ITTO
INTERNATIONAL TROPICAL TIMBER ORGANIZATION

GGSC

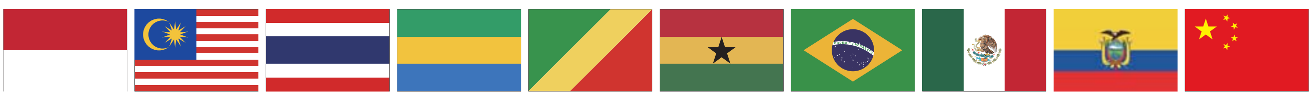
This report was prepared by GGSC, with support of ITTO and IPIM, and Focal Points of Indonesia, Malaysia, Thailand, Gabon, Republic of Congo, Ghana, Brazil, Mexico, Ecuador and China.

GTI REPORT 2026

Global Timber Index

MONTHLY

GGSC-No. 07/2026



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

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Mexico

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Brazil

- STCP Engenharia de Projetos Ltda

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GTI REPORT 2026
JULY

GLSTF

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
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招商投資促進局
Instituto de Promoção do Comércio e do Investimento
Commerce and Investment Promotion Institute

Organizer

GGSC

Curitiba, Paraná, Brazil

Strengthening Sustainable Timber Supply Chains through Quality Assurance, Certification, and Industry Coordination in Brazil

Best Practice

Summary of Best Practice

The Brazilian Mechanically Processed Timber Industry Association (ABIMCI) implements an integrated approach to strengthen sustainability, quality, market access, and competitiveness across Brazil's timber value chain. Representing the mechanically processed wood products sector, ABIMCI promotes responsible production through industry coordination, technical support, certification, standardization, and quality improvement.

A key component is the National Wood Quality Program (PNQM), operating for over 20 years. The program supports companies in implementing quality management systems that monitor the entire production process from raw material to shipment. Through independent audits, technical assistance, and continuous monitoring, PNQM helps reduce waste, increase productivity, improve efficiency, and ensure compliance with technical standards, serving as a foundation for companies seeking international market access.

ABIMCI facilitates access to demanding global markets by managing certification processes, including CE Marking for the European Union and UKCA Marking for the United Kingdom. In partnership with accredited certification bodies, the association provides technical guidance and process management, helping manufacturers demonstrate compliance with international technical requirements and strengthening confidence in product legality, quality, and traceability.

Additionally, ABIMCI coordinates sectoral quality programs, such as the Wood Doors Quality Program (PSQ-PME) and the Film-Faced Plywood Quality Program. These initiatives promote compliance with national standards, harmonize production practices, and create a level playing field among manufacturers, contributing to product reliability, consumer protection, and market transparency.

The initiative generates measurable impacts across three dimensions:

Economic

Participating companies benefit from improved productivity, reduced production losses, greater competitiveness, and expanded market access.

Environmental

Quality management and certification encourage efficient use of forest resources, reduce waste, and promote responsible sourcing.

Social

The programs strengthen technical capacity, support employment in the forest sector, and increase consumer confidence.

This approach offers high replicability. The model combines industry leadership, technical standardization, independent auditing, certification support, and continuous improvement mechanisms that can be adapted by industry associations and forestry sectors worldwide. By creating practical pathways for compliance, ABIMCI demonstrates how sector-wide coordination contributes to responsible forest product supply chains and sustainable economic development.

What makes it Best Practice?

It is Best Practice because it combines industry leadership with technical standardization and independent auditing to harmonize production practices. This model successfully expands global market access while delivering measurable economic, environmental, and social impacts across the timber value chain.

The best practice above has been provided by ABIMCI (Brazilian Mechanically Processed Timber Industry Association). We also appreciate the support from STCP Engenharia de Projetos Ltda (GTI focal point in Brazil), for their contribution to the GTI Platform. For further information on this best practice, please contact Paulo Pupo at abimci@abimci.com.br.

Greater Accra and Central Regions, Ghana

Wood Waste-to-Energy plus Plantation Integration for Sustainability and Green Growth –The Case of West Coast Wooden Products Ghana Limited

Best Practice

FACILITY PROFILE

West Coast Wooden Products Ghana Limited operates sawmilling and plymilling facilities located at Afienya and Twifo Hemang in the Greater Accra and Central Regions of Ghana respectively. It employs about 1,500 workers across both sites, with capacity to scale to 5,000 if raw material supply improves.

The Company produces lumber and panel wooden products including Veneer Plywood, Film-face Paper Plywood, Melamine Paper Plywood and Commercial plywood.

KEY INNOVATIONS DRIVING SUSTAINABILITY AND GREEN GROWTH

I. Plantation Forestry for Raw Material Security

Raw material scarcity is the main constraint limiting the Facility to a one-shift instead of a 24-hour, three-shift cycle. To address this gap, the company is being supported by the Forestry Commission to establish dedicated plantations on degraded forest lands to reduce dependence on dwindling natural forests and to ensures a self-sufficient, renewable supply of timber.

This innovative approach of establishing plantations also aligns with Ghana's Forest Plantation Strategy 2016-2040 objectives and Green Growth agenda, whilst contributing to carbon sequestration and land restoration.

II.Waste-to-Energy Systems

West Coast Wooden Products has innovated by utilizing wood waste to generate energy, reducing dependency on expensive grid power and diesel. Instead of disposing of sawdust, offcuts, and veneer trimmings, these residues are processed into wood pellets and used as eco-friendly fuel to power on-site boilers, dryers, and presses in the plywood production line.

This circular approach reduces environmental pollution, lowers operational costs, and enhances energy independence.

III.Compliance with International Legality Standards

The company was among the first in Ghana to export under the Forest Law Enforcement, Governance and Trade (FLEGT) licensing regime in October 2025, shipping legally verified timber to the EU market.

This signifies that, prior to product export, the Company satisfies all legality, traceability and sustainability requirements under Ghana's Timber Legality Assurance System (TLAS), which provides an accountability chain of custody from the tree stump site to export/domestic market.

Compliance with FLEGT and EU Deforestation Regulation standards also positions the company as a trusted supplier in international markets.

SOCIAL AND ECONOMIC IMPACTS

With plans to expand its workforce to 5,000 and diversify its product lines, the Facility has positioned itself as a major contributor to job creation and local economic development. Diversification into engineered wood products, cabinetry, furniture manufacturing as well as interior and exterior wood furnishings, enhances value addition and profitability.

The Company further intend to institutionalize apprenticeship and skills training programmes aimed at enhancing employability and creating sustainable livelihoods.

Meanwhile, the infrastructure to support these expansions is already under development including a 500-bed capacity hostel facility, and installation of new production machineries.

CONCLUSION AND REPLICABILITY

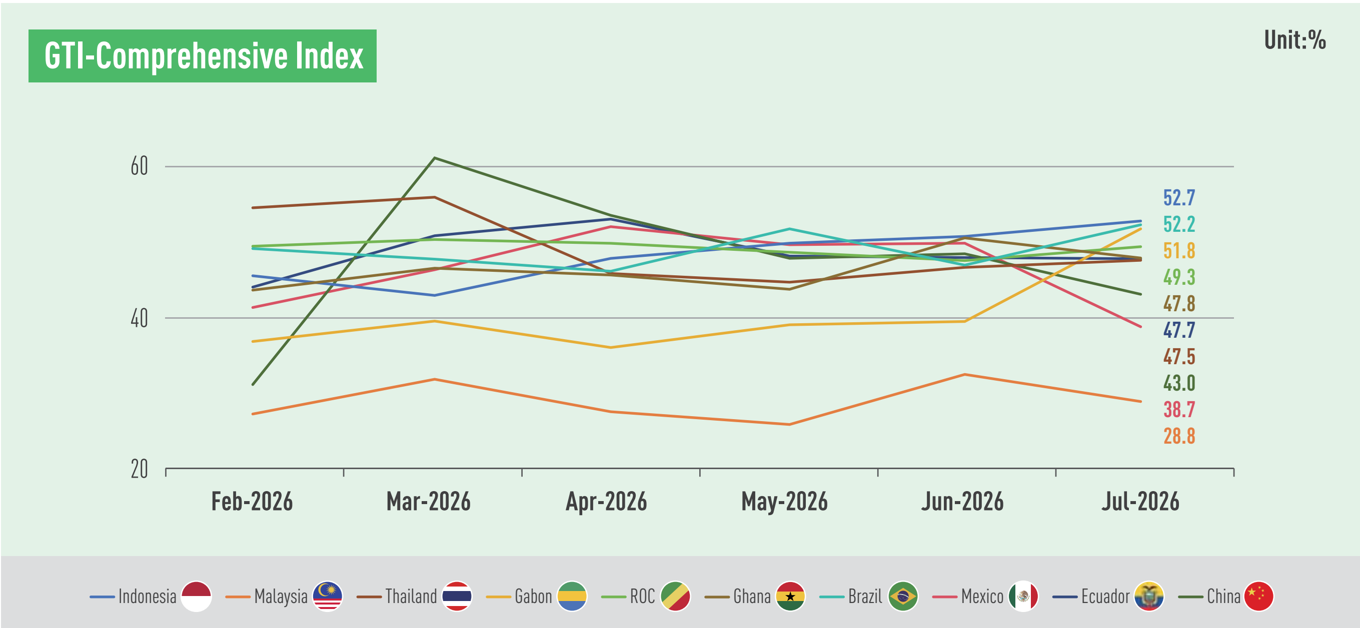
West Coast Wooden Products Limited exemplifies how Ghana's timber industry can innovate for sustainability and green growth through plantation forestry, waste-to-energy systems, and compliance with FLEGT standards, reinforcing Ghana's reputation as a responsible timber exporter.

Factory premises of West Coast Wooden Products Ghana Limited, Ghana. © Michael Ofosu

The best practice above has been provided by West Coast Wooden Products Ghana Limited. We also appreciate the support from Forestry Commission of Ghana (GTI focal point in Ghana), for their contribution to the GTI Platform. For further information on this best practice, please contact Michael Ofosu at michaelofosufc@gmail.com.

Overview of the GTI Index

Timber sector shows partial recovery and resilience in Asia, Africa and Latin America



The Global Timber Index (GTI) Report for July 2026 revealed that among the ten GTI pilot countries, three countries—Indonesia (52.7%), Brazil (52.2%), and Gabon (51.8%)—registered GTI readings above the 50% critical value, indicating a slight overall expansion in their timber sectors compared to the previous month. The other seven countries were in contraction territory: the Republic of the Congo (49.3%) posted readings close to the critical value, indicating slight contraction; Ghana (47.8%), Ecuador (47.7%), Thailand (47.5%), and China (43.0%) showed moderate contraction; and Mexico (38.7%) and Malaysia (28.8%) recorded low readings, reflecting a significant downturn in their timber sectors.

Sub-indices revealed that Brazil's harvesting volume increased month-on-month, while Indonesia's harvesting activities remained stable over the past three months. Overall performance on the production side was positive: production volume rose in Indonesia, Thailand, Gabon, and Brazil this month, and Ecuador's production volume, after three consecutive months of growth, held steady over the past two months. On the demand side, new orders for both Indonesia and Brazil grew for the third consecutive month, while the orders for Gabon and the Republic of the Congo stabilized after earlier declines.

