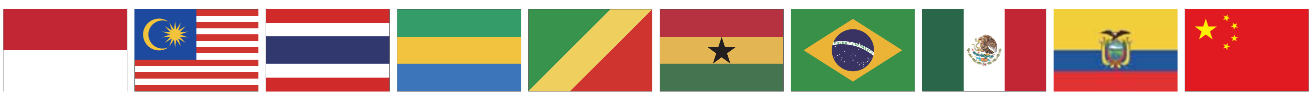
This report was prepared by GGSC, with support of ITTO and IPIM, and Focal Points of Indonesia, Malaysia, Thailand, Gabon, Republic of Congo, Ghana, Brazil, Mexico, Ecuador and China.

GTI REPORT 2026

Global Timber Index

MONTHLY

GGSC-No. 08/2026



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

22-23 September 2026

Galaxy International Convention Center,
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Hosts

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INTERNATIONAL TROPICAL TIMBER ORGANIZATION

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Instituto de Promoção do Comércio e do Investimento
Commerce and Investment Promotion Institute

Organizer

GGSC

Oaxaca, Mexico

Integration of the community forest value chain with industrial processing and production of certified wood furniture under sustainable forest management schemes

Best Practice

Introduction to the Practice

Pueblos Mancomunados constitutes a community forest governance system based on social ownership of the territory, sustainable forest management, and decision-making in assembly.

The company's system integrates a vertically linked forest value chain that includes forest harvesting, primary sawmilling, technical drying in industrial kilns, secondary processing, and manufacturing of solid wood furniture under the brand TIP Muebles.

This model is based on the management of temperate coniferous and broadleaf forests under forest certification and product traceability schemes.

Objective of the Best Practice

To strengthen the community forest value chain through industrially processing wood into high-value-added furniture, promoting sustainability, local job creation, and competitiveness in specialized markets.

Results and Benefits

The forest processing unit produces approximately 14,000 pieces of certified wood furniture annually, generating added value from sawnwood sourced from community-managed forests.

A direct and indirect local employment system has been consolidated in all phases of the production chain: sawmilling, drying, sizing, manufacturing, finishing, and marketing.

The participation of women in secondary processing operations (sanding, varnishing, upholstering, quality control) and of young technicians in areas such as industrial engineering, design, and management is notable.

The model contributes to the retention of economic value in the territory and the strengthening of the community forest economy.

Production Capacity and Processing of Forest Raw Materials

The industrial infrastructure enables the processing of wood into standardized sawn products used as inputs for furniture manufacturing.

Forest Products (Certified Sawnwood):

- Boards: 4–24 feet in length; ¾", 1", 1¼", 1½", 2" in thickness
- Planks: 8–24 feet; 2" to 4" in thickness
- Beams: 8–24 feet; up to 8" in cross-section
- Poles and bars: 4–18 feet; 3" to 3¾" in cross-section
- Slats for pallets and furniture: custom sizes made to order
- Square broomstick: 1" x 1" x 4⅛ '
- Firewood, wood chips, and other forest by-products

Forest Species Used

- Pinus pseudostrobus
- Pinus ayacahuite
- Pinus montezumae
- Pinus teocote
- Abies religiosa
- Other conifers from the Sierra Norte de Oaxaca region

Current Market for Forest Products

Sawnwood and intermediate products are marketed as industrial inputs for secondary processing into furniture and solid wood products. The main domestic commercial destinations include: Estado de México, Puebla, and Tlaxcala.

Lessons Learned

The case shows that community forest management can evolve into integrated industrial systems when solid communal governance, territorial control of the resource, and productive reinvestment exist. Likewise, the vertical integration of the value chain significantly increases the capture of local economic value and improves competitiveness in forest markets. Additionally, dimensional standardization, forest certification, and quality control are key elements for integration into national supply chains.

Conclusions

The Pueblos Mancomunados model represents a consolidated experience of community forest industrialization with a focus on sustainability, traceability, and added value.

The linkage between forest management, industrial processing, and furniture manufacturing enables a territorial development scheme based on forest bioeconomy, social inclusion, and community governance.

The best practice above has been provided by Industria Forestal Pueblos Mancomunados, S.P.R. de R.I. in Mexico. We also appreciate the support from National Forestry Commission of Mexico (CONAFOR) (GTI focal point in Mexico), for their contribution to the GTI Platform. For further information on this best practice, please contact Israel Santiago Garcia at Upaf66@gmail.com.

Quito, Ecuador

A model of traceability, legality, and technological innovation for sustainable timber trade: A case of Ecuador

Best Practice

Summary of the best practice

Sustainable Forest Management Corporation (COMAFORS) presents an industry model as a best-practice case for Ecuador's timber sector to strengthen legal and sustainable timber trade. The model relies on coordinated actions among industry associations, forestry companies and government authorities as well as digital technologies to reinforce forestry traceability. Since 1999, COMAFORS, a non-profit civil-society organization, has been dedicated to promoting sustainable forest management, regulatory improvement, and technical training to build a compliant and competitive forestry value chain.

The model integrates industry governance, capacity building, and technological innovation to help Ecuador's forestry sector achieve legal operations, sustainability, and greater competitiveness. It comprises three main components:

1. Technical governance:

COMAFORS coordinates companies, producers, public agencies, and partner organizations to strengthen industry collaboration mechanisms, streamline regulatory processes, promote responsible raw-material sourcing, and support compliance with applicable laws and regulations.

2. Capacity building:

The organization delivers training covering sustainable forest management, plantation care, reforestation and silviculture, forestry operating costs, and traceability management.

3. Technological innovation:

Digital tools are promoted and validated to improve measurement, recording, organization, and verification of data across the entire supply chain. These tools include the TIMBETER system for digital log measurement and the NAX platform for information management and traceability.

The model establishes a continuous-improvement system for Ecuadorian forestry enterprises. The process begins with a diagnostic assessment of raw-material supply and compliance documentation, followed by mapping of critical control points from harvesting through transport, storage, processing, and delivery. It incorporates digital measurement, geolocation, image archiving, batch ledgers, and document verification. The process concludes with technical reports that demonstrate the legality of raw-material sources, operational efficiency, and the company's environmental and social responsibility performance. The resulting verifiable data supports business decision-making, increases industry transparency, and drives ongoing improvements in forest management.

Main benefits include: closing information gaps among producers, processors, and regulators; improving transparency in timber measurement; strengthening corporate due diligence; enhancing companies' ability to meet the requirements of markets that prioritize legality, traceability, and sustainability; and providing technical support for the design of public forest-regulation policies and the modernization of oversight systems.

