GTI-WOODBASED PANEL (GTI-WBP) REPORT

MONTHLY

GGSC-No.07/2026

Tracking and monitoring the global woodbased panel market trend.

ITTO INTERNATIONAL TROPICAL TIMBER ORGANIZATION

全球林产品绿色供应链倡议 GLOBAL GREEN SUPPLY CHAINS INITIATIVE

The pilot countries for the GTI-WBP index include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico, Ecuador, and China. In 2024, the total production of woodbased panel in the ten countries mentioned above was 218 million cubic meters, accounting for **52.3%** of the total global production volume of woodbased panel.

Introduction to the GTI-Woodbased Panel

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

Calculation Method

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

GTI-WBP index contains diffusion index and comprehensive index.

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

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

Interpretation

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

Survey Method

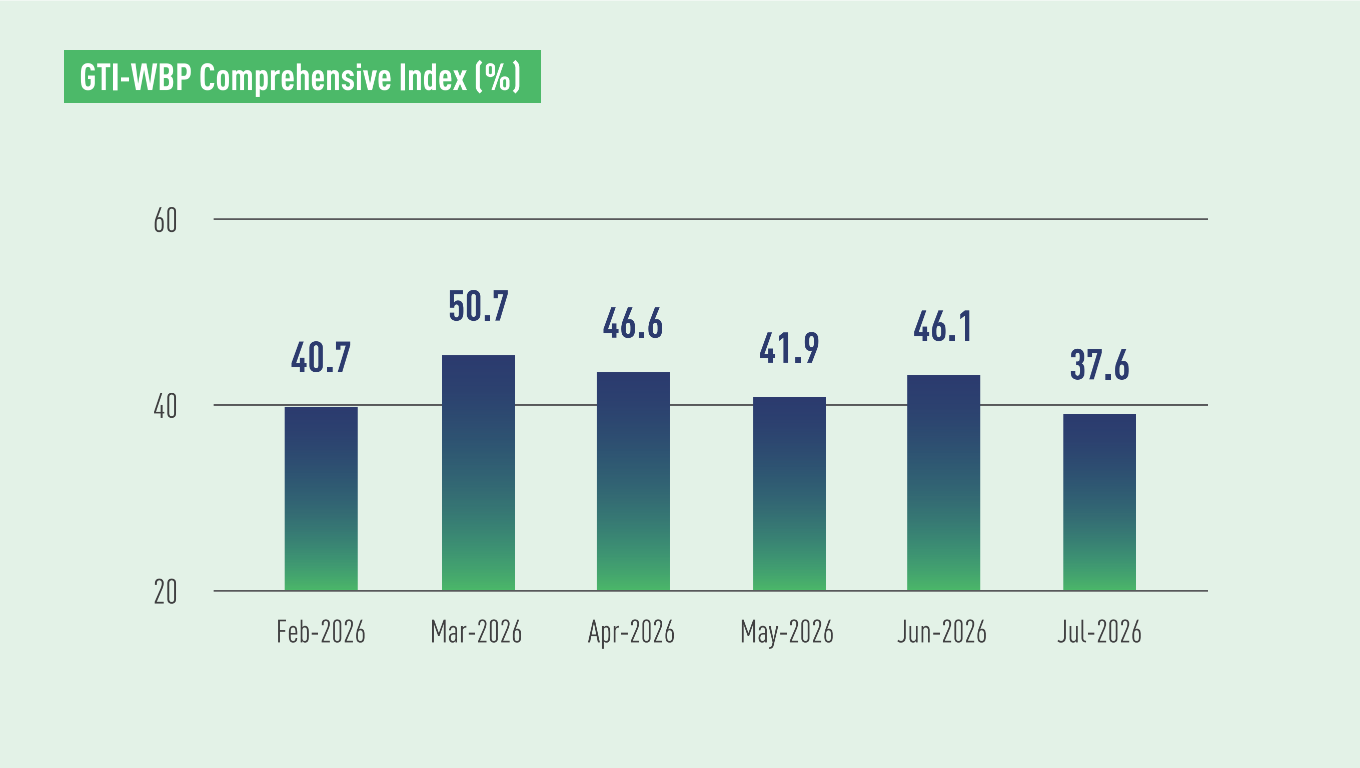
With the support of The International Tropical Timber Organization (ITTO), the GTI platform has set up focal points in pilot countries, including timber producing and consuming countries.

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

Index Representativeness

The pilot countries for the GTI-WBP index include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico, Ecuador and China. In 2024, the total production of woodbased panel in the ten countries mentioned above was 218 million cubic meters, accounting for 52.3% of the total global production volume of woodbased panel.

GTI-Woodbased Panel Index in July 2026



In July 2026, the GTI-Woodbased Panel (GTI-WBP) Index registered 37.6%, a decrease of 8.5 percentage points from the previous month and below the critical value (50%) for four consecutive months, indicating that in the pilot countries, the overall business prosperity of wood-based panel industry represented by the index shrank from the previous month.

On the demand side, overall market demand for wood-based panels weakened notably this month. The new orders index came in at 34.1%, plunging 11.6 percentage points from the previous month. The export orders index stood at 39.0%, down 3.9 percentage points, while the existing orders index registered 44.3%, ticking up 2.9 percentage points month on month yet remaining in contraction territory.