GTI pilot countries continued to advance work on plantation development and securing timber raw material supply. Ecuador currently has approximately 172,000 hectares of commercial plantations, supplying the domestic market as well as export markets such as China, the United States, Peru, Colombia, and India. Brazil is actively expanding its planted forest area and has about 40 million hectares of degraded land suitable for productive restoration, providing room to increase supplies of renewable timber.

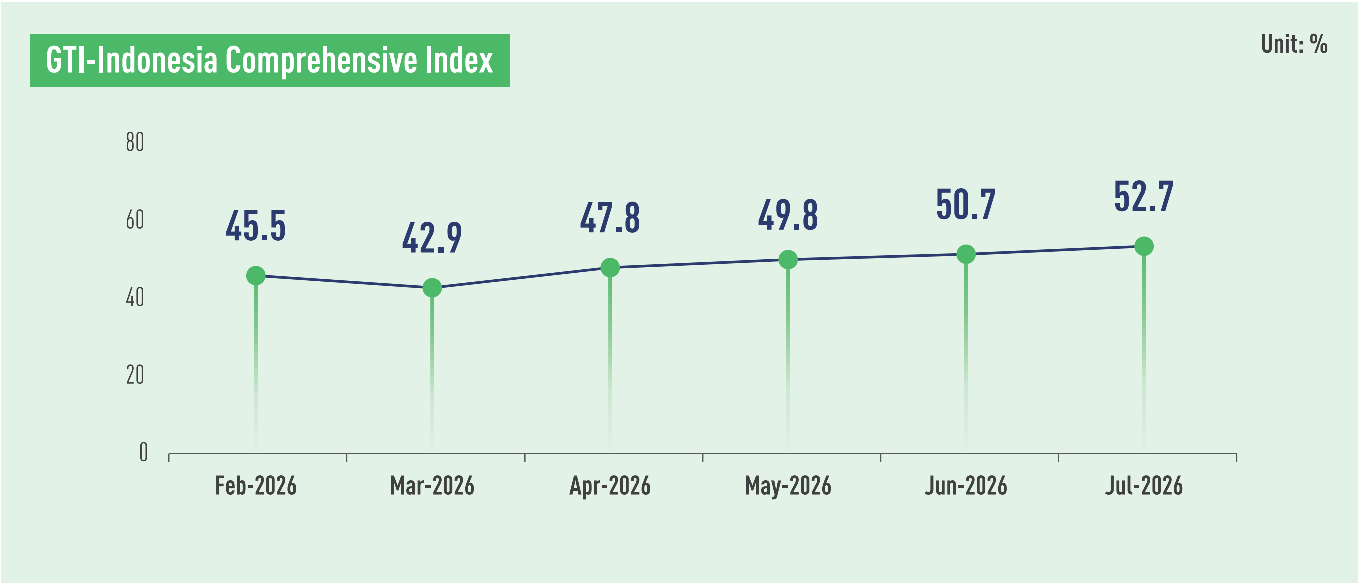
At the same time, some countries have strengthened government-enterprise collaboration to accelerate expansion into international markets. For example, the Malaysian government has used a digital trade platform to help the furniture industry expand into international markets; the Indonesian government aims to open new market access for furniture products through various international trade agreements. In response to U.S. tariff barriers, Brazil's furniture industry has strengthened its market diversification strategy, achieving growth in furniture exports to several Latin American markets.

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 July 2026



At the 21st ASEAN Working Group on Forest Management (AWG-FM) meeting, Indonesia's Ministry of Forestry stated that its national forest area covers approximately 123.9 million hectares, with approximately 67 million hectares of it being sustainably managed production forests. Currently, Indonesia has approximately 500 forest utilization business permits (PBPH). The Ministry of Forestry is strengthening forest utilization licensing governance by amending Ministerial Regulation No. 8 of 2021, aiming to ensure that forest resources are managed both efficiently and sustainably. On the market front, on July 13, the Director of Manufacturing Product Export Development at the National Export Development Directorate General of Indonesia's Ministry of Trade stated that by enhancing designs, utilizing local raw materials, expanding market access via trade agreements, and protecting domestic industry, Indonesia could achieve its target of USD 6 billion in furniture exports by 2030. In the medium-density fiberboard (MDF) industry, market demand growth was constrained by conflicts in the Middle East and a slowdown in demand from Japan. On July 6, the Indonesian government officially launched the Indonesia Forestry Carbon Hub, marking a strategic step by the government to strengthen transparent, accountable, and integrated carbon trading governance, while also supporting Indonesia's FOLU Net Sink 2030 target.

In July 2026, the GTI-Indonesia index registered 52.7%, above the critical value (50%) for two consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Indonesia index expanded from the previous month.

Regarding the twelve sub-indexes, four indexes (production, new orders, delivery time, and market expectation) were above the critical value of 50%, two indexes (harvesting, and purchase price) were 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 employees) were below the value. Compared to the previous month, the indexes for production, new orders, export orders, purchase quantity, inventory of main raw materials, employees, and market expectation increased by 0.8 to 4.2 percentage point(s); the index for purchase price was unchanged from the previous month; and the indexes for harvesting, existing orders, inventory of finished products, and delivery time declined by 0.7 to 6.9 percentage point(s).

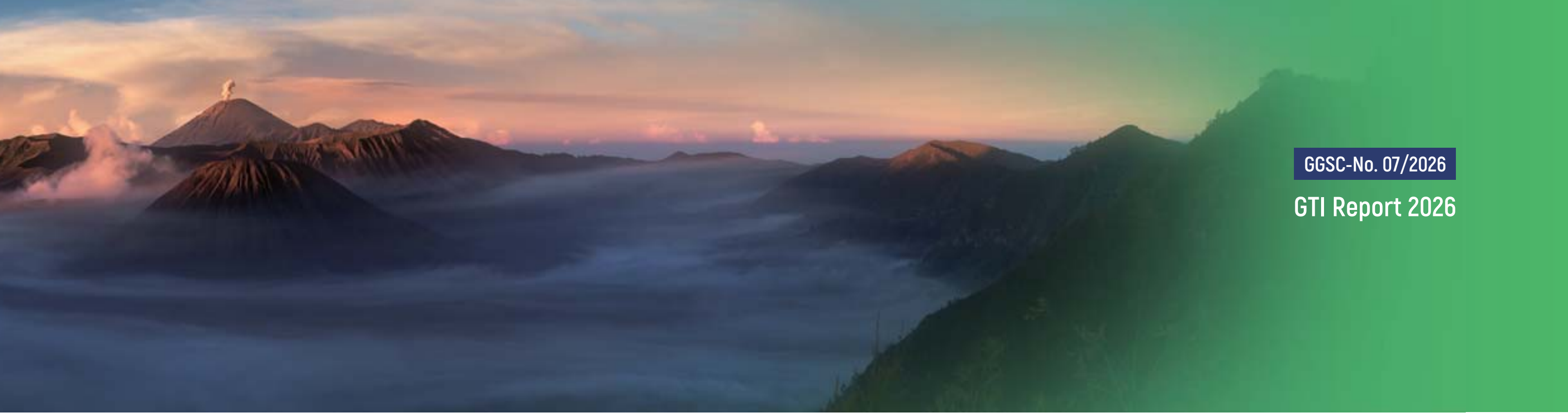


Table: Overview of GTI-Indonesia Sub-Indexes (%)

	2026.02	2026.03	2026.04	2026.05	2026.06	2026.07	MoM	Performance
Comprehensive Index	45.5	42.9	47.8	49.8	50.7	52.7	2.0 ↑	Expand
Harvesting Index	45.7	52.3	47.9	50.0	52.2	50.0	-2.2 ↓	Stable
Production Index	33.3	31.3	50.0	50.0	55.6	59.1	3.5 ↑	Expand
New Orders Index	50.0	48.4	48.4	51.7	51.7	52.9	1.2 ↑	Expand
Export Orders Index	54.5	44.4	38.9	38.9	45.0	46.2	1.2 ↑	Contract
Existing Orders Index	42.4	40.3	45.3	41.4	43.3	40.0	-3.3 ↓	Contract
Inventory Index of Finished Products	42.4	38.7	42.2	44.8	48.3	41.4	-6.9 ↓	Contract
Purchase Quantity Index	44.4	40.0	36.4	31.3	37.5	40.9	3.4 ↑	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	43.8	45.0	45.0	45.0	45.8	0.8 ↑	Contract
Employees Index	47.0	43.5	42.2	44.8	43.3	47.1	3.8 ↑	Contract
Delivery Time Index	51.7	50.0	52.1	55.3	54.5	53.8	-0.7 ↓	Expand
Market Expectation Index	65.2	64.0	60.9	54.2	55.8	60.0	4.2 ↑	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

Overview of Indonesia's Forestry Industry – July 2026

Indonesia's forestry industry remained relatively stable in July 2026, with signs of improvement in several operational aspects. Production activities in both the upstream and downstream sectors continued to run steadily, supported by relatively adequate raw material availability. However, the recovery in export demand remained gradual and uneven across markets, while industry players continued to face pressure from relatively high operating and logistics costs, as well as ongoing uncertainties in the global economic and trade environment.

In the upstream sector, timber supply and raw material production generally remained sufficient to support downstream processing activities. Natural forest production remained relatively stable and continued to serve industries requiring higher-quality and higher-value timber. Plantation forest production remained an important source of raw materials for the pulp, paper, and wood panel industries. Community forests also continued to contribute to raw material supply, particularly for small and medium-sized processing industries and the domestic market. Nevertheless, harvesting efficiency, transportation, and distribution remained areas of concern due to relatively high operating and logistics costs.

The plywood industry remained an important contributor to Indonesia's forest-product exports. Demand from Asian markets continued to provide relatively stable support for export activities, while the U.S. market remained subject to uncertainty related to trade policy measures affecting Indonesian plywood. In July 2026, the U.S. Department of Commerce issued final affirmative determinations on antidumping (AD) and countervailing duty (CVD) investigations concerning hardwood and decorative plywood from Indonesia. The process, however, remained subject to a final injury determination by the U.S. International Trade Commission (USITC). This development increased caution among importers and added uncertainty to the market outlook. Consequently, market diversification and higher-value-added products are becoming increasingly important for Indonesian plywood producers.

The pulp and paper industry maintained relatively stable performance, supported by adequate raw material supplies from plantation forests. Production continuity remained well maintained, although export competition remained strong, particularly in Asian markets. Industry players continued to focus on improving operational efficiency, product quality, and product differentiation to maintain competitiveness.

The furniture industry demonstrated relatively strong resilience compared with several other subsectors. Demand for higher-value-added products, customized designs, and products meeting legality and sustainability requirements continued to provide opportunities in North American and European markets. Nevertheless, demand growth remained moderate as buyers continued to adopt cautious purchasing strategies amid global economic uncertainties.