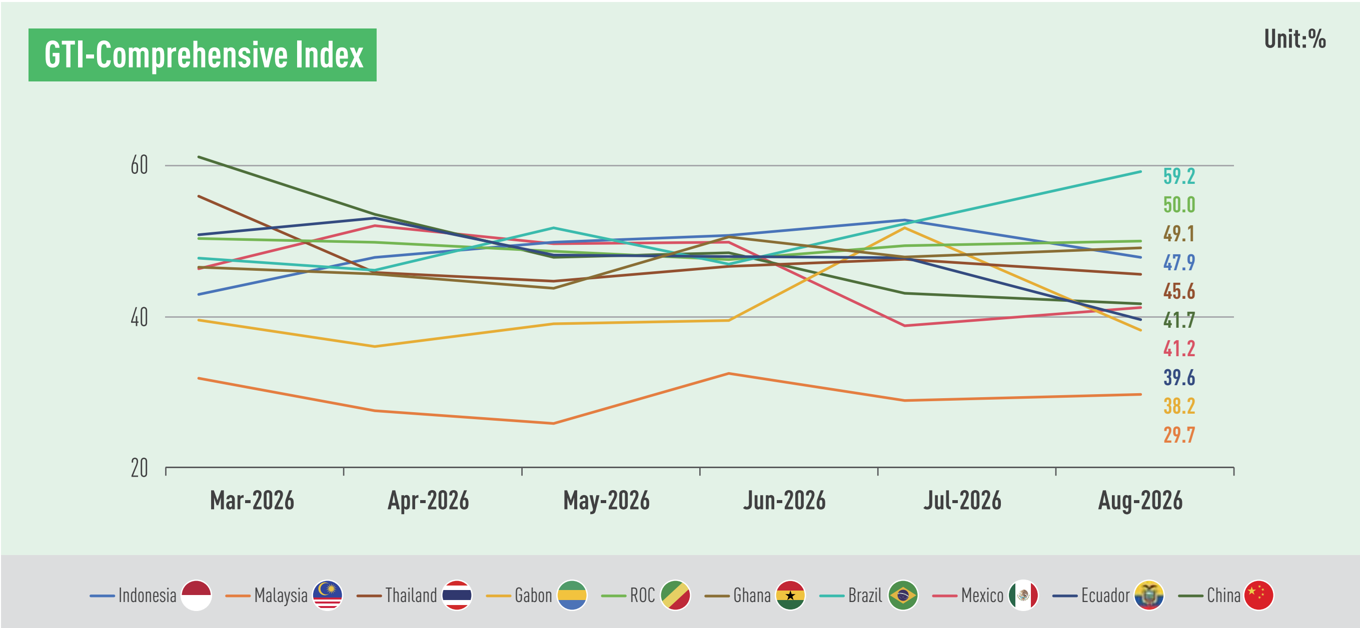
What makes it Best Practice?

By combining industry-association leadership, traceability management, technical training, and digital technology, the model advances legal and sustainable timber trade. It is measurable and replicable, offering practical value to companies, government authorities, and markets that demand products of legal origin and sustainable practices.

The best practice above has been provided by Sustainable Forest Management Corporation (COMAFORS) in Ecuador. For further information on this best practice, please contact Juan Carlos Palacios Burneo at jcpalacios@comafors.org.

Overview of the GTI Index

Diverging timber industry sentiment with partial output stabilisation



The Global Timber Index (GTI) Report for August 2026 revealed that among the ten GTI pilot countries, Brazil (59.2%) continued to register a GTI reading above the 50% critical value, indicating an overall expansion in its timber sector; the Republic of the Congo (50.0%) posted a reading at the critical value, signaling a stable sector; and the other eight countries were in contraction territory. Among them, Ghana (49.1%) and Indonesia (47.9%) recorded readings close to the critical value, indicating slight contraction; Thailand (45.6%), China (41.7%), and Mexico (41.2%) showed moderate contraction; and Ecuador (39.6%), Gabon (38.2%), and Malaysia (29.7%) recorded low readings, reflecting a significant downturn in their timber sectors.

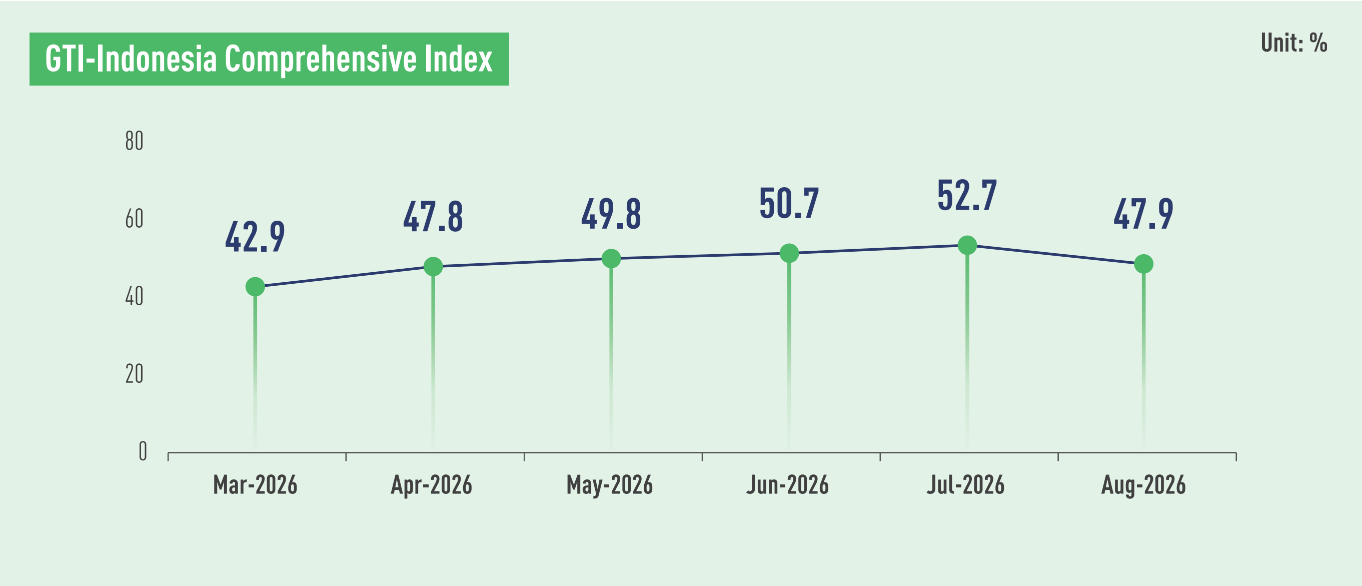
Sub-indices revealed signs of partial stabilization and improvement. On the harvesting side, Brazil and Indonesia recorded month-on-month increases in harvesting volume, the Republic of the Congo halted its decline and stabilized, and contraction eased in Ghana and several other countries. On the production side, Brazil maintained growth for a second consecutive month, Indonesia's production remained steady over the past five months, and Mexico's production contraction eased markedly. On the demand side, Brazil's new orders rose for the fourth straight month and the Congo's orders held steady; China's new orders softened, but its export market stabilized after earlier declines.

