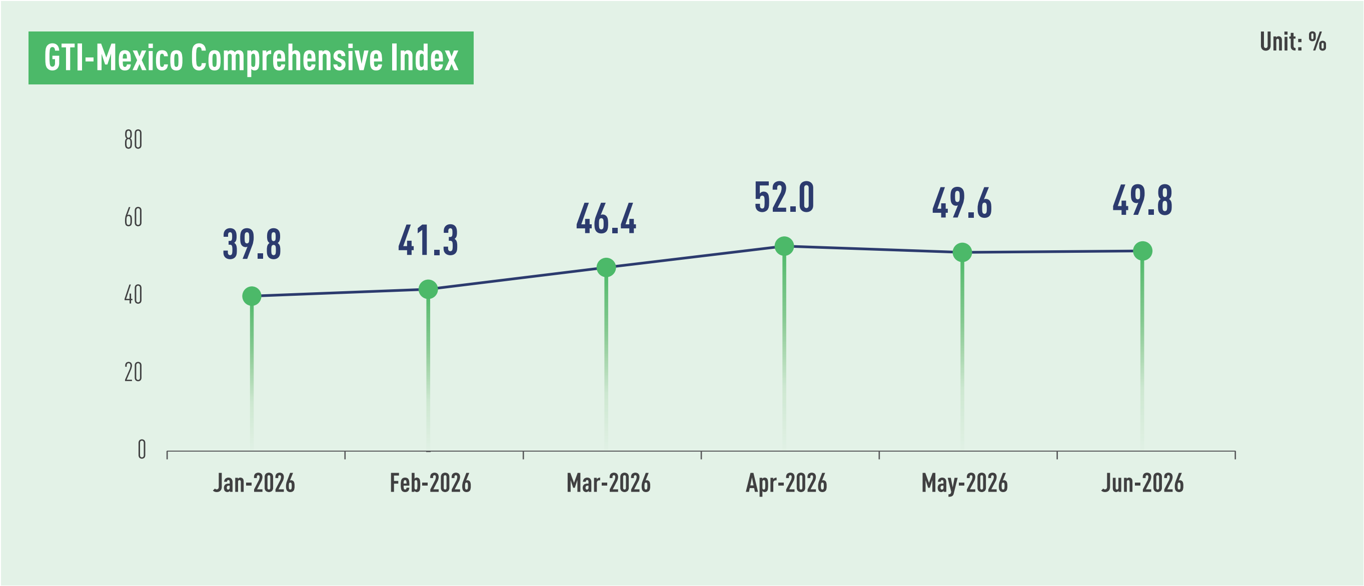
Main Challenges Reported by GTI-Brazil Enterprises

- Timber product sales declined.
- The supply of raw materials was insufficient.
- International market prices dropped.
- The quality of some raw materials (logs) was inconsistent.
- The Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) delayed the issuance of LPCO documents (Licenses, Permits, Certificates, and Other documents), which caused delays in export shipments.

Main Suggestions from GTI-Brazil Enterprises

- Promote market diversification.
- Streamline IBAMA's administrative procedures.
- Boost industrialization across the production chain.
- Redirect future sales to markets where a Phytosanitary Certificate is not required.
- Place the wood processing industry under the jurisdiction of the Ministry of Industry, rather than the Ministry of Environment.
- Strengthen coordination between harvesting operations and industrial raw material supply, and implement more robust quality assurance programs.

GTI-Mexico Index in June 2026



Recently, extreme weather conditions fueled a widespread bark beetle infestation in forested areas across many regions in Mexico, posing a serious challenge to the country's forestry sector; in response, Mexico's National Forestry Commission and local government agencies actively rolled out prevention and control measures, with the State of Mexico, for example, treating over 1,648 hectares of affected forestland in the first five months of 2026 through coordinated diagnostics, sanitation, and technical assistance. In Chihuahua, a state legislator voiced concerns that a surge in imported timber was undermining the local forestry industry, as local producers cannot compete with low-priced imported timber amid poor road conditions, high transportation costs, persistent forest pests, and cumbersome shipping procedures; the president of Parral Timber Producers Union stated that, given Mexico's free-trade agreements signed with various countries, it is difficult to implement measures restricting the entry of foreign wood into the domestic market, therefore, the most feasible path to improving competitiveness is strengthening domestic production capacity—for instance, through government subsidies to help local enterprises acquire modern machinery. In other news, the National Forestry Commission and the Michoacán state government joined forces to promote commercial forest plantations as a sustainable and efficient alternative for protecting natural resources, generating employment, and promoting the development of forest communities; on June 27, Michoacán launched a reforestation initiative in Morelia with the goal of planting over 10 million trees and forest plants to accelerate the state's forest restoration efforts; in Jalisco, the Secretariat of Environment and Territorial Development (Semadet) unveiled its 2026 reforestation campaign, which targeted the planting of 211,000 trees across approximately 335 hectares of the state.