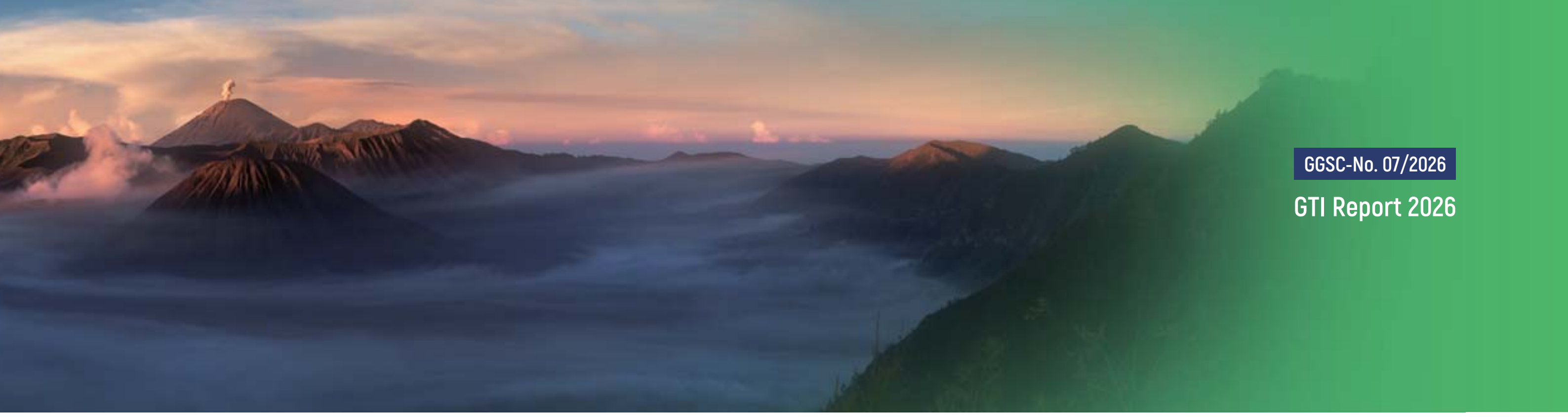
The woodworking products segment also maintained relatively stable performance. Demand for mouldings, engineered wood, building components, and other processed wood products continued to be supported by regional markets. However, manufacturers remained cautious about expanding production capacity as the recovery in global demand remained uneven.

Overall, the outlook for Indonesia's forestry industry for the second half of 2026 and the coming months remains cautiously positive. Adequate raw material availability and relatively stable production provide a solid foundation for the industry, while further improvement will depend on the recovery of export demand, market diversification, logistics cost management, and increased value addition. Strengthening domestic demand and developing alternative export markets will therefore remain important for maintaining the resilience and competitiveness of Indonesia's forestry industry.

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



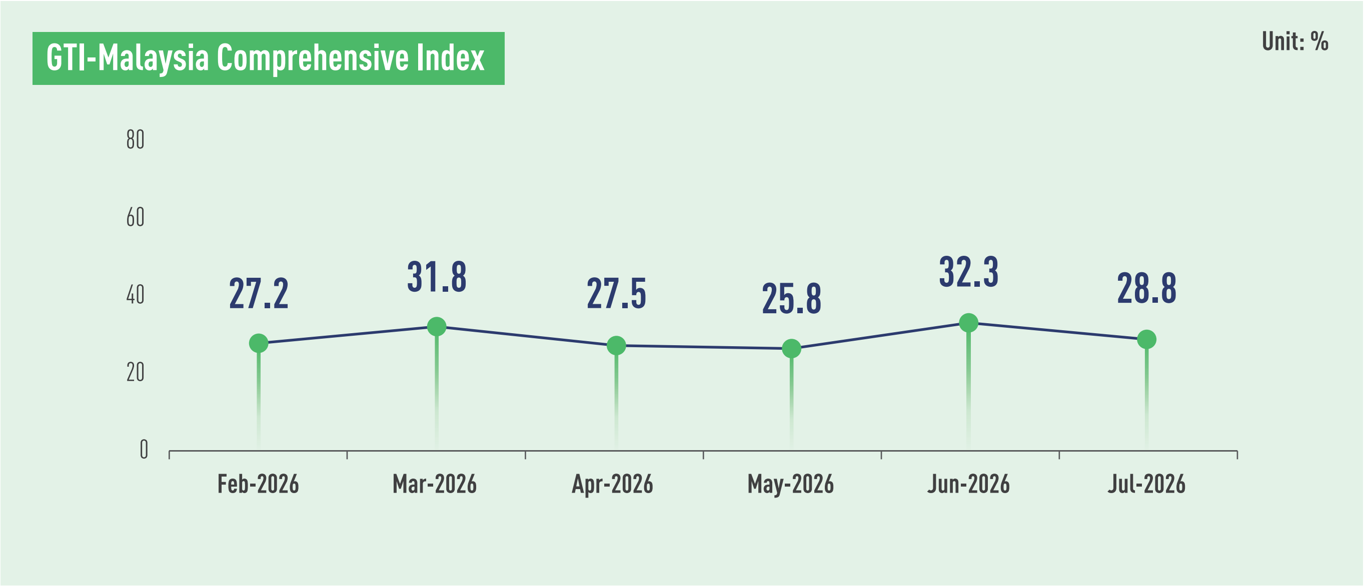
Main Challenges Reported by GTI-Indonesia Enterprises

- Heavy equipment was damaged during logging operations.
- Export product prices showed a downward trend.
- There were social issues related to tenure.
- Rainfall was high, and timber transport distances were long.
- There was a shortage of wood raw materials in the Surabaya area and its surroundings.
- The prices of the main raw materials used by enterprises in the wood processing industry did not decline.
- Due to the aging of many workers, production efficiency declined, and overseas markets were sluggish.
- Log prices were low, and at the same time, transport costs were high due to rising fuel prices, longer transport distances, and heavy rainfall.
- There is a possibility of anti-dumping/anti-subsidy tariffs that burden Indonesian industry players, causing exports of plywood products to the United States to decline.
- Export of processed wood was difficult, which reduced demand for raw materials. The regional policy that prohibits logs from being taken out of the province limited the market.
- Owing to high market demand but limited supply, some raw materials experienced shortages and price increases, especially for keruing and bangkirai types. For meranti, demand was sluggish, and available raw materials were limited.
- There was a lack of supporting infrastructure for timber transport.

Main Suggestions from GTI-Indonesia Enterprises

- Carry out regular maintenance on damaged heavy equipment.
- Optimize logging activities when it's not raining.
- Introduce government incentive policies on fuel prices for the industry.
- Make efforts to explore new markets and promote the marketing of plywood products.
- It is necessary to look for new markets for wood products from Indonesia to other countries.
- Address labor fluctuations by implementing shift systems and maintaining backup personnel.
- Government policy support is needed, including encouraging the exploration of new markets for Indonesian wood products, so as to increase wood prices.
- Need immediate and firm intervention from the government regarding social and tenure issues regulations to ensure business.
- It should be possible to open up the export policy of sawn timber or expand the sections in various types of trees, especially those naturally growing in the eastern region of Indonesia.
- Revise regulations concerning the export of forestry products, especially provisions regarding cross-sectional area, so as to support the sustainability of the upstream and downstream sectors.
- Seize market opportunities in line with market needs, including but not limited to: diversifying the types of products required by the market, 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 July 2026



Amid a confluence of factors, including geopolitical tensions, domestic timber supply shortages and others, Malaysia's timber and furniture sectors are grappling with challenges such as slowing global demand and rising domestic operating costs. In response, the Malaysian Furniture Council called on the government to review the proposed 4:1 local-to-foreign worker ratio, arguing that it's not practical for the furniture sector. The Deputy Minister of Investment, Trade and Industry announced that the Government has, in principle, approved several strategic measures for the furniture sector, including inviting Malaysian furniture companies to participate in the MADANI Digital Trade Platform to facilitate international market expansion; establishing a Furniture Industry Hub within the Muar Furniture Industrial Park; and forming a special task force to address unfair competition from imported products and illegal business activities. In other news, the Ministry of Natural Resources and Environmental Sustainability revealed that it is drafting the National Climate Change Bill and, under the national REDD+ (Reducing Emissions from Deforestation and Forest Degradation) implementation strategy, is developing a REDD+ financial framework comprising two main instruments: Forest Conservation Certificates (FCC) and Forest Carbon Offset Credits (FCO). On the forest conservation front, Sarawak has planted more than 57 million trees through the Malaysia Greening Programme and the Greening Sarawak Campaign, the highest number recorded among all states in the country.

In July 2026, the GTI-Malaysia index registered 28.8%, a decrease of 3.5 percentage points from the previous month, 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, two indexes (purchase price, and inventory of finished products) were above the critical value of 50%, while the remaining ten indexes were all below the critical value. Compared to the previous month, the indexes for harvesting, inventory of finished products, purchase quantity, inventory of main raw materials, and delivery time increased by 2.8 to 9.5 percentage points, whereas the indexes for production, new orders, export orders, existing orders, purchase price, employees, and market expectation declined by 0.5 to 10.9 percentage point(s).

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

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

	2026.02	2026.03	2026.04	2026.05	2026.06	2026.07	MoM	Performance
Comprehensive Index	27.2	31.8	27.5	25.8	32.3	28.8	-3.5 ↓	Contract
Harvesting Index	38.9	38.9	31.3	30.0	25.0	31.3	6.3 ↑	Contract
Production Index	30.0	38.9	31.3	20.0	27.8	25.0	-2.8 ↓	Contract
New Orders Index	20.8	31.8	30.0	29.2	40.9	30.0	-10.9 ↓	Contract
Export Orders Index	25.0	33.3	27.8	20.0	33.3	27.8	-5.5 ↓	Contract
Existing Orders Index	29.2	36.4	40.0	33.3	27.3	20.0	-7.3 ↓	Contract
Inventory Index of Finished Products	54.2	54.5	50.0	54.2	45.5	55.0	9.5 ↑	Expand
Purchase Quantity Index	27.3	25.0	33.3	31.8	30.0	38.9	8.9 ↑	Contract
Purchase Price Index	45.5	45.0	61.1	59.1	65.0	55.6	-9.4 ↓	Expand
Inventory Index of Main Raw Materials	36.4	35.0	33.3	36.4	30.0	33.3	3.3 ↑	Contract
Employees Index	25.0	22.7	20.0	25.0	31.8	30.0	-1.8 ↓	Contract
Delivery Time Index	31.8	30.0	22.2	22.7	25.0	27.8	2.8 ↑	Contract
Market Expectation Index	41.7	40.9	45.0	45.8	45.5	45.0	-0.5 ↓	Contract

Main Challenges Reported by GTI-Malaysia Enterprises

- The company's orders decreased.
- Market demand was insufficient.
- There was a shortage of raw materials.
- Costs for freight to the United States were high.
- Glue prices rose, and diesel costs were high.
- 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.
- The export market remained weak while manufacturing costs continued to stay high due to increasing raw material, fuel and logistics costs. In addition, the depreciation of buyers' local currencies had weakened their purchasing power, making it difficult to increase selling prices and putting pressure on profit margins.