In response to external market pressures, several countries have accelerated adjustments to their trade strategies. China is pursuing greater diversification of furniture exports, actively expanding into Middle Eastern, Southeast Asian, and Latin American markets. Indonesia is establishing a task force to pursue its target of USD 6 billion in furniture and craft exports by 2031. Gabon focuses on expanding timber markets within Africa, while Ecuador's teak industry is shifting toward higher-value-added products to capture new market opportunities. Addressing compliance requirements of EU Deforestation Regulation (EUDR), Indonesia is preparing a pilot project to build a compliance model that suits its domestic conditions while still meeting the standards required by the European Union. Ecuador is working on a national balsa strategy to strengthen mechanisms for traceability and legality, thereby maintaining the products' access to international 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 Index in August 2026



Indonesia's plantation and forestry sectors attracted IDR 54.4 trillion in investment in the first half of 2026, according to government data, with IDR 16.3 trillion directed to log-related industries. The country currently has 123.9 million hectares of forest, of which approximately 67 million hectares are designated as production forest. Official statistics from Statistics Indonesia (BPS) show the furniture industry is rebounding strongly. Value added in the sector rose 4.32% year-on-year in the first quarter of 2026 and accelerated sharply to 11.82% in the second quarter—the strongest quarterly growth in seven years. In other news, to accelerate progress toward the industry's target of USD 6 billion in furniture and handicraft exports by 2031, Indonesia's Trade Minister and the Indonesian Furniture and Handicraft Industry Association (HIMKI) have established a joint working group, which has formally begun operations with a focus on boosting exports of Indonesian furniture, handicrafts, and home décor products. Separately, in response to EU Deforestation Regulation (EUDR), the Trade Ministry is collaborating with exporters on a pilot project designed to develop compliance frameworks for Indonesian commodities covered by the regulation. The trade minister stated that the government aims to create a model tailored to Indonesia's circumstances while meeting EU standards.

In August 2026, the GTI-Indonesia index registered 47.9%, a decrease of 4.8 percentage points from the previous month and below the critical value (50%) again, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Indonesia index shrank from the previous month.

Regarding the twelve sub-indexes, three indexes (harvesting, delivery time, and market expectation) were above the critical value of 50%, six indexes (production, export orders, inventory of finished products, purchase quantity, purchase price, and inventory of main raw materials) were at the critical value, while the remaining three indexes (new orders, existing orders, and employees) were below the value. Compared to the previous month, the indexes for harvesting, export orders, inventory of finished products, purchase quantity, inventory of main raw materials, and market expectation increased by 2.2 to 9.1 percentage points; the indexes for purchase price was unchanged from the previous month; and the indexes for production, new orders, existing orders, employees, and delivery time declined by 0.7 to 9.1 percentage point(s).

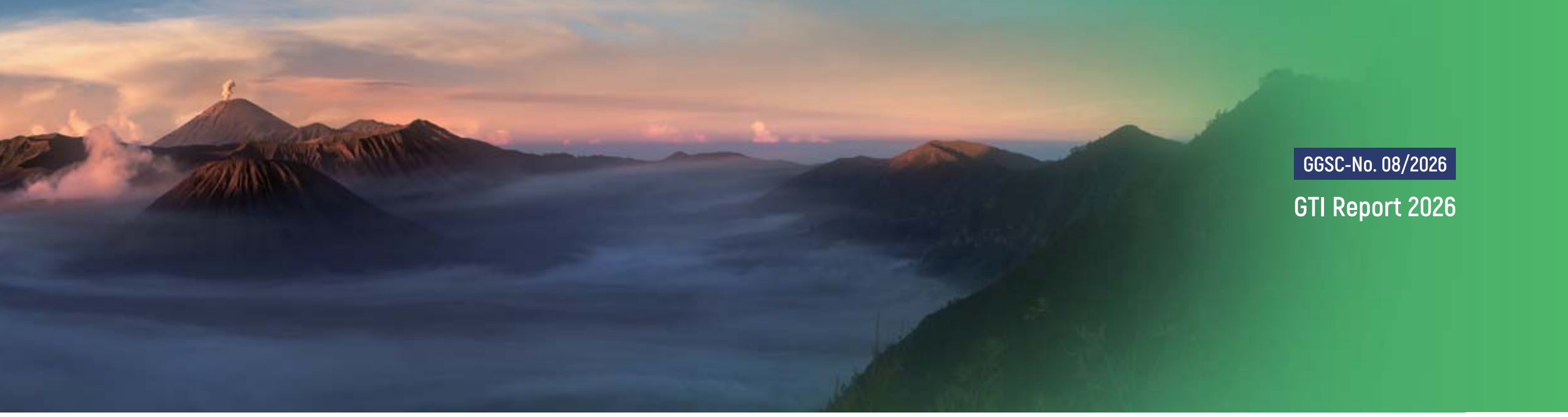


Table: Overview of GTI-Indonesia Sub-Indexes (%)

	2026.03	2026.04	2026.05	2026.06	2026.07	2026.08	MoM	Performance
Comprehensive Index	42.9	47.8	49.8	50.7	52.7	47.9	-4.8 ↓	Contract
Harvesting Index	52.3	47.9	50.0	52.2	50.0	52.2	2.2 ↑	Expand
Production Index	31.3	50.0	50.0	55.6	59.1	50.0	-9.1 ↓	Stable
New Orders Index	48.4	48.4	51.7	51.7	52.9	45.8	-7.1 ↓	Contract
Export Orders Index	44.4	38.9	38.9	45.0	46.2	50.0	3.8 ↑	Stable
Existing Orders Index	40.3	45.3	41.4	43.3	40.0	37.5	-2.5 ↓	Contract
Inventory Index of Finished Products	38.7	42.2	44.8	48.3	41.4	50.0	8.6 ↑	Stable
Purchase Quantity Index	40.0	36.4	31.3	37.5	40.9	50.0	9.1 ↑	Stable
Purchase Price Index	50.0	50.0	50.0	50.0	50.0	50.0	0.0	Stable
Inventory Index of Main Raw Materials	43.8	45.0	45.0	45.0	45.8	50.0	4.2 ↑	Stable
Employees Index	43.5	42.2	44.8	43.3	47.1	43.2	-3.9 ↓	Contract
Delivery Time Index	50.0	52.1	55.3	54.5	53.8	53.1	-0.7 ↓	Expand
Market Expectation Index	64.0	60.9	54.2	55.8	60.0	61.1	1.1 ↑	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 August 2026, although operating conditions continued to be influenced by production costs, market demand, and international trade developments. Across the industry, export orders and production showed mixed trends. Export orders for natural-forest timber-based industries remained relatively stable, while production showed a slight decline. Meanwhile, both export orders and production for plantation-forest timber-based industries remained relatively stable. At the raw material level, production from both natural and plantation forests showed an upward trend, while orders remained at a moderate level.

From the raw material side, timber supply was generally sufficient to support industrial activities, although availability and procurement costs remained a concern in some areas. Rising fuel prices and transportation costs continued to affect the cost of timber procurement and distribution. Strengthening supply planning, maintaining reliable sourcing, and improving transportation efficiency remain important for supporting downstream processing.

The plywood and panel industry remained an important part of Indonesia's forest-based manufacturing sector. Market conditions in August were still influenced by relatively cautious overseas demand and uncertainty in international trade. Export orders remained under pressure in some markets, while the industry continued to face the need to maintain production efficiency and secure stable market demand. Expanding export destinations, strengthening marketing, and developing higher-value-added products will be increasingly important to sustain the industry's performance.

The woodworking industry, including mouldings and other processed wood products, continued to operate relatively steadily, supported by demand from regional markets. However, export activities remained affected by several practical and regulatory constraints. Limited access to fumigation facilities can delay shipments, while restrictions on the cross-sectional dimensions of moulding products may limit export opportunities. Improving access to quarantine and fumigation facilities and reviewing export requirements that may restrict market access would help support the continued development of this segment.