In June 2026, the GTI-Mexico Index registered 49.8%, an increase of 0.2 percentage point from the previous month and below the critical value (50%) for two consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Mexico index shrank from the previous month.

Regarding the twelve sub-indexes, five indexes (harvesting, production, purchase prices, delivery time, and market expectation) were above the critical value of 50%, two indexes (new orders, and export orders) were at the value, while the remaining five indexes (existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, and employees) were below the value. Compared to the previous month, the indexes for harvesting, production, new orders, delivery time, and market expectation increased by 2.5 to 13.7 percentage points; the index for export orders stayed unchanged from the previous month; and the indexes for existing orders, inventory of finished products, purchase quantity, purchase prices, inventory of main raw materials, and employees declined by 2.3 to 15.0 percentage points.

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

	2026.01	2026.02	2026.03	2026.04	2026.05	2026.06	MoM	Performance
Comprehensive Index	39.8	41.3	46.4	52.0	49.6	49.8	0.2 ↑	Contract
Harvesting Index	32.4	53.6	47.7	62.5	52.6	60.0	7.4 ↑	Expand
Production Index	41.2	50.0	44.7	46.4	50.0	52.8	2.8 ↑	Expand
New Orders Index	38.9	40.0	43.2	55.9	47.5	50.0	2.5 ↑	Stable
Export Orders Index	75.0	50.0	75.0	33.3	50.0	50.0	0.0	Stable
Existing Orders Index	33.3	33.3	38.6	41.2	47.5	45.2	-2.3 ↓	Contract
Inventory Index of Finished Products	44.4	46.7	45.5	44.1	57.5	47.6	-9.9 ↓	Contract
Purchase Quantity Index	25.0	37.5	42.3	60.0	45.8	30.8	-15.0 ↓	Contract
Purchase Price Index	70.8	54.2	60.7	62.5	69.2	61.5	-7.7 ↓	Expand
Inventory Index of Main Raw Materials	30.8	34.6	50.0	50.0	57.7	43.3	-14.4 ↓	Contract
Employees Index	44.4	36.7	52.3	55.9	50.0	45.2	-4.8 ↓	Contract
Delivery Time Index	38.9	40.0	45.5	50.0	47.5	54.8	7.3 ↑	Expand
Market Expectation Index	75.0	63.3	63.6	61.8	62.5	76.2	13.7 ↑	Expand

Women nursery worker in Calakmul, Campeche, Mexico. @ Empresa Ejido Nuevo Becal

Nursery in Calakmul, Campeche, Mexico. @ Empresa Ejido Nuevo Becal

Brief on Mexican Timber Industry

Overview of the Mexican Wooden Pallet Trade

Official data show that from 2016 to 2025, the category "wooden pallets, box pallets and other load boards" consistently maintained a trade surplus. In 2022 in particular, foreign trade in this category saw notable growth, with exports rising 61% year-on-year and imports increasing 29% year-on-year. This trend may be attributed to several factors, including the post-pandemic economic recovery, which boosted manufacturing and international trade, thereby driving demand for logistics consumables such as wooden pallets.

Imports

Throughout the period, the United States remained the primary supplier, showing an overall upward trend. From 2016 to 2019, imports from the U.S. grew 41% (USD 7.9 million). A modest 4% increase (USD 1.12 million) was recorded in 2020, followed by relatively stable levels in 2021. From 2022 onward, growth became more pronounced, with a 31% increase (USD 8.8 million). In 2024, the figure reached its peak for the period, with dependence on this supply market rising significantly by 39% (USD 14.5 million).

By contrast, imports from other countries such as Spain, Guatemala, Canada, and Sweden remained consistently low throughout the period, generally staying below USD 3 million.

Exports

Exports of wooden pallets, box pallets and other load boards showed a strong concentration in the U.S. market, which accounted for over 90% of export value from major destinations throughout the 2016–2024 period. In 2024, this market represented approximately 99.6% of exports, totaling USD 82.6 million.

In terms of growth trends, exports to the U.S. increased by about 199% from 2016 to 2024, rising from USD 27.6 million to USD 82.6 million. Although exports in 2023 declined by roughly 28% from 2022 levels, they rebounded by 18% in 2024—underscoring the importance of the U.S. market and the high degree of reliance on this destination.