Main Suggestions from GTI-Malaysia Enterprises

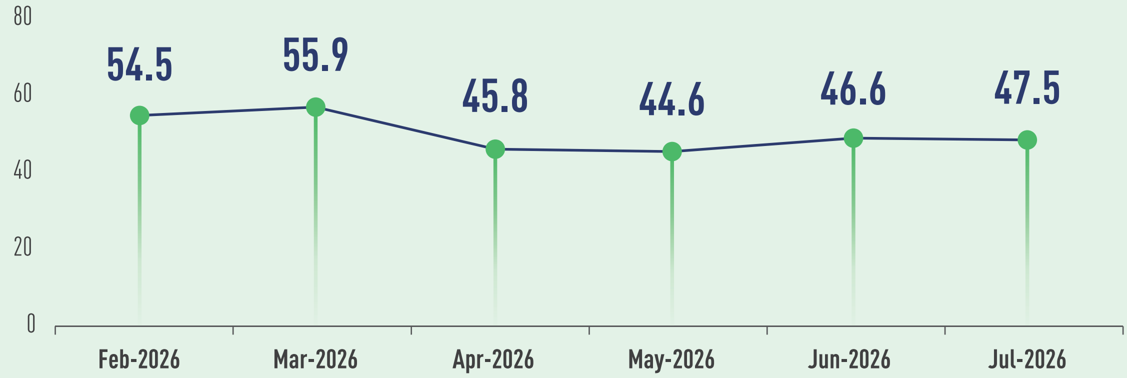
- Slow down production.
- Government intervention on container and vessel space availability is needed.
- Suggest that the government introduce stimulus policies to increase building and construction projects.
- Strengthen cost control and improve operational efficiency to reduce manufacturing costs; maintain a stable and competitive raw material supply; minimize wastage; and work closely with customers and suppliers to strengthen long-term partnerships while responding promptly to market and currency fluctuations.

GTI-Thailand Report

GTI-Thailand Index in July 2026

GTI-Thailand Comprehensive Index

Unit: %



Data released by Thai Furniture Association reveal that Thailand's total exports of furniture and parts reached USD 996 million in the first half of 2026, marking a year-on-year increase of 20.77%. Over the same period, exports of sawnwood amounted to USD 651 million, up 2.37% from a year earlier; medium-density fiberboard (MDF) exports stood at USD 325 million, a decline of 25.99%; and particleboard exports totaled USD 229 million, down 9.32%. Effective July 24, 2026, most Thai goods shipped to the United States will be subject to an additional 12.5% tariff on top of normal duty rates, replacing the 10% interim tariff under Section 122, which expired on that date. The furniture industry, among others, is particularly affected by this change in tariff. In response to U.S. trade measures, the chairman of the Federation of Thai Industries (FTI) stated that actions should be taken in areas including market diversification, stronger compliance with international standards, higher-value-added product development, and supply-chain improvements. In other news, Thailand's timber industry currently generates a total economic value of approximately 200-250 billion baht annually. Thai research institutions stated in a joint report that there remains an opportunity to increase this value by developing engineered wood products and low-carbon construction materials.

In July 2026, the GTI-Thailand index registered 47.5%, an increase of 0.9 percentage point from the previous month and below the critical value (50%) for four 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, three indexes (production, purchase price, and market expectation) were above the critical value of 50%, while the remaining nine indexes were below the value. Compared to the previous month, the indexes for harvesting, production, existing orders, purchase quantity, and employees increased by 2.3 to 29.7 percentage points; the indexes for inventory of finished products and inventory of main raw materials were unchanged from the previous month; and the indexes for new orders, export orders, purchase price, delivery time, and market expectation declined by 1.3 to 11.6 percentage points.

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

	2026.02	2026.03	2026.04	2026.05	2026.06	2026.07	MoM	Performance
Comprehensive Index	54.5	55.9	45.8	44.6	46.6	47.5	0.9 ↑	Contract
Harvesting Index	40.9	54.2	42.3	36.4	16.7	46.4	29.7 ↑	Contract
Production Index	60.0	56.3	50.0	34.4	47.4	55.0	7.6 ↑	Expand
New Orders Index	62.5	64.7	47.4	52.8	50.0	47.6	-2.4 ↓	Contract
Export Orders Index	40.0	75.0	61.1	33.3	42.9	31.3	-11.6 ↓	Contract
Existing Orders Index	31.3	41.2	31.6	30.6	38.1	40.5	2.4 ↑	Contract
Inventory Index of Finished Products	40.6	41.2	47.4	44.4	38.1	38.1	0.0	Contract
Purchase Quantity Index	43.3	56.7	34.4	34.6	42.1	47.4	5.3 ↑	Contract
Purchase Price Index	43.3	61.8	64.7	65.6	63.2	61.9	-1.3 ↓	Expand
Inventory Index of Main Raw Materials	46.4	40.6	30.6	50.0	40.0	40.0	0.0	Contract
Employees Index	40.6	50.0	44.7	44.4	42.9	45.2	2.3 ↑	Contract
Delivery Time Index	53.1	55.9	47.4	41.7	47.6	42.9	-4.7 ↓	Contract
Market Expectation Index	31.3	58.8	31.6	50.0	54.8	52.4	-2.4 ↓	Expand

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

Wang Noi Wood Industry Sub-Division in Phra Nakhon Sri Ayutthaya, Thailand. @ Forest Industry Organization (FIO)

GTI-Thailand Report

Brief on Thai Timber Industry

- Thailand's timber market in July 2026 showed a mixed and cautious situation. Some companies reported higher production and new orders, while others experienced lower production and weaker demand. Export activity also remained limited for many businesses. The market continued to be affected by weak purchasing power, high household debt, and cautious investment.

- A key issue was limitations on production capacity. Businesses reported difficulties in obtaining sufficient raw materials, including logs and sawn timber, together with shortages of skilled workers. Higher prices for timber, adhesives, electricity, fuel, transportation, and wages also increased production costs. In some cases, companies could not increase production even when orders were available because of limited raw materials, labor, machinery capacity, or working capital. These conditions encouraged businesses to control production, purchasing, inventories, and employment rather than expand their operations.

- Looking ahead, timber businesses remained cautious about the next six months. Some expected the market to improve, while others expected it to remain stable or decline. Businesses suggested increasing timber supply through plantation development, improving worker skills and production efficiency, reducing operating costs, and developing new markets. Overall, Thailand's timber industry in July 2026 faced both weak market demand and production limitations.

Information provided by GTI-Thailand Focal Point

Wang Noi Wood Industry Sub-Division in Phra Nakhon Sri Ayutthaya, Thailand. @ Forest Industry Organization (FIO)

Wang Noi Wood Industry Sub-Division in Phra Nakhon Sri Ayutthaya, Thailand. @ Forest Industry Organization (FIO)

Main Challenges Reported by GTI-Thailand Enterprises

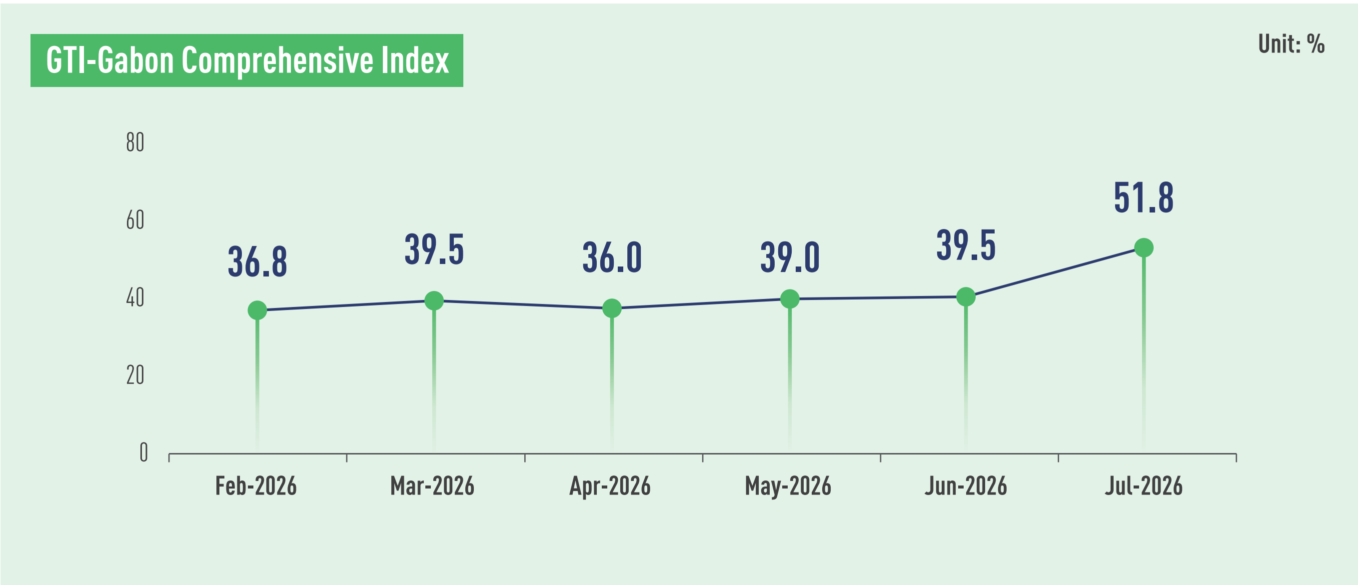
- Product sales declined.
- There was a shortage of raw materials.
- Product purchasing power declined.
- Enterprises faced challenges from the EU Deforestation Regulation (EUDR).
- Logistics costs increased.
- The workforce lacked professional skills.
- Market demand and order volumes fluctuated.
- Customer orders showed an improving trend this month. However, due to the ongoing economic slowdown and the impact of regional conflicts, there was still uncertainty regarding customers' production and delivery schedules.

Main Suggestions from GTI-Thailand Enterprises

- Acquire new customers.
- Provide additional training and educational programs.
- Collaboratively promote the value of wood and cultivate consumer preference for timber products.
- Support the planting of fast-growing tree species for commercial timber production.
- Increase afforestation investment and provide long-term financial support for the cultivation of commercial forests.
- Strengthen communication with customers to enhance demand clarity. Maintain flexible production plans to respond quickly to changes, while expanding the customer base to reduce business risks.

GTI-Gabon Report

GTI-Gabon Index in July 2026



In July, Gabon was in its dry season, and the favorable climatic conditions facilitated timber harvesting and transport. At the same time, accelerated modernization of the Trans-Gabon Railway and upgraded terminal equipment at the Port of Owendo provided stronger logistical support for timber transport and export. With the arrival of new, state-of-the-art Terberg port tractors, the operational fleet of the Port of Owendo increased from twenty-four to twenty-eight units, significantly boosting transfer capacity between the quays, storage areas, and logistics zones of the port. In other news, according to the latest forecasts from the Bank of Central African States (BEAC), Gabon's national timber production is projected to reach 3.1 million cubic meters in 2026. Experts, however, noted that the log export ban, weak global demand, and low-price competition from other timber-producing countries put the country's timber production on a downward trend. On the other hand, Gabon's timber sector has been actively pursuing structural transformation to strengthen its local wood processing industry, and has now grown into the second-largest pillar of the country's economy.