The wood furniture industry continued to show relatively good potential, particularly for higher-value-added, customized, and quality-oriented products. Demand from international markets remained moderate and uneven, reflecting cautious purchasing conditions in several major markets. Expanding into new markets, strengthening product design and quality, and increasing domestic market penetration remain important opportunities for the sector.

The pulp and paper industry continued to benefit from the relatively stable availability of plantation-based raw materials. Production remained broadly stable, although international competition and market conditions continued to put pressure on prices and margins. Improving operational efficiency, product quality, and market diversification will remain important to maintain the sector's performance. The chipwood industry also remained closely linked to downstream demand in major Asian markets, with export performance influenced by changes in demand and prices in destination countries.

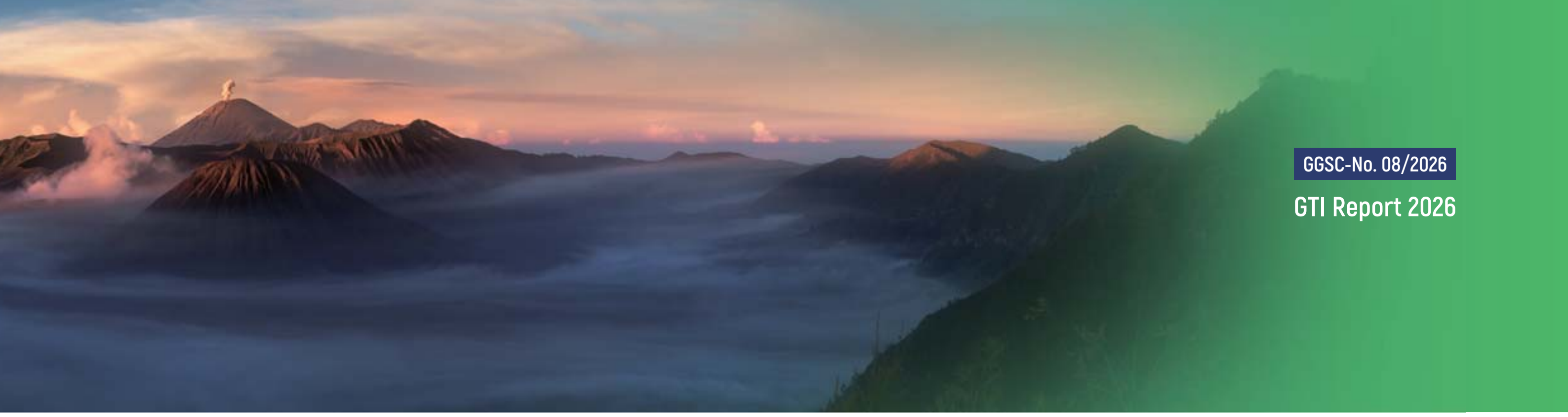
Across the broader forest-based manufacturing sector, production costs, market access, and export demand remained the main areas of concern during August. Rising fuel and transportation costs continued to put pressure on operating margins, while weaker demand in some overseas markets created challenges for export-oriented industries. Maintaining production efficiency, diversifying markets, strengthening domestic demand, and increasing the value added of forest products will therefore remain important in the coming months.

Overall, Indonesia's forestry industry in August 2026 remained relatively stable but continued to operate under cost and market pressures. The combination of stable production in several downstream industries, improving raw material production, and continued demand from regional markets provides a reasonable basis for maintaining industrial activity. Further improvement will depend largely on the recovery and diversification of export markets, better cost management, reliable raw material supply, and continued development of higher-value-added 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

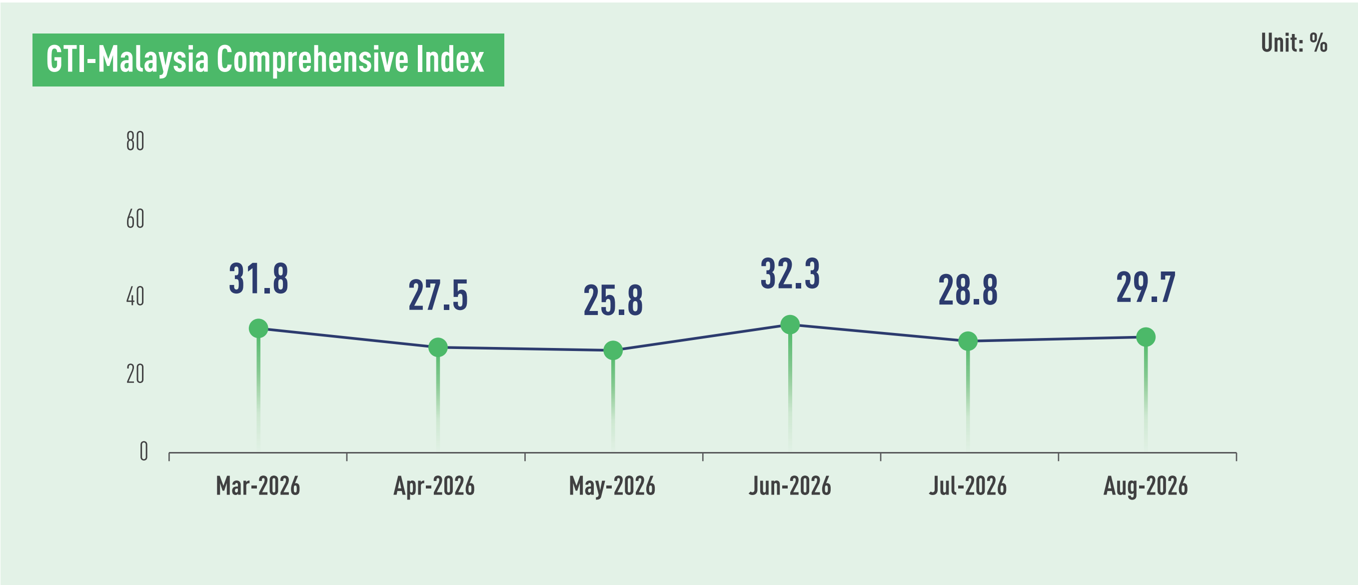
- Heavy equipment was damaged during harvesting operations.
- Prices of export products showed a downward trend.
- There were social problems related to land tenure.
- Rainfall was extremely heavy, and timber transport distances were long.
- There was a shortage of timber raw materials in Surabaya and surrounding areas.
- Prices of the main raw materials used by wood processing enterprises did not decline.
- Some workers were aging, and the overseas market was sluggish at that time, which led to a decline in productivity.
- Although log prices were low, rising fuel prices, longer transport distances, and heavy rainfall resulted in high transport costs.
- The possible imposition of anti-dumping/countervailing duties placed a potential burden on Indonesian practitioners and led to a decline in exports of plywood products to the United States.
- Difficulties in exporting processed timber led to reduced demand for timber raw materials. There was a policy prohibiting logs from being transported out of the province, which limited the market size.
- Because market demand was high but supply was limited, some raw materials were in short supply and prices rose, especially keruing and bangkirai. Demand for meranti was sluggish, and available raw materials were limited.
- There was a lack of supporting infrastructure for timber transport.