Information provided by GTI-Mexico Focal Point

Main Challenges Reported by GTI-Mexico Enterprises

- There was a decline in product sales.
- Weather conditions affected production and operations.
- Market demand was unstable and difficult to predict.
- Enterprises had limited sales channels or insufficient channel development.
- Consumer awareness of wood products was low.
- Enterprises faced pricing pressure from competitors.
- There were international trade barriers or tariff issues.

Main Suggestions from GTI-Mexico Enterprises

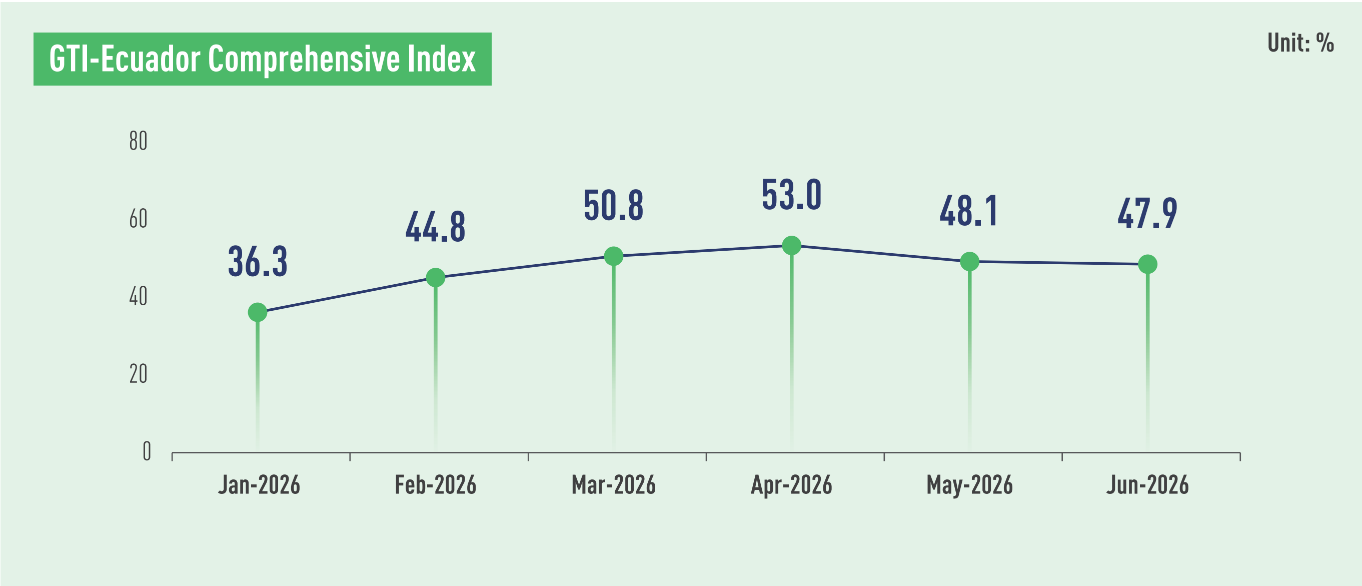
- Improve enterprises' wood processing capacity.
- Adjust policies to reduce imports of wood products.
- Improve road conditions to enhance transport efficiency.
- Secure government subsidies to lower production costs.
- Ensure adequate sales and distribution channels for products.
- Step up marketing efforts and increase the added value of domestic products.

Plant propagation in a nursery. Calakmul, Campeche, Mexico. @ Empresa Ejido Nuevo Becal

Measurement of the dimensions of trees in Calakmul, Campeche, Mexico. @ Empresa Ejido Nuevo Becal

GTI-Ecuador Report

GTI-Ecuador Index in June 2026



In June, widespread heavy rainfall across Ecuador disrupted harvesting and transport operations, injecting uncertainty into the timber supply chain. On the sustainable forest management front, many regions continued to push forward with related initiatives—for example, the Achuar community of Kupatas, with support from the Forests and Farm Facility (FFF) of the Food and Agriculture Organization of the United Nations (FAO), worked to curb deforestation and strengthen local economies through responsible use of forest resources. Recently, Premios Verdes, a sustainable development innovation platform, released its list of the 500 best socio environmental projects in Latin America and the Caribbean for 2026. Among the 21 countries covered, Ecuador ranked second with 102 selected projects. On the foreign trade side, Ecuador is advancing trade agreement negotiations with Morocco and has placed timber as a priority category in the talks.