In July 2026, the GTI-Gabon index registered 51.8%, an increase of 12.3 percentage points from the previous month and above the critical value (50%) again after several months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Gabon index expanded from the previous month.

Regarding the twelve sub-indexes, two indexes (production, and purchase price) were above the critical value of 50%, six indexes (new orders, export orders, existing orders, purchase quantity, inventory of main raw materials, and employees) were at the value, while the remaining four indexes (harvesting, inventory of finished products, delivery time, and market expectation) were below the value. Compared to the previous month, all the twelve sub-indexes increased, with gains ranging from 0.6 to 21.1 percentage point(s).

Field operaion in the forest, Gabon. @ BONUS HARVEST

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

	2026.02	2026.03	2026.04	2026.05	2026.06	2026.07	MoM	Performance
Comprehensive Index	36.8	39.5	36.0	39.0	39.5	51.8	12.3 ↑	Expand
Harvesting Index	25.0	35.7	33.3	37.5	35.7	37.5	1.8 ↑	Contract
Production Index	50.0	35.7	58.3	41.7	38.9	60.0	21.1 ↑	Expand
New Orders Index	28.6	35.7	22.2	37.5	33.3	50.0	16.7 ↑	Stable
Export Orders Index	37.5	37.5	21.4	58.3	44.4	50.0	5.6 ↑	Stable
Existing Orders Index	28.6	35.7	16.7	37.5	38.9	50.0	11.1 ↑	Stable
Inventory Index of Finished Products	28.6	28.6	33.3	37.5	33.3	40.0	6.7 ↑	Contract
Purchase Quantity Index	50.0	25.0	25.0	35.7	42.9	50.0	7.1 ↑	Stable
Purchase Price Index	37.5	37.5	83.3	35.7	57.1	66.7	9.6 ↑	Expand
Inventory Index of Main Raw Materials	50.0	37.5	16.7	35.7	42.9	50.0	7.1 ↑	Stable
Employees Index	28.6	42.9	33.3	31.3	44.4	50.0	5.6 ↑	Stable
Delivery Time Index	33.3	50.0	42.9	50.0	43.8	45.0	1.2 ↑	Contract
Market Expectation Index	21.4	42.9	33.3	37.5	44.4	45.0	0.6 ↑	Contract

Main Challenges Reported by GTI-Gabon Enterprises

- Finished product prices in the market declined.
- Prices of logistics and production materials were high.
- Fuel prices rose, road conditions were poor, and transport costs increased.
- Some recurring breakdowns caused production to slow down.
- Export duties on wood products rose.
- Value-added tax (VAT) could not be refunded.

Main Suggestions from GTI-Gabon Enterprises

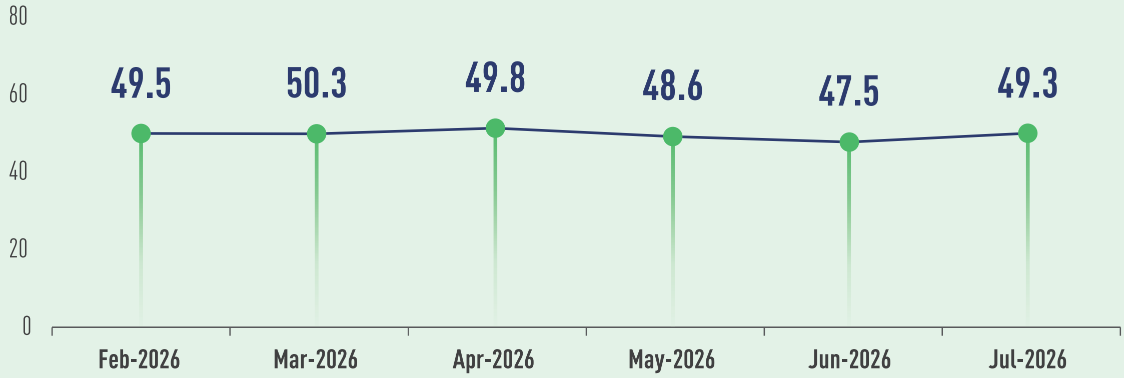
- Strengthen maintenance of production equipment and invest in upgrading or replacing some units where necessary.
- Improve road and railway conditions, and increase energy supply at lower costs.
- Reduce diesel prices and tariffs on wood products, and crack down on enterprises that fail to comply with Gabon's national laws.
- Ensure that enterprises within special economic zones pay the same taxes and fees as those outside the zones, establish a clear schedule for VAT refunds, and set minimum prices for logs based on certification status.

GTI-ROC Report

GTI-ROC Index in July 2026

GTI-ROC Comprehensive Index

Unit: %



On July 20, the Minister of Forest Economy of the Republic of the Congo (ROC) officially launched forest inventory operations across nine forest concessions that had been returned to state ownership. This campaign, covering over one million hectares across five provinces, aims to gain a better understanding of forest resources prior to their potential reallocation to investors who comply with environmental standards. Recently, ROC's Minister of Industrial Development, Special Economic Zones, and Private Sector Promotion visited timber companies in Sangha, where he reaffirmed the government's commitment to transforming Sangha into a wood processing hub, and advocated for the establishment of industrial enterprises that locally produce wooden doors, panels, furniture, industrial adhesives, and other wood-based products. Currently, insufficient electricity supply remains a prominent challenge constraining the growth of Congo's timber sector, and some companies reported that the issue had become a major obstacle to modernizing their installations and lifting production capacity. On a positive note, logistics infrastructure has been steadily improving, and port expansion projects are expected to provide stronger support for timber export activities.

In July 2026, the GTI-ROC index registered 49.3%, an increase of 1.8 percentage points from the previous month and below the critical value of 50% for four 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, one index (inventory of main raw materials) was above the critical value of 50%, seven indexes (new orders, export orders, purchase quantity, purchase price, employees, delivery time, and market expectation) were at the value, while the remaining four indexes (harvesting, production, existing orders, and inventory of finished products) were below the critical value. Compared to the previous month, the indexes for harvesting, production, new orders, export orders, existing orders, and inventory of main raw materials increased by 0.9 to 4.5 percentage point(s); the indexes for purchase quantity, purchase price, employees, delivery time, and market expectation were unchanged from the previous month; and the index for inventory of finished products declined by 1.5 percentage points.

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

	2026.02	2026.03	2026.04	2026.05	2026.06	2026.07	MoM	Performance
Comprehensive Index	49.5	50.3	49.8	48.6	47.5	49.3	1.8 ↑	Contract
Harvesting Index	52.1	50.0	47.8	46.0	43.2	46.7	3.5 ↑	Contract
Production Index	47.9	50.0	50.0	47.9	45.5	46.4	0.9 ↑	Contract
New Orders Index	50.0	50.0	50.0	48.0	45.5	50.0	4.5 ↑	Stable
Export Orders Index	50.0	50.0	50.0	50.0	47.7	50.0	2.3 ↑	Stable
Existing Orders Index	48.0	50.0	50.0	50.0	43.2	46.4	3.2 ↑	Contract
Inventory Index of Finished Products	48.0	47.7	50.0	50.0	47.7	46.2	-1.5 ↓	Contract
Purchase Quantity Index	50.0	54.2	47.8	47.8	50.0	50.0	0.0	Stable
Purchase Price Index	50.0	54.2	47.8	52.2	50.0	50.0	0.0	Stable
Inventory Index of Main Raw Materials	50.0	52.0	47.8	50.0	50.0	52.0	2.0 ↑	Expand
Employees Index	50.0	45.5	50.0	50.0	50.0	50.0	0.0	Stable
Delivery Time Index	50.0	56.8	50.0	48.0	50.0	50.0	0.0	Stable
Market Expectation Index	46.0	50.0	50.0	50.0	50.0	50.0	0.0	Stable

Main Challenges Reported by GTI-ROC Enterprises

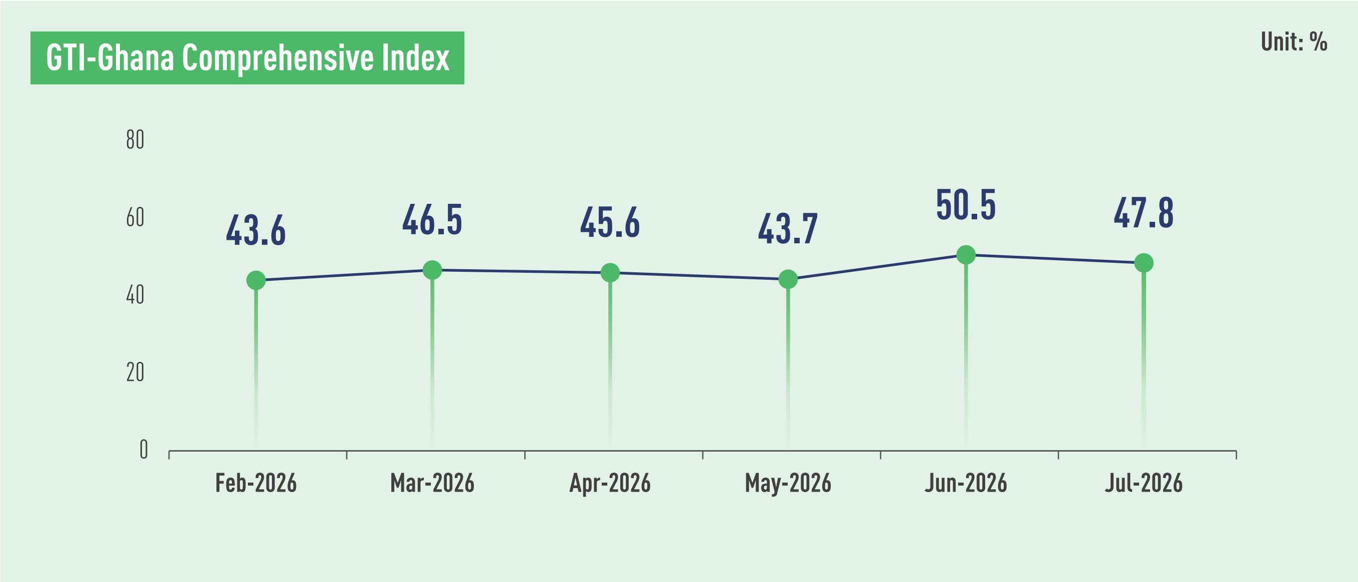
- The logistics was slow.
- Enterprises faced great financial and tax pressure.
- Diesel was in short supply and its prices were high.
- Forestry management procedures needed improvement.
- Severe weather affected production and operations.