Main Suggestions from GTI-Indonesia Enterprises

- Regular maintenance is needed for damaged heavy equipment.
- Optimize harvesting operations during periods without rain.
- The government should introduce supportive policies on fuel prices.
- Efforts are needed to open new markets and promote the sales of plywood products.
- Open new markets in other countries for Indonesian timber products.
- The company responds to labor changes by implementing a shift system and arranging backup personnel.
- Government policy support is needed, including encouraging the opening of new markets for Indonesian timber products, so as to drive up timber prices.
- The government needs to intervene in a timely and effective manner in regulations related to social and land tenure issues to ensure business activities.
- The export policy for sawnwood should be relaxed, or the cross-sectional area limits for various tree species (especially species naturally grown in eastern Indonesia) should be expanded.
- It is necessary to revise the provisions on cross-sectional area restrictions in forestry product export regulations to support the sustainable development of upstream and downstream industries.
- Develop market opportunities according to market demand, including but not limited to: enriching the product varieties required by the market, promoting alternative products to increase log demand, and simultaneously selling sunken and floating timber.

GTI-Malaysia Report

GTI-Malaysia Index in August 2026



To better meet market demand, the Malaysian government is encouraging the timber industry to shift from a volume-driven production model toward higher-value-added products. Plantation and Commodities Minister Noraini Ahmad said the ministry will work through agencies including the Malaysian Timber Industry Board (MTIB), the Malaysian Timber Council (MTC), and the Malaysian Timber Certification Council (MTCC) to help the sector raise productivity, develop human capital, expand markets, and strengthen sustainable practices. Speaking at an international tropical forestry conference, the Minister of Natural Resources and Environmental Sustainability noted that Malaysia still maintains 17.99 million hectares of forest and tree cover—equivalent to 54.4 percent of its land area—thereby fulfilling the commitment made since 1992 to keep at least 50 percent of the country under forest cover. Meanwhile, the state of Sabah is exploring ways to enhance the overall value of its production forests through carbon trading, agroforestry, forest ecotourism, and payments for ecosystem, aiming to diversify sustainable sources of forest-based income.

In August 2026, the GTI-Malaysia index registered 29.7%, an increase of 0.9 percentage point from the previous month, was below the critical value (50%) for many months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Malaysia index shrank from the previous month.

Regarding the twelve sub-indexes, the purchase price index was above the critical value of 50%, the index for inventory of finished products was at the critical value, while the remaining ten indexes were below the value. Compared to the previous month, seven indexes (new orders, export orders, existing orders, purchase quantity, purchase price, inventory of main raw materials, and employees) increased by 1.1 to 11.7 percentage points; the harvesting index was unchanged from the previous month; and four indexes (production, inventory of finished products, delivery time, and market expectation) declined by 2.8 to 5.0 percentage points.

Log Pond in Tan Chee Seng Sawmill Perak, Malaysia. @ Khairul nizam

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

	2026.03	2026.04	2026.05	2026.06	2026.07	2026.08	MoM	Performance
Comprehensive Index	31.8	27.5	25.8	32.3	28.8	29.7	0.9 ↑	Contract
Harvesting Index	38.9	31.3	30.0	25.0	31.3	31.3	0	Contract
Production Index	38.9	31.3	20.0	27.8	25.0	22.2	-2.8 ↓	Contract
New Orders Index	31.8	30.0	29.2	40.9	30.0	31.8	1.8 ↑	Contract
Export Orders Index	33.3	27.8	20.0	33.3	27.8	30.0	2.2 ↑	Contract
Existing Orders Index	36.4	40.0	33.3	27.3	20.0	22.7	2.7 ↑	Contract
Inventory Index of Finished Products	54.5	50.0	54.2	45.5	55.0	50.0	-5.0 ↓	Stable
Purchase Quantity Index	25.0	33.3	31.8	30.0	38.9	40.0	1.1 ↑	Contract
Purchase Price Index	45.0	61.1	59.1	65.0	55.6	60.0	4.4 ↑	Expand
Inventory Index of Main Raw Materials	35.0	33.3	36.4	30.0	33.3	45.0	11.7 ↑	Contract
Employees Index	22.7	20.0	25.0	31.8	30.0	31.8	1.8 ↑	Contract
Delivery Time Index	30.0	22.2	22.7	25.0	27.8	25.0	-2.8 ↓	Contract
Market Expectation Index	40.9	45.0	45.8	45.5	45.0	40.9	-4.1 ↓	Contract

Main Challenges Reported by GTI-Malaysia Enterprises

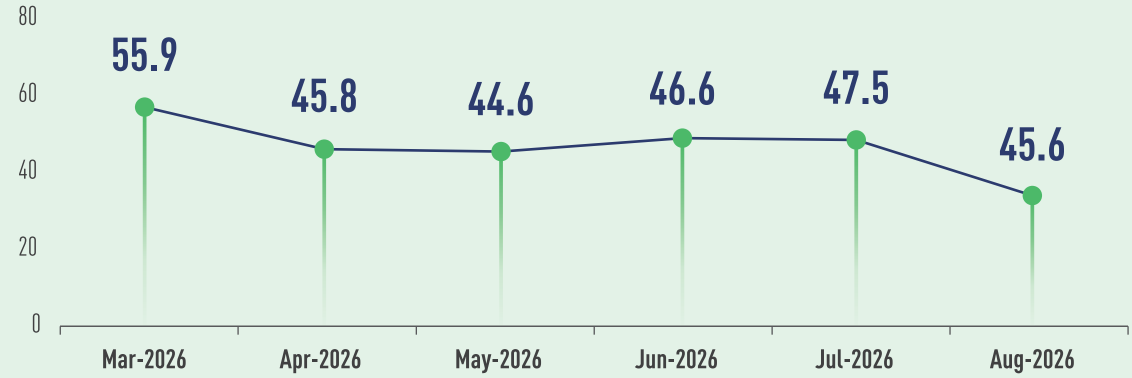
- Log prices fluctuated.
- Enterprises' order volumes decreased.
- Demand in the timber market was insufficient.
- Enterprises had insufficient raw material reserves.
- Freight rates to the United States rose.
- Glue costs rose, and diesel prices were high.
- The volume of plywood imports in the Sarawak market was relatively large; the global construction market remained weak; and regional conflicts caused a shortage of shipping space.
- Market demand was weak, manufacturing costs were high, freight rates rose sharply, exchange rates fluctuated, and the currencies of the buyers' countries depreciated.

Main Suggestions from GTI-Malaysia Enterprises

- The government should introduce incentive measures.
- Wait for the global economic recovery.
- Appropriately slow down production according to market demand.
- The government should intervene to increase container and vessel capacity.
- The government should introduce stimulus policies to increase building and construction projects.
- Optimize workforce allocation, strengthen cost control measures, and improve overall operational efficiency.