On the supply side, the production index recorded 39.3%, marking its fourth consecutive month below the 50% critical value and falling 5.2 percentage points from the previous month—a clear sign that overall capacity continued to shrink. Affected by both weak demand and cost pressures, most manufacturers maintained a cautious production strategy, with some forced to lower operating rates. Meanwhile, the inventory index of finished products came in at 53.4%, up 1.7 percentage points from the previous month and remaining above the 50% critical value for three consecutive months. This indicates that the WBP market was oversupplied this month, with the pressure of inventory backlog continuing to intensify.

On the price front, the purchase price index for raw materials registered 59.2%, staying above the critical value for several consecutive months, suggesting that prices for logs and other related raw materials continue to trend upward, keeping production costs persistently high. Environmental concerns also compounded raw material cost pressures for some manufacturers. In China, for instance, a growing number of manufacturers are switching to formaldehyde-free or low-formaldehyde eco-friendly adhesives, which cost three to four times as much as traditional adhesives, directly lifting unit production costs. While raw material prices rose, many WBP manufacturers grappled with high energy prices and logistics expenses, prompting the manufacturers in some countries to collectively raise ex-factory prices.

Main updates related to the wood-based panel market include: According to industry monitoring data from the Development Planning Institute of China's National Forestry and Grassland Administration, in the first half of 2026, China's plywood and fiberboard industries saw a slight decline in the number of enterprises while total production capacity remained broadly stable; the particleboard industry, by contrast, experienced a slight drop in the number of enterprises and a slowdown in total production capacity growth. The GTI-Indonesia Focal Point reported that in July, demand from Asian markets continued to provide relatively stable support for Indonesian plywood export activities, while the U.S. market remained subject to uncertainty related to trade policy measures affecting Indonesian plywood. In other news, Brazil's tropical plywood exports in June rose 40.0% in volume to 4,200 m^3, and increased 47.0% in value to US$2.5 million.

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

	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026	MoM	Performance
Comprehensive Index	40.7	50.7	46.6	41.9	46.1	37.6	-8.5 ↓	Contract
Production Index	37.7	52.7	47.3	39.1	44.5	39.3	-5.2 ↓	Contract
New Orders Index	39.1	53.5	49.2	40.6	45.7	34.1	-11.6 ↓	Contract
Export Orders Index	35.6	44.7	45.5	39.6	42.9	39.0	-3.9 ↓	Contract
Existing Orders Index	35.9	47.4	43.2	38.9	41.4	44.3	2.9 ↑	Contract
Inventory Index of Finished Products	46.1	41.2	45.8	55.6	51.7	53.4	1.7 ↑	Expand
Purchase Quantity Index	36.4	49.0	46.3	43.5	42.7	39.7	-3.0 ↓	Contract
Purchase Price Index	51.7	64.4	70.2	62.1	56.5	59.2	2.7 ↑	Expand
Inventory Index of Main Raw Materials	44.3	43.6	40.6	47.1	50.0	39.3	-10.7 ↓	Contract
Employees Index	39.8	46.5	45.8	45.0	45.7	43.2	-2.5 ↓	Contract
Delivery Time Index	47.6	51.9	45.6	41.6	47.3	33.3	-14.0 ↓	Contract
Market Expectation Index	48.4	57.0	45.4	44.4	49.1	53.4	4.3 ↑	Expand

Main Challenges Reported by GTI-WBP Enterprises

- There was a shortage of timber suppliers. (Ecuador)
- Raw material reserves were insufficient. (Thailand)
- Product price competition was fierce. (China)
- Market prices of exported products declined. (Brazil)
- Diesel was in short supply and inadequately available. (Republic of the Congo)
- Tariffs were high, and enterprises' export orders decreased. (Ghana)
- Enterprises faced price pressure from competitors. (Mexico)
- Fuel prices rose, and export tariffs remained high. (Gabon)
- The import volume of plywood into the Sarawak market was large, the global building markets remained weak, and the situation in the Middle East caused tight vessel space. (Malaysia)
- There was a possibility of anti-dumping/anti-subsidy tariffs that burden Indonesian industry players, causing exports of plywood products to the United States to decline. (Indonesia)

Main Suggestions from GTI-WBP Enterprises

- Promote market diversification. (Brazil)
- Introduce trade stimulus policies. (Ghana)
- Increase diesel supply and stabilize prices. (Republic of the Congo)
- Slow down production in response to market demand. (Malaysia)
- Reduce product imports through policy measures. (Mexico)
- Explore international markets to increase order volumes. (China)
- Seek suppliers with relevant environmental permits. (Ecuador)
- Support the planting of fast-growing tree species to meet industry production needs. (Thailand)
- Lower diesel prices and tariffs. (Gabon)
- Make efforts to explore new markets and promote the sales of plywood products. (Indonesia)

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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.

About GGSC

Global Green Supply Chains Initiative (GGSC) is part of the Legal and Sustainable Supply Chains (LSSC) Programme, which was approved at the 53rd session of the International Tropical Timber Council for being included into the Biennial Work Programme (BWP) of International Tropical Timber Organization (ITTO). Launched in 2018 by leading Chinese enterprises in forest products industry, GGSC became an international initiative in 2019. Since then, GGSC has been acting as a global platform for serving the sustainable development of the forest products industry.

Declaration

GTI-WBP report is compiled based on the data provided by the woodbased panel enterprises in the pilot countries. The data can not be used in investment decision-making, but can help to understand the timber industry trend.

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