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 July 2026



Recently, the Minister of Lands and Natural Resources of Ghana disclosed that the ministry has restored 23,600 hectares of degraded landscapes through the government's Tree for Life Restoration Initiative. And in the first half of 2026, 411 Forest Law Enforcement, Governance and Trade (FLEGT) licenses were issued. Currently, timber enterprises in the country continue to grapple with high diesel prices, however, electricity costs and port charges are expected to ease. To boost power generation and lower tariffs, the government is developing a state-owned combined-cycle gas-fired power plant in south-central Ghana. Separately, at a stakeholder forum convened by the Ghana Shippers' Authority (GSA), key agencies in the country's shipping and logistics value chain pledged to tackle the cluster of problems driving up the costs of doing business at the country's ports. On July 21, the Forestry Commission of Ghana hosted a one-day Global Timber Index Platform Strategic Partnership Forum, bringing together local government, industry, academia, and research institutions to discuss opportunities, challenges, and emerging trends in the sector.

In July 2026, the GTI-Ghana index registered 47.8%, a decrease of 2.7 percentage points from the previous month and below the 50% critical value again after one month, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Ghana 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%, three indexes (existing orders, inventory of finished products, and employees) were at the value, while the remaining seven indexes (harvesting, production, new orders, export orders, purchase quantity, inventory of main raw materials, and delivery time) were below the critical value. Compared to the previous month, the indexes for harvesting and purchase price increased by 0.6 to 7.7 percentage point(s); the indexes for existing orders and employees were unchanged from the previous month; and the indexes for production, new orders, export orders, inventory of finished products, purchase quantity, inventory of main raw materials, delivery time, and market expectation declined by 1.7 to 25.0 percentage points.

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

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

	2026.02	2026.03	2026.04	2026.05	2026.06	2026.07	MoM	Performance
Comprehensive Index	43.6	46.5	45.6	43.7	50.5	47.8	-2.7 ↓	Contract
Harvesting Index	44.7	37.5	45.0	40.0	42.3	42.9	0.6 ↑	Contract
Production Index	43.5	47.8	40.9	40.5	53.6	45.8	-7.8 ↓	Contract
New Orders Index	37.0	39.1	36.4	35.7	53.6	31.3	-22.3 ↓	Contract
Export Orders Index	34.4	23.3	23.5	33.3	41.7	26.2	-15.5 ↓	Contract
Existing Orders Index	50.0	37.0	47.7	47.6	50.0	50.0	0.0	Stable
Inventory Index of Finished Products	56.5	32.6	52.3	42.9	60.7	50.0	-10.7 ↓	Stable
Purchase Quantity Index	47.4	30.8	44.4	44.4	55.0	41.2	-13.8 ↓	Contract
Purchase Price Index	55.3	67.9	57.1	58.8	55.6	63.3	7.7 ↑	Expand
Inventory Index of Main Raw Materials	34.8	45.7	44.4	42.9	54.2	47.7	-6.5 ↓	Contract
Employees Index	45.7	45.7	50.0	47.6	50.0	50.0	0.0	Stable
Delivery Time Index	50.0	41.2	40.0	36.1	50.0	25.0	-25.0 ↓	Contract
Market Expectation Index	39.1	45.2	43.2	45.2	53.8	52.1	-1.7 ↓	Expand

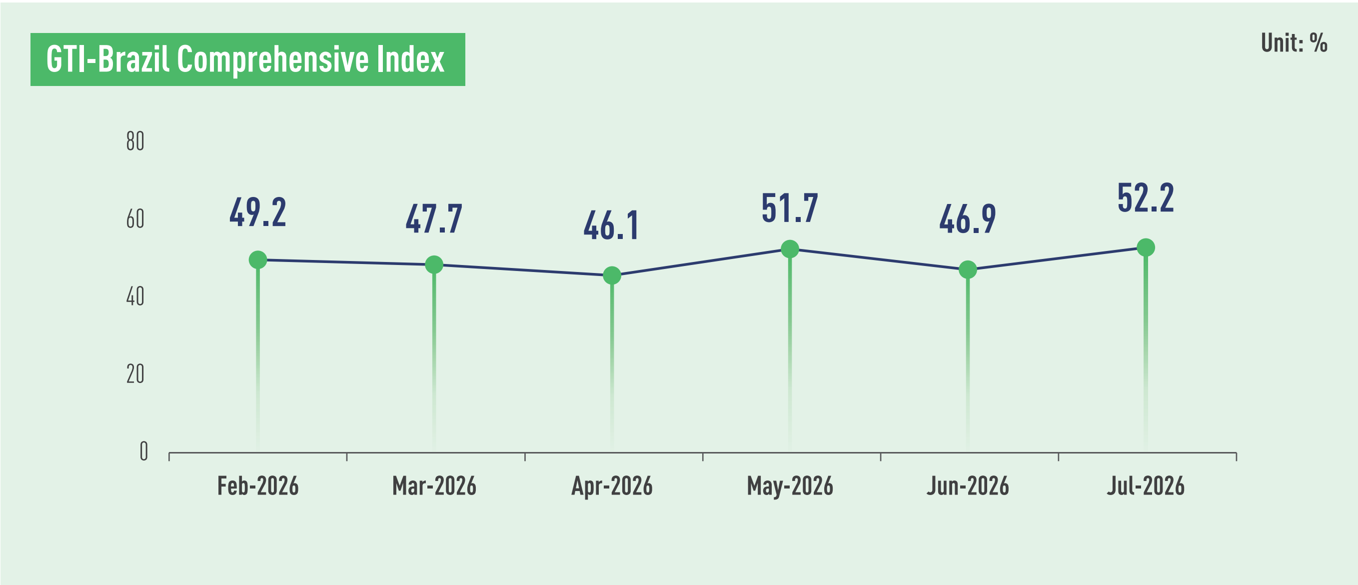
Main Challenges Reported by GTI-Ghana Enterprises

- Power supply was unstable.
- Imported plywood intensified market competition.
- Tariffs were high, and enterprises' export orders declined.
- Energy and fuel prices rose, leading to increased production costs.
- Poor road conditions increased raw material transportation costs.
- Heavy rains and floods caused difficulties in forest operations and damaged local power plants.
- Erratic rainfall hampered logging activities and worsened the muddiness of unpaved roads.

Main Suggestions from GTI-Ghana Enterprises

- Tax incentives are needed.
- Aggressive trade promotion by the government is needed.
- Provide fuel subsidies by the government.
- Increase government efforts in maintaining forest roads.
- Increase government investment in forest plantations.
- Government regulation of imported wood products is needed.
- Stock enough raw materials or logs before the rains start.

GTI-Brazil Index in July 2026



In late July, the United States imposed two rounds of tariffs on Brazilian products—25 percent followed by an additional 12.5 percent—bringing the combined tariff rate for certain goods to as high as 37.5 percent, with the furniture industry among the hardest hit. Although the U.S. remains the main export destination for Brazil's furniture industry, exports of finished furniture and mattresses to the U.S. plummeted 41.7 percent year-on-year during the January–May period of 2026. In response, Brazil's furniture industry has stepped up its market diversification strategy, and exports to several Latin American markets have registered growth. On the timber supply side, Brazil is actively expanding its planted forest area, particularly in the state of Minas Gerais, which leads the country in plantations. In addition, approximately 40 million hectares of degraded land are suitable for productive restoration, creating potential space for boosting the supply of renewable timber. Regarding efforts to combat deforestation, deforestation in the Brazilian Amazon fell 38 percent year-on-year in the first half of 2026, and also came in at its lowest level in the past 10 years, according to satellite data published by Brazil's National Institute for Space Research (INPE).

In July 2026, the GTI-Brazil index registered 52.2%, an increase of 5.3 percentage points from the previous month and above the critical value (50%) again after one month, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Brazil index expanded from the previous month.

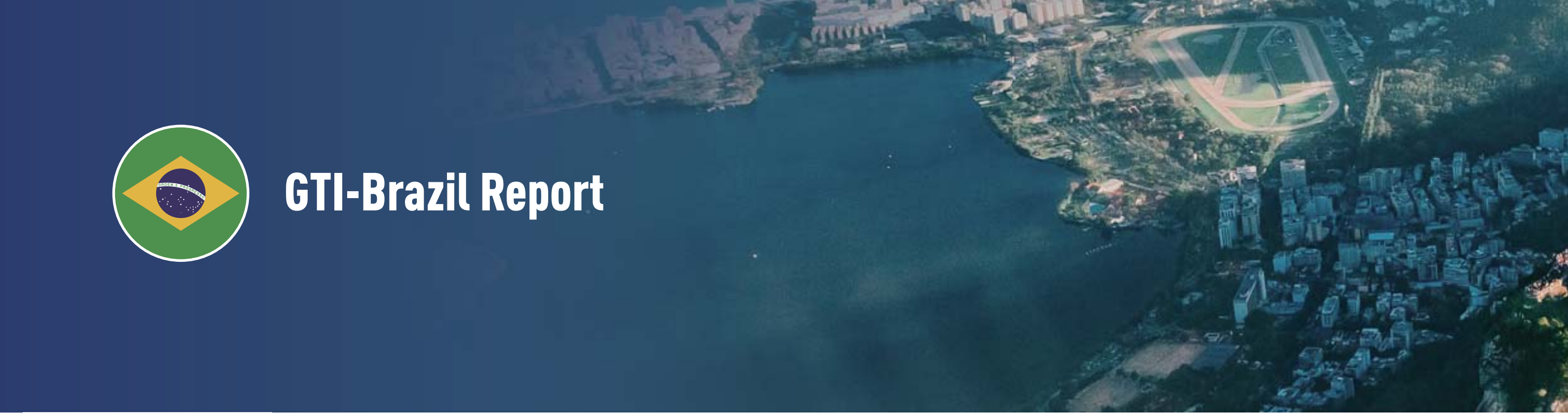
Regarding the twelve sub-indexes, ten indexes (harvesting, production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, employees, and market expectation) were above the critical value of 50%, one index (inventory of main raw materials) was at the critical value, while the remaining one index (delivery time) was below the value. Compared to the previous month, the indexes for harvesting, production, new orders, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, and employees increased by 3.3 to 23.6 percentage points, whereas the indexes for export orders, delivery time, and market expectation declined by 1.0 to 11.8 percentage point(s).