GTI-Thailand Report

GTI-Thailand Index in August 2026



Data released on the Thai Furniture Association's website reveal that Thailand's exports of furniture and parts totaled around USD 1.18 billion in the first seven months of 2026, up 19.25 percent year-on-year. Over the same period, sawnwood exports reached USD 758 million, rising 3.05 percent, while medium-density fiberboard (MDF) exports fell 24.62 percent to USD 393 million and particleboard exports declined 6.32 percent to USD 270 million. On the policy front, a draft amendment to the Community Forest Act has entered public consultation, and the revision introduces a new provision on carbon-credit sales under which revenue generated from carbon credits produced by relevant approved community-forest management activities is exempt from remittance to the national treasury and is instead distributed directly by the Community Forest Management Committee to registered members participating in those activities, thereby incentivizing community involvement in natural-resource management. At the same time, the Thai government is accelerating construction of Phase 3 of Laem Chabang Port and reviewing adjustments to container-storage fees to encourage faster cargo turnover. It has also formally launched reforms to electricity-procurement contracts, focusing on revisions to long-term power-purchase agreements and electricity-cost mechanisms with the aim of lowering the power burden on businesses.

In August 2026, the GTI-Thailand index registered 45.6%, a decrease of 1.9 percentage points from the previous month and below the critical value (50%) for five 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 delivery time) were above the critical value of 50%, three indexes (existing orders, inventory of finished products, and employees) were at the critical value, while the remaining seven indexes (harvesting, production, new orders, export orders, purchase quantity, inventory of main raw materials, and market expectation) were below the value. Compared to the previous month, six indexes (export orders, existing orders, inventory of finished products, purchase price, employees, and delivery time) increased by 3.7 to 11.9 percentage points; and six indexes (harvesting, production, new orders, purchase quantity, inventory of main raw materials, and market expectation) declined by 1.1 to 13.3 percentage points.

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

	2026.03	2026.04	2026.05	2026.06	2026.07	2026.08	MoM	Performance
Comprehensive Index	55.9	45.8	44.6	46.6	47.5	45.6	-1.9 ↓	Contract
Harvesting Index	54.2	42.3	36.4	16.7	46.4	39.3	-7.1 ↓	Contract
Production Index	56.3	50.0	34.4	47.4	55.0	41.7	-13.3 ↓	Contract
New Orders Index	64.7	47.4	52.8	50.0	47.6	44.7	-2.9 ↓	Contract
Export Orders Index	75.0	61.1	33.3	42.9	31.3	35.7	4.4 ↑	Contract
Existing Orders Index	41.2	31.6	30.6	38.1	40.5	50.0	9.5 ↑	Stable
Inventory Index of Finished Products	41.2	47.4	44.4	38.1	38.1	50.0	11.9 ↑	Stable
Purchase Quantity Index	56.7	34.4	34.6	42.1	47.4	40.6	-6.8 ↓	Contract
Purchase Price Index	61.8	64.7	65.6	63.2	61.9	65.6	3.7 ↑	Expand
Inventory Index of Main Raw Materials	40.6	30.6	50.0	40.0	40.0	38.9	-1.1 ↓	Contract
Employees Index	50.0	44.7	44.4	42.9	45.2	50.0	4.8 ↑	Stable
Delivery Time Index	55.9	47.4	41.7	47.6	42.9	52.6	9.7 ↑	Expand
Market Expectation Index	58.8	31.6	50.0	54.8	52.4	42.1	-10.3 ↓	Contract

Warehouse staff inspects finished wooden products in CDP Sawmill, Samutsakorn, Thailand. @ Yuvarin Akravisophol

Factory members pose in the workshop of CDP Sawmill, Samutsakorn, Thailand. @ Yuvarin Akravisophol

GTI-Thailand Report

Brief on Thai Timber Industry

- Thailand's timber market in August 2026 showed a mixed and generally cautious timber market. Businesses faced weak or uncertain demand, shortages or difficulties in obtaining suitable raw materials, high production and transportation costs, limited skilled workers, and constraints on expanding production. Some companies also faced shortages of logs and other raw materials, higher timber and material prices, transportation delays caused by heavy rain, machine problems, and limited skilled workers. Several companies therefore reduced raw-material purchases and inventories and focused on controlling costs and improving cash flow.

- An important finding is that the positive movement appears to be company-specific rather than a broad market recovery. There were enterprises whose new orders increased. They are the teak furniture, teak sawnwood, eucalyptus and rubberwood woodchips.

- Overall, the GTI results from May to August 2026 show that Thailand's timber market remained slow and cautious, with weak demand, high production costs, limited raw-material supply, and businesses carefully controlling production and investment. By July, production limitations became more visible, including shortages of logs and sawn timber, skilled workers, machinery capacity, and working capital. These continuing challenges highlight the need for longer-term development of Thailand's wood industry.

Information provided by GTI-Thailand Focal Point

Wooden products in CDP Sawmill, Samutsakorn, Thailand. @ Yuvarin Akravisophol

Wooden products in CDP Sawmill, Samutsakorn, Thailand. @ Yuvarin Akravisophol

Main Challenges Reported by GTI-Thailand Enterprises

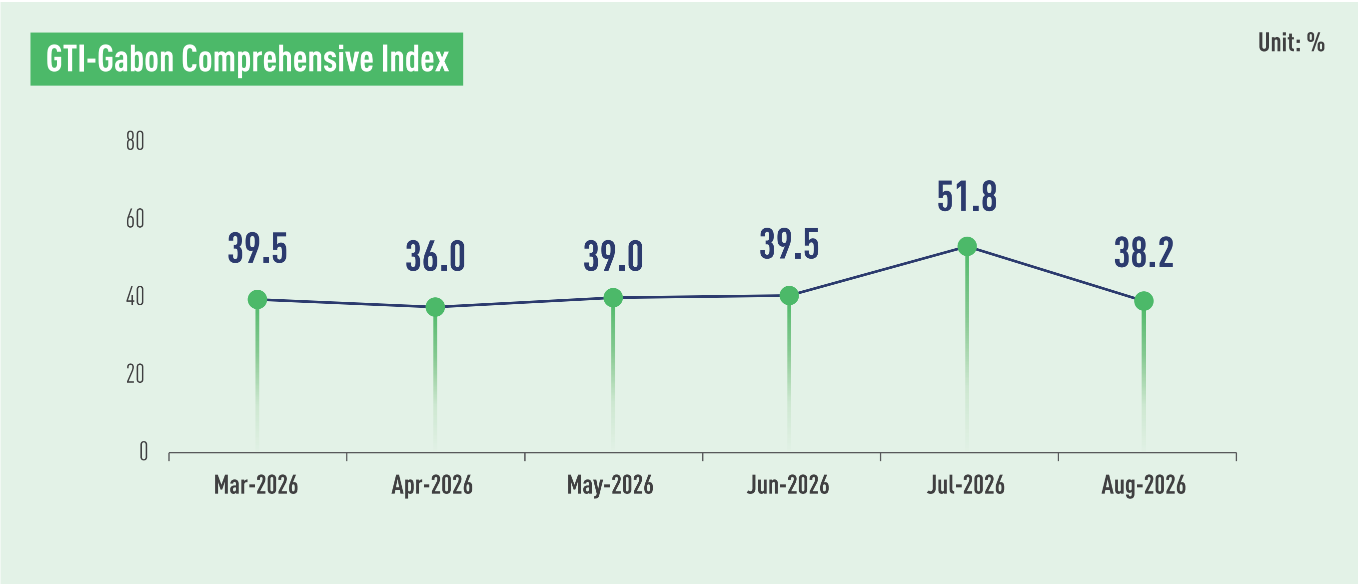
- Transportation delays occurred.
- Raw material reserves were insufficient.
- Enterprise order volumes decreased.
- Heavy rain and storms disrupted production and transportation.
- Equipment failures occurred, and competitors' price adjustments caused customers to delay placing orders.
- Enterprise employees had limited capabilities.
- The real estate market remained sluggish, and customers postponed new projects and focused on clearing existing inventory.
- Due to registration and filing requirements, the transportation of plantation timber became more difficult.