In June 2026, the GTI-Ecuador index registered 47.9%, a decrease of 0.2 percentage point from the previous month and below the critical value (50%) for two consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Ecuador index shrank from the previous month.

Regarding the twelve sub-indexes, three indexes (export orders, purchase price, and employees) were above the critical value of 50%, four indexes (production, existing orders, purchase quantity, and market expectation) were at the critical value, while the remaining five indexes (harvesting, new orders, inventory of finished products, inventory of main raw materials, and delivery time) were below the value. Compared to the previous month, the indexes for export orders, employees, delivery time, and market expectation increased by 2.7 to 15.6 percentage points, whereas the indexes for harvesting, production, new orders, existing orders, inventory of finished products, purchase quantity, purchase price, and inventory of main raw materials declined by 1.1 to 14.6 percentage points.

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

	2026.01	2026.02	2026.03	2026.04	2026.05	2026.06	MoM	Performance
Comprehensive Index	36.3	44.8	50.8	53.0	48.1	47.9	-0.2 ↓	Contract
Production Index	28.6	50.0	62.5	43.8	50.0	43.8	-6.2 ↓	Contract
New Orders Index	35.7	33.3	75.0	56.3	53.8	50.0	-3.8 ↓	Stable
Export Orders Index	42.9	64.3	37.5	56.3	46.9	45.8	-1.1 ↓	Contract
Existing Orders Index	50.0	70.0	33.3	75.0	55.6	58.3	2.7 ↑	Expand
Inventory Index of Finished Products	50.0	50.0	50.0	56.3	53.1	50.0	-3.1 ↓	Stable
Purchase Quantity Index	28.6	28.6	62.5	31.3	56.3	41.7	-14.6 ↓	Contract
Purchase Price Index	21.4	50.0	75.0	62.5	53.1	50.0	-3.1 ↓	Stable
Import Index	71.4	50.0	75.0	62.5	68.8	62.5	-6.3 ↓	Expand
Inventory Index of Main Raw Materials	21.4	28.6	75.0	56.3	50.0	45.8	-4.2 ↓	Contract
Employees Index	42.9	50.0	37.5	50.0	50.0	54.2	4.2 ↑	Expand
Delivery Time Index	25.0	28.6	25.0	42.9	37.5	41.7	4.2 ↑	Contract
Market Expectation Index	57.1	35.7	62.5	50.0	34.4	50.0	15.6 ↑	Stable

Main Challenges Reported by GTI-Ecuador Enterprises

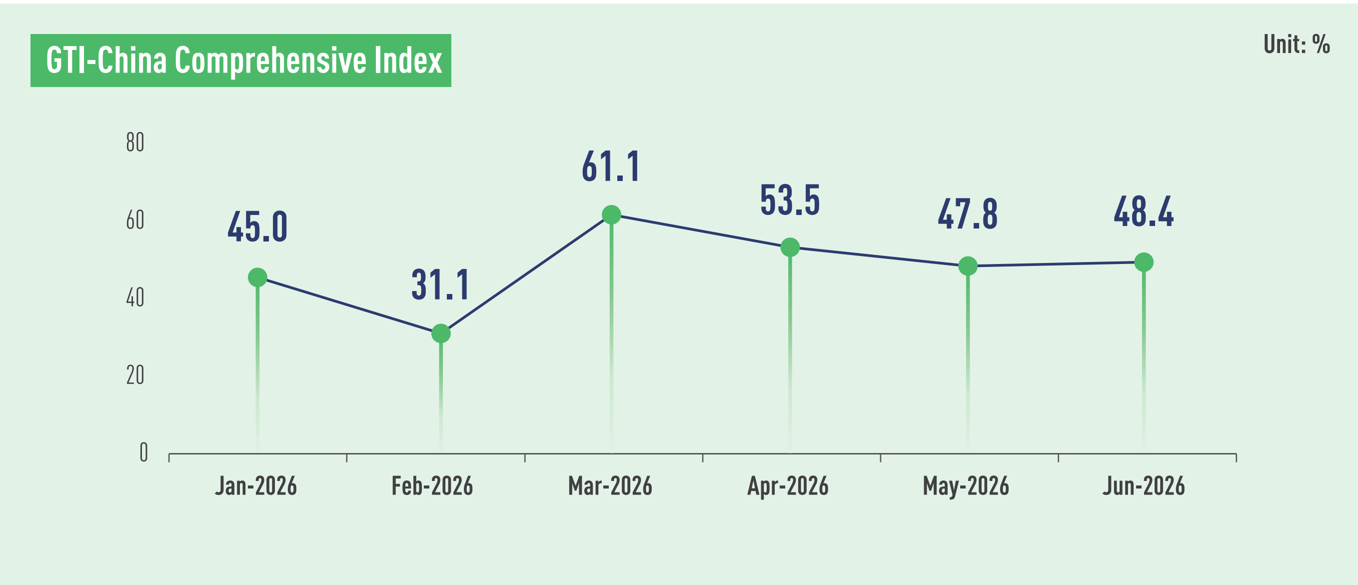
- Transportation costs were high, and there was a shortage of timber.
- Plantations were located far away.
- Although prepayments were made, suppliers still failed to deliver as required.
- Affected by fuel prices, the procurement cost of logs was on an upward trend.
- Rainfall caused reduced income, safety hazards, and fluctuations in fuel prices.