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

	2026.02	2026.03	2026.04	2026.05	2026.06	2026.07	MoM	Performance
Comprehensive Index	49.2	47.7	46.1	51.7	46.9	52.2	5.3 ↑	Expand
Harvesting Index	50.0	50.0	50.0	43.8	37.5	61.1	23.6 ↑	Expand
Production Index	46.4	50.0	46.4	45.0	40.9	53.8	12.9 ↑	Expand
New Orders Index	53.3	46.4	50.0	70.0	53.8	57.1	3.3 ↑	Expand
Export Orders Index	57.1	53.8	57.1	72.2	62.5	61.5	-1.0 ↓	Expand
Existing Orders Index	46.7	50.0	56.7	45.0	42.3	57.1	14.8 ↑	Expand
Inventory Index of Finished Products	56.7	53.6	56.7	25.0	42.3	60.7	18.4 ↑	Expand
Purchase Quantity Index	37.5	45.5	41.7	27.8	45.0	54.5	9.5 ↑	Expand
Purchase Price Index	73.1	75.0	80.8	72.2	63.6	70.8	7.2 ↑	Expand
Inventory Index of Main Raw Materials	46.7	46.4	40.0	27.8	37.5	50.0	12.5 ↑	Stable
Employees Index	50.0	53.6	50.0	50.0	50.0	53.6	3.6 ↑	Expand
Delivery Time Index	46.2	39.3	36.7	44.4	45.5	39.3	-6.2 ↓	Contract
Market Expectation Index	67.9	71.4	60.0	55.0	65.4	53.6	-11.8 ↓	Expand

Outdoor Patio in Belém, Brazil. @ Fernanda Tocantins

Planer in Belém, Brazil. @ Fernanda Tocantins



GTI-Brazil Report

Brief on Brazilian Timber Industry

- A 25% increase in U.S. import tariffs has intensified pressure on Brazil's timber products value chain, particularly given the importance of the U.S. market for products such as plywood, mouldings, doors, furniture, and sawnwood. In addition to the direct impact on competitiveness, the situation is likely to influence business decisions, including investment reviews, slower hiring, and intensified efforts to identify alternative markets. In this context, the role of the Brazilian Association of Mechanically Processed Timber Industry (ABIMCI) has become increasingly relevant in facilitating dialogue among companies, industry associations, and the federal government to discuss mitigation measures and preserve the sector's competitiveness.

- First-half 2026 data highlight the sector's exposure to the U.S. market: Brazilian pine plywood exports to the United States totaled approximately US$151 million, while pine sawnwood exports reached around US$143 million. However, the decline in shipment volumes indicates that market pressure had already emerged before the latest tariff measures took effect. Seeking destinations such as Mexico and other Latin American countries represents a diversification strategy but also underscores the need to reduce the concentration of exports in a limited number of markets.

- The concentration of export-oriented production in Brazil's Southern states increases the region's exposure to fluctuations in international trade. The states of Paraná, Santa Catarina, and Rio Grande do Sul account for a significant share of national production of plywood, sawnwood, and higher-value-added timber products destined for export. Changes in market-access conditions can therefore affect not only exporting companies but also employment, industrial activity, and tax revenues in the main wood-producing hubs.

- The current trade environment reinforces the need to address structural competitiveness factors alongside short-term measures to mitigate trade barriers. Improving environmental licensing procedures, strengthening legal certainty, promoting sustainable forest management, and enhancing timber traceability and certification can help reduce bottlenecks, expand access to international markets, and create more favorable conditions for investment throughout the forest products value chain.

Information provided by GTI-Brazil Focal Point

Muiracatiara Sawmill in Belém, Brazil. @ Fernanda Tocantins

Sawn Stock in Belém, Brazil. @ Fernanda Tocantins

Main Challenges Reported by GTI-Brazil Enterprises

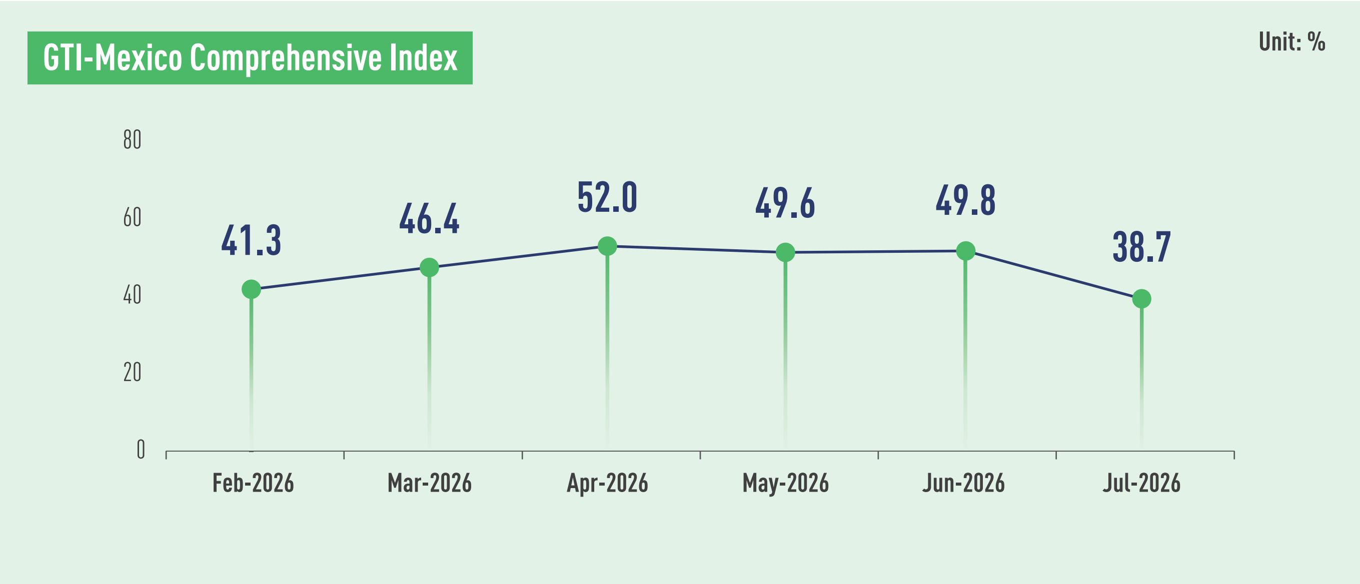
- Prices declined in the export markets.
- The supply of raw materials for production was unstable.
- Logistics costs were high, and the new U.S. tariff policy affected exports.
- Uncertainty in the U.S. market made it difficult for suppliers to make market decisions.
- The Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) delayed the issuance of LPCO documents (Licenses, Permits, Certificates, and Other documents) for IPE and CUMARU timber species, which caused delays in shipments.

Main Suggestions from GTI-Brazil Enterprises

- Promote market diversification.
- Need IBAMA to improve administrative efficiency.
- Raise the level of industrialization along the production chain.
- Boost domestic market sales.
- Reduce costs and seek alternative markets.
- Suggest that IBAMA use AI to expedite document approval.
- Suggest that the environmental authority accelerate the approval process by, among other measures, increasing the number of document reviewers.

GTI-Mexico Report

GTI-Mexico Index in July 2026



As part of the country's forestry policy, the current Mexican administration plans to plant 15.5 million trees and restore 32,764 hectares of forestland over the 2025-2026 period. Recently, Mexico's Ministry of Environment and Natural Resources, the Ministry of Finance and Public Credit, and the Development Bank of Latin America and the Caribbean jointly launched the Environmental Capital Fund for Mexico, designed to channel resources toward projects focused on natural capital conservation and restoration, climate action, and sustainable development. On the operational front, rainfall reduced timber harvesting activities in certain parts of the country, and some companies responded by designating specific areas for rainy season operations and others for dry season work, thereby ensuring continuity in production. In terms of market performance, the timber industry in regions such as Parral was relatively stable during the first half of the year. Looking ahead to the second half, industry insiders expressed concerns over the potential impact of U.S. trade policies, particularly the possibility that Mexican products may continue to face additional tariffs.

In July 2026, the GTI-Mexico index registered 38.7%, a decrease of 11.1 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-Mexico 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%, another two indexes (inventory of main raw materials, and delivery time) were at the value, while the remaining eight indexes (harvesting, production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, and employees) were below the value. Compared to the previous month, the indexes for inventory of main raw materials increased by 6.7 percentage points, whereas the indexes for the remaining eleven indexes declined by 1.6 to 25.0 percentage points.

Wood sorting plant in Cárdenas, Tabasco, Mexico. @ Empresa PROXYLO

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

	2026.02	2026.03	2026.04	2026.05	2026.06	2026.07	MoM	Performance
Comprehensive Index	41.3	46.4	52.0	49.6	49.8	38.7	-11.1 ↓	Contract
Harvesting Index	53.6	47.7	62.5	52.6	60.0	41.7	-18.3 ↓	Contract
Production Index	50.0	44.7	46.4	50.0	52.8	35.3	-17.5 ↓	Contract
New Orders Index	40.0	43.2	55.9	47.5	50.0	31.6	-18.4 ↓	Contract
Export Orders Index	50.0	75.0	33.3	50.0	50.0	25.0	-25.0 ↓	Contract
Existing Orders Index	33.3	38.6	41.2	47.5	45.2	31.6	-13.6 ↓	Contract
Inventory Index of Finished Products	46.7	45.5	44.1	57.5	47.6	42.1	-5.5 ↓	Contract
Purchase Quantity Index	37.5	42.3	60.0	45.8	30.8	29.2	-1.6 ↓	Contract
Purchase Price Index	54.2	60.7	62.5	69.2	61.5	53.8	-7.7 ↓	Expand
Inventory Index of Main Raw Materials	34.6	50.0	50.0	57.7	43.3	50.0	6.7 ↑	Stable
Employees Index	36.7	52.3	55.9	50.0	45.2	39.5	-5.7 ↓	Contract
Delivery Time Index	40.0	45.5	50.0	47.5	54.8	50.0	-4.8 ↓	Stable
Market Expectation Index	63.3	63.6	61.8	62.5	76.2	71.1	-5.1 ↓	Expand

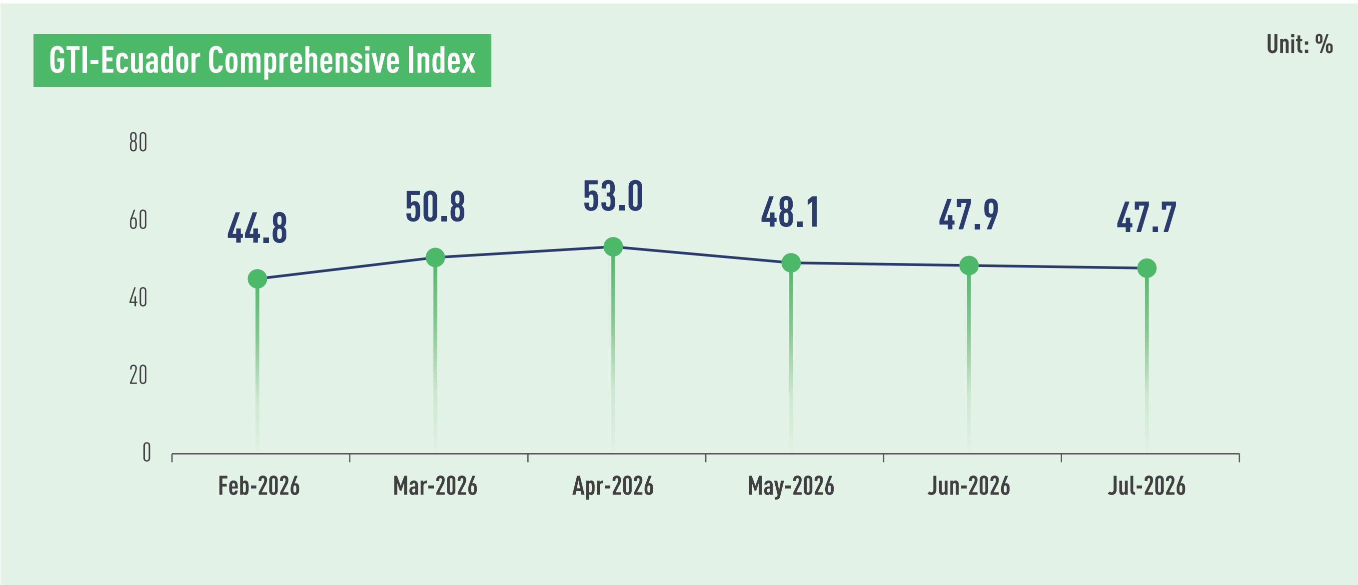
Main Challenges Reported by GTI-Mexico Enterprises

- There was a decrease in product sales.
- Weather conditions affected production and operations.
- Market demand was unstable and difficult to predict.
- Limited sales channels or insufficient channel development posed challenges.
- There was price pressure from competitors.