Main Suggestions from GTI-Thailand Enterprises

- Develop new customer base.
- Re-plan procurement.
- Support the plantation forest cultivation strategy.
- Strengthen education to cultivate a mature, modern workforce.
- Strengthen communication between furniture sellers and users.
- Increase customer awareness of products and conduct market demand surveys before production.
- The government should provide policy support.
- Accelerate sales to reduce existing inventory and improve cash flow, while exploring new customer base and alternative markets to create additional sales opportunities.

GTI-Gabon Report

GTI-Gabon Index in August 2026



On August 24, the Gabonese government convened a working meeting to discuss measures aimed at improving the economic conditions of forest operators, adjusting certain regulatory mechanisms, and settling outstanding debts, in line with the president's policy direction for the sustainable revival and enhanced competitiveness of the forestry and timber sector. To counter softening demand in some overseas markets, relevant government agencies have been instructed to continue developing new markets for the sector, with particular emphasis on Africa and the sub-region. On August 29, Gabon formally launched the "Gabon Infini" initiative, which seeks to mobilize approximately USD 200 million over a ten-year period to finance projects focused on sustainable forestry, ecotourism, the reduction of human–wildlife conflict, and the management of climate risks.

In August 2026, the GTI-Gabon index registered 38.2%, a decrease of 13.6 percentage points from the previous month and below the critical value (50%) again, 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, all were below the critical value (50%). Compared to the previous month, the index for harvesting increased by 1.4 percentage points, while the remaining eleven indexes declined by 2.1 to 33.4 percentage points.

Field operaion in the forest, Gabon. @ BONUS HARVEST

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

	2026.03	2026.04	2026.05	2026.06	2026.07	2026.08	MoM	Performance
Comprehensive Index	39.5	36.0	39.0	39.5	51.8	38.2	-13.6 ↓	Contract
Harvesting Index	35.7	33.3	37.5	35.7	37.5	38.9	1.4 ↑	Contract
Production Index	35.7	58.3	41.7	38.9	60.0	38.9	-21.1 ↓	Contract
New Orders Index	35.7	22.2	37.5	33.3	50.0	30.0	-20.0 ↓	Contract
Export Orders Index	37.5	21.4	58.3	44.4	50.0	41.7	-8.3 ↓	Contract
Existing Orders Index	35.7	16.7	37.5	38.9	50.0	35.0	-15.0 ↓	Contract
Inventory Index of Finished Products	28.6	33.3	37.5	33.3	40.0	30.0	-10.0 ↓	Contract
Purchase Quantity Index	25.0	25.0	35.7	42.9	50.0	35.7	-14.3 ↓	Contract
Purchase Price Index	37.5	83.3	35.7	57.1	66.7	33.3	-33.4 ↓	Contract
Inventory Index of Main Raw Materials	37.5	16.7	35.7	42.9	50.0	40.0	-10.0 ↓	Contract
Employees Index	42.9	33.3	31.3	44.4	50.0	45.0	-5.0 ↓	Contract
Delivery Time Index	50.0	42.9	50.0	43.8	45.0	42.9	-2.1 ↓	Contract
Market Expectation Index	42.9	33.3	37.5	44.4	45.0	30.0	-15.0 ↓	Contract

Main Challenges Reported by GTI-Gabon Enterprises

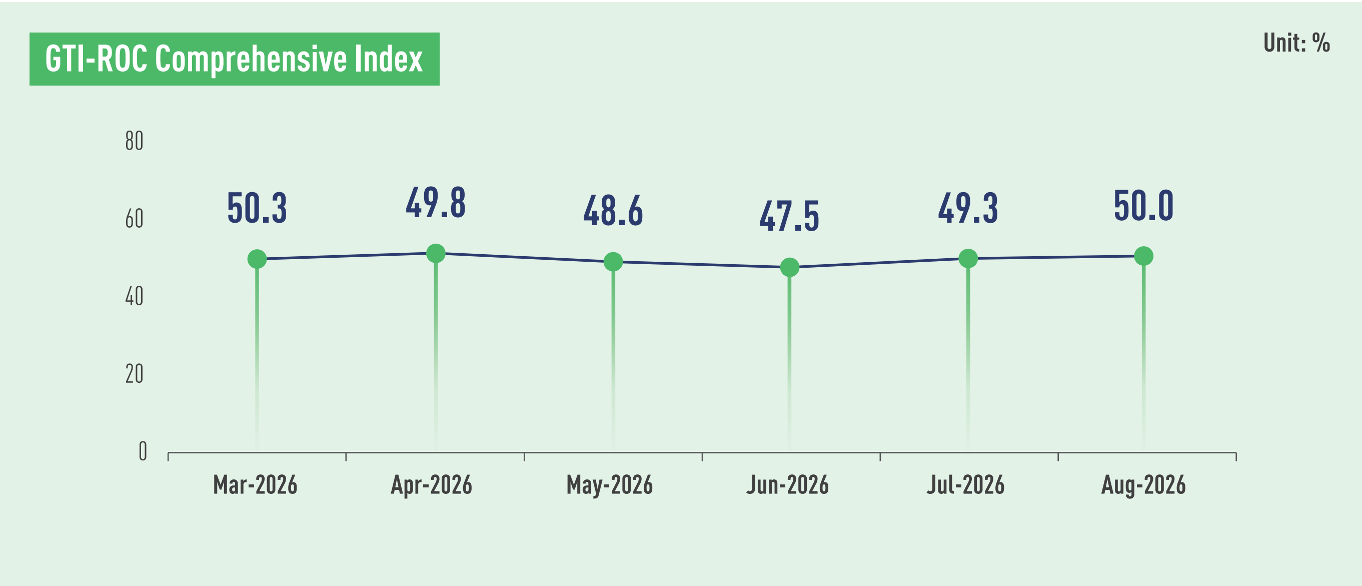
- Prices of finished products on the market fell.
- Prices of logistics and production materials were high.
- Fuel prices rose, and export tariffs on wood products were high.
- Frequent breakdowns caused production to slow down.
- Road conditions were poor, and transportation costs rose.

Main Suggestions from GTI-Gabon Enterprises

- Strengthen the maintenance of production equipment and, when necessary, invest in upgrading some equipment.
- Improve road and railway conditions and increase energy supply at a lower cost.
- Reduce diesel prices and tariffs on wood products, and shut down enterprises that fail to comply with Gabonese national laws.
- Ensure that enterprises inside special economic zones pay the same taxes and fees as those outside the zones, establish a VAT refund timetable, and set a minimum price for logs based on certification status.