Main Suggestions from GTI-Ecuador Enterprises

- Stabilize fuel prices.
- Reduce production costs.
- Ease mobility controls.
- Introduce afforestation programs with incentive measures.
- Have some available plantation options for harvesting and utilization.
- Simplify the permit issuance process and stabilize fuel prices.

GTI-China Report

GTI-China Index in June 2026



Latest annual report released by China's National Greening Commission revealed that China's total forest stock approached 21 billion cubic meters in 2025, an annual increase of over 1 billion cubic meters, while annual timber output surged nearly 36% compared with 2020, further solidifying the nation's resource base. Chinese customs data show that timber imports in May 2026 totaled around 4.40 million cubic meters, down 11.4% year on year. However, the average import price continued its upward trend, posting a 10.8% increase for the month. Among major timber supplying countries, Thailand stood out as the only one among the top ten sources to register a volume decline (-8.5%) alongside a value gain (+4.3%), while U.S. timber exports to China saw gains in both volume and value, rising 9% and 15.4%, respectively. In June, due to high temperature and rainy weather, China's construction industry was in its traditional off-season, which resulted in limited demand for construction timber.

In June 2026, the GTI-China index registered 48.4%, an increase of 0.6 percentage point from the previous month and below the critical value (50%) for two consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-China index shrank from the previous month.

Regarding the twelve sub-indexes, two indexes (purchase quantity, and market expectation) were above the 50% critical value, two indexes (purchase price, and delivery time) were at the value, while the remaining eight indexes (production, new orders, export orders, existing orders, inventory of finished products, import, inventory of main raw materials, and employees) were below the critical value. Compared to the previous month, the indexes for new orders, purchase price, employees, and market expectation increased by 1.1 to 6.2 percentage points, whereas the indexes for production, export orders, existing orders, inventory of finished products, purchase quantity, import, inventory of main raw materials, and delivery time decreased by 0.3 to 6.7 percentage point(s).

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

	2026.01	2026.02	2026.03	2026.04	2026.05	2026.06	MoM	Performance
Comprehensive Index	45.0	31.1	61.1	53.5	47.8	48.4	0.6 ↑	Contract
Production Index	44.9	21.2	65.5	57.6	49.3	49.0	-0.3 ↓	Contract
New Orders Index	43.5	23.6	65.0	54.0	43.5	48.1	4.6 ↑	Contract
Export Orders Index	44.9	40.1	54.9	53.1	49.3	46.2	-3.1 ↓	Contract
Existing Orders Index	47.8	30.2	62.1	52.2	46.4	45.2	-1.2 ↓	Contract
Inventory Index of Finished Products	48.2	40.6	54.9	52.7	51.8	49.5	-2.3 ↓	Contract
Purchase Quantity Index	52.9	37.7	67.0	56.7	52.9	51.0	-1.9 ↓	Expand
Purchase Price Index	56.2	52.4	73.8	70.1	47.1	50.0	2.9 ↑	Stable
Import Index	48.2	43.4	53.4	49.1	54.0	47.6	-6.4 ↓	Contract
Inventory Index of Main Raw Materials	49.6	48.1	55.8	49.6	51.4	44.7	-6.7 ↓	Contract
Employees Index	45.3	39.2	56.8	50.9	47.5	48.6	1.1 ↑	Contract
Delivery Time Index	44.9	40.6	55.3	51.8	51.8	50.0	-1.8 ↓	Stable
Market Expectation Index	40.6	59.9	68.4	58.5	48.6	54.8	6.2 ↑	Expand

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 product prices.

Main Suggestions from GTI-China Enterprises

- Break through homogenized competition.
- Broaden financing channels.
- Need government 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.

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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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