Main Suggestions from GTI-Mexico Enterprises

- Adjust policies to reduce imports of wood products.
- Conduct capacity building to improve wood processing operations.
- Improve road conditions to enhance transport efficiency.
- Obtain government subsidies to reduce production costs.
- Ensure adequate product sales and distribution channels.
- Step up marketing efforts and increase the added value of domestic products.

GTI-Ecuador Index in July 2026



Data from Ecuador's Ministry of Agriculture, Livestock, Aquaculture and Fisheries (MAGP) reveals that the country currently maintains approximately 172,000 hectares of commercial plantations, which supply domestic demand as well as export markets such as China, the United States, Peru, Colombia, and India. Under sustainable forest management schemes, an average of 28,000 hectares of forestland are harvested annually. Meanwhile, the "Revitalization of the Sustainable Productive Forestry Sector" project in the country has allocated USD 1.09 million in incentives for establishing 2,245.68 hectares of commercial forest plantations across 18 provinces of Ecuador, which would benefit producers planting species such as balsa, teak, melina, laurel, pachaco, and highland eucalyptus. Recently, Ecuador launched the 2026-2029 Forest Conservation Project in Puyo, which aims to provide economic incentives to communities engaged in conservation and sustainable production activities, thereby strengthening the protection of native ecosystems.

In July 2026, the GTI-Ecuador index registered 47.7%, a decrease of 0.2 percentage point 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-Ecuador index shrank from the previous month.

Regarding the twelve sub-indexes, five indexes (export orders, existing orders, inventory of finished products, purchase price, and inventory of main raw materials) were above the critical value of 50%, three indexes (production, employees, and market expectation) were at the critical value, while the remaining four indexes (harvesting, new orders, purchase quantity, and delivery time) were below the value. Compared to the previous month, the indexes for existing orders, inventory of finished products, and inventory of main raw materials increased by 4.5 to 12.8 percentage points; the indexes for production and market expectation were unchanged from the previous month; and the indexes for harvesting, new orders, export orders, purchase quantity, purchase price, employees, and delivery time declined by 0.3 to 12.0 percentage point(s).

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

	2026.02	2026.03	2026.04	2026.05	2026.06	2026.07	MoM	Performance
Comprehensive Index	44.8	50.8	53.0	48.1	47.9	47.7	-0.2 ↓	Contract
Production Index	50.0	62.5	43.8	50.0	43.8	31.8	-12.0 ↓	Contract
New Orders Index	33.3	75.0	56.3	53.8	50.0	50.0	0.0	Stable
Export Orders Index	64.3	37.5	56.3	46.9	45.8	45.5	-0.3 ↓	Contract
Existing Orders Index	70.0	33.3	75.0	55.6	58.3	56.3	-2.0 ↓	Expand
Inventory Index of Finished Products	50.0	50.0	56.3	53.1	50.0	54.5	4.5 ↑	Expand
Purchase Quantity Index	28.6	62.5	31.3	56.3	41.7	54.5	12.8 ↑	Expand
Purchase Price Index	50.0	75.0	62.5	53.1	50.0	45.5	-4.5 ↓	Contract
Import Index	50.0	75.0	62.5	68.8	62.5	59.1	-3.4 ↓	Expand
Inventory Index of Main Raw Materials	28.6	75.0	56.3	50.0	45.8	54.5	8.7 ↑	Expand
Employees Index	50.0	37.5	50.0	50.0	54.2	50.0	-4.2 ↓	Stable
Delivery Time Index	28.6	25.0	42.9	37.5	41.7	40.9	-0.8 ↓	Contract
Market Expectation Index	35.7	62.5	50.0	34.4	50.0	50.0	0.0	Stable

Main Challenges Reported by GTI-Ecuador Enterprises

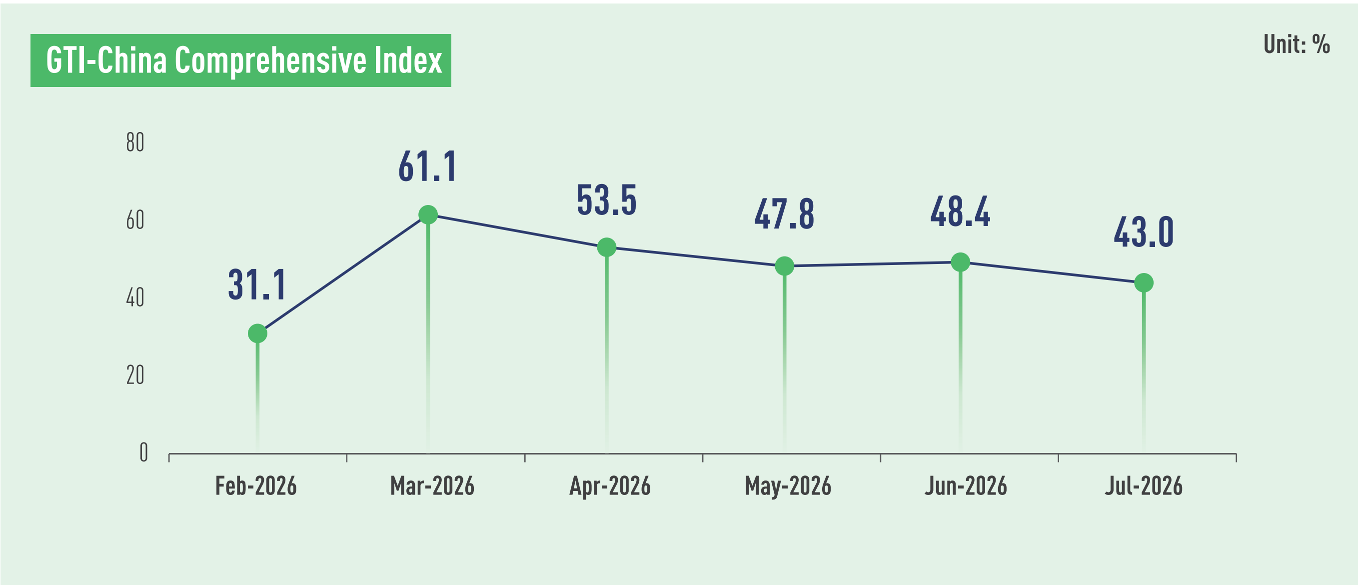
- The company's orders decreased.
- There was a shortage of timber suppliers.
- Production costs rose.
- Suppliers were unable to supply as required.
- The decrease in orders led to a drop in output.
- Raw material prices increased.
- The sawmill lacked skilled workers and loaders.
- Weather caused uncertainty and the potential for raw material shortages.

Main Suggestions from GTI-Ecuador Enterprises

- Increase export orders.
- Strengthen regulatory oversight by competent authorities.
- Enhance production and operational efficiency.
- Optimize processing technologies.
- Facilitate access for loggers.
- Strengthen communication with customers.
- Seek suppliers with relevant environmental permits.
- Improve the utilization efficiency of machinery and equipment, and improve road conditions.

GTI-China Report

GTI-China Index in July 2026



Recently, China's National Forestry and Grassland Administration, in conjunction with the National Development and Reform Commission, the Ministry of Finance, and the Ministry of Natural Resources, issued the 15th Five-Year Plan for Forestry and Grassland Conservation and Utilization, which sets targets for 2030, including a forest coverage rate of 25.8%, a total forest stock volume of 22.4 billion cubic meters, and an aggregate output value of the forestry and grassland industry reaching RMB 14 trillion. Customs data show that in the first half of this year, China imported a total of 26.534 million cubic meters of logs and sawnwood, of which logs accounted for 15.876 million cubic meters and sawnwood for 10.658 million cubic meters. In terms of average prices, log prices rose 4.7% year-on-year during the period, while sawnwood prices climbed 11.5%, thus the upward price trend had exerted a dampening effect on sawnwood imports. Currently, the core hub ports that anchor China's panel and board distribution network include Taicang, Dongguan, Qingdao, Chengdu, Nankang, and Tianjin. In July, aggregate panel and board inventories at these six hubs shrank by 516,300 cubic meters compared with the same month last year.

In July 2026, the GTI-China index registered 43.0%, a decrease of 5.4 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-China index shrank from the previous month.

Regarding the twelve sub-indexes, two indexes (import, and market expectation) were above the 50% critical value, while the remaining ten indexes were all below the critical value. Compared to the previous month, the indexes for export orders, existing orders, and import increased by 0.7 to 4.2 percentage point(s), whereas the indexes for production, new orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, employees, delivery time, and market expectation declined by 1.7 to 11.5 percentage points.

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

	2026.02	2026.03	2026.04	2026.05	2026.06	2026.07	MoM	Performance
Comprehensive Index	31.1	61.1	53.5	47.8	48.4	43.0	-5.4 ↓	Contract
Production Index	21.2	65.5	57.6	49.3	49.0	43.2	-5.8 ↓	Contract
New Orders Index	23.6	65.0	54.0	43.5	48.1	42.6	-5.5 ↓	Contract
Export Orders Index	40.1	54.9	53.1	49.3	46.2	46.9	0.7 ↑	Contract
Existing Orders Index	30.2	62.1	52.2	46.4	45.2	49.4	4.2 ↑	Contract
Inventory Index of Finished Products	40.6	54.9	52.7	51.8	49.5	38.9	-10.6 ↓	Contract
Purchase Quantity Index	37.7	67.0	56.7	52.9	51.0	39.5	-11.5 ↓	Contract
Purchase Price Index	52.4	73.8	70.1	47.1	50.0	46.3	-3.7 ↓	Contract
Import Index	43.4	53.4	49.1	54.0	47.6	50.6	3.0 ↑	Expand
Inventory Index of Main Raw Materials	48.1	55.8	49.6	51.4	44.7	38.9	-5.8 ↓	Contract
Employees Index	39.2	56.8	50.9	47.5	48.6	43.8	-4.8 ↓	Contract
Delivery Time Index	40.6	55.3	51.8	51.8	50.0	45.1	-4.9 ↓	Contract
Market Expectation Index	59.9	68.4	58.5	48.6	54.8	53.1	-1.7 ↓	Expand

Main Challenges Reported by GTI-China Enterprises

- Enterprises struggled with insufficient orders.
- The costs of some 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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