GTI-ROC Report

GTI-ROC Index in August 2026



In August, the onset of the rainy season in parts of the Republic of the Congo (ROC) began to disrupt harvesting and transport for some timber companies. To address the logistical challenges posed by the seasonal weather, the Steering Committee of the Congo's Road Fund convened in Brazzaville that month and approved a substantial upward revision to its annual expenditure budget, raising it from 7.72 billion CFA francs set in May to approximately 27.7 billion CFA francs, aiming to accelerate road maintenance works before the onset of heavy rains across much of the country. On the market front, Congolese timber exports to China surged 21.4% year-on-year in the first half of 2026, prompting local sawmills to gradually adjust their production schedules. Still, operators remained broadly cautious about ramping up output too quickly. Meanwhile, the Congo's forest partnership with Europe continued to advance. Recently, the EU Forest Governance and Value Chains (FGVC) Programme launched a call for proposals targeting countries like the Congo, with the objective of developing competitive and sustainable value chains in Central Africa by promoting lesser-used timber species (LUTS) and products.

In August 2026, the GTI-ROC index registered 50.0%, an increase of 0.7 percentage point from the previous month and at the critical value of 50%, indicating that the business prosperity of the superior timber enterprises represented by the GTI-ROC index was unchanged from the previous month.

Regarding the twelve sub-indexes, ten indexes (harvesting, production, new orders, export orders, purchase quantity, purchase price, inventory of main raw materials, employees, delivery time, and market expectation) were at the critical value of 50%, while the remaining two indexes (existing orders, and inventory of finished products) were below the critical value. Compared to the previous month, the indexes for harvesting, production, existing orders, and inventory of finished products increased by 1.7 to 3.6 percentage points; the indexes for new orders, export orders, purchase quantity, purchase price, employees, delivery time and market expectation were unchanged from the previous month; and the index for inventory of main raw materials declined by 2.0 percentage points.

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

	2026.03	2026.04	2026.05	2026.06	2026.07	2026.08	MoM	Performance
Comprehensive Index	50.3	49.8	48.6	47.5	49.3	50.0	0.7 ↑	Stable
Harvesting Index	50.0	47.8	46.0	43.2	46.7	50.0	3.3 ↑	Stable
Production Index	50.0	50.0	47.9	45.5	46.4	50.0	3.6 ↑	Stable
New Orders Index	50.0	50.0	48.0	45.5	50.0	50.0	0.0	Stable
Export Orders Index	50.0	50.0	50.0	47.7	50.0	50.0	0.0	Stable
Existing Orders Index	50.0	50.0	50.0	43.2	46.4	48.1	1.7 ↑	Contract
Inventory Index of Finished Products	47.7	50.0	50.0	47.7	46.2	48.1	1.9 ↑	Contract
Purchase Quantity Index	54.2	47.8	47.8	50.0	50.0	50.0	0.0	Stable
Purchase Price Index	54.2	47.8	52.2	50.0	50.0	50.0	0.0	Stable
Inventory Index of Main Raw Materials	52.0	47.8	50.0	50.0	52.0	50.0	-2.0 ↓	Stable
Employees Index	45.5	50.0	50.0	50.0	50.0	50.0	0.0	Stable
Delivery Time Index	56.8	50.0	48.0	50.0	50.0	50.0	0.0	Stable
Market Expectation Index	50.0	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 Index in August 2026

Effective August 16, Ghana's National Petroleum Authority reduced the minimum prices for various refined petroleum products, with the diesel floor price cut from 16.97 cedis to 15.19 cedis, a decline of approximately 10.48 percent and the largest single reduction in recent months, offering welcome relief to cost pressures in the timber industry. In other news, the Chief Executive Officer of the Forestry Commission of Ghana said that since assuming office in 2025, the Commission has successfully cleared illegal miners (Galamsey operators) from nine previously inaccessible forest reserves, thereby enabling the resumption of ecological restoration efforts. Progress in expanding plantation timber output has also been notable, with plantation-grown products now accounting for roughly 60 percent of total forest-product volume; in addition, approximately 400 private entities have been allocated degraded lands for ecological restoration and plantation development, generating 17,300 jobs.

In August 2026, the GTI-Ghana index registered 49.1%, an increase of 1.3 percentage points from the previous month and below the 50% critical value for two consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Ghana index shrank slightly from the previous month.

Regarding the twelve sub-indexes, one index (purchase price) was above the critical value of 50%; five indexes (existing orders, inventory of finished products, inventory of main raw materials, employees, and market expectation) were at the value; and six indexes (harvesting, production, new orders, export orders, purchase quantity, and delivery time) were below the value. Compared to the previous month, the indexes for harvesting, new orders, purchase quantity, inventory of main raw materials, and delivery time increased by 2.3 to 10.7 percentage points; the indexes for existing orders, inventory of finished products, and employees were unchanged from the previous month; and the indexes for production, export orders, purchase price, and market expectation declined by 0.8 to 2.7 percentage point(s).

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

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

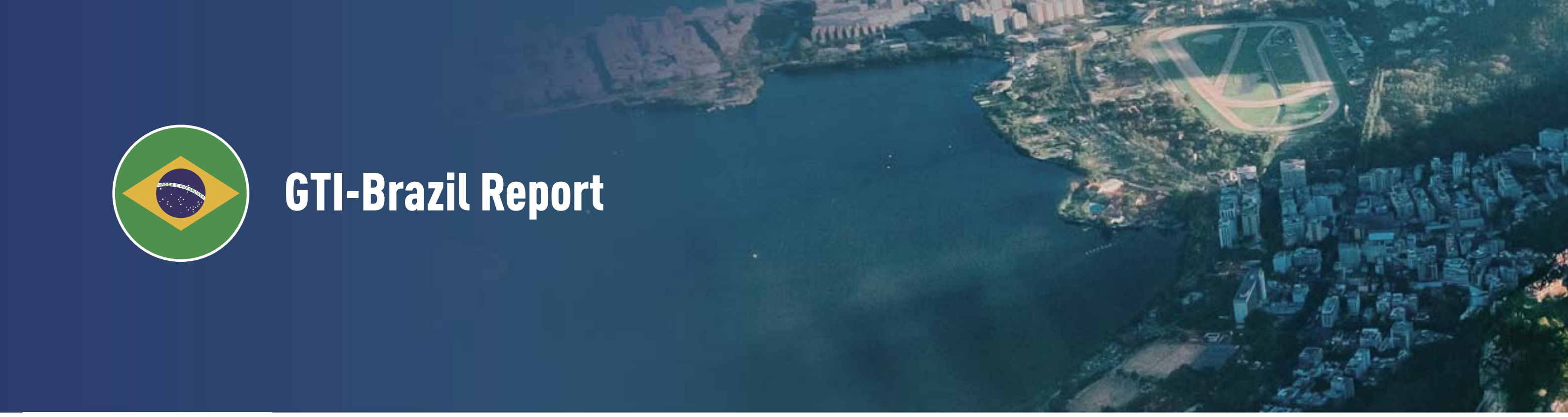
	2026.03	2026.04	2026.05	2026.06	2026.07	2026.08	MoM	Performance
Comprehensive Index	46.5	45.6	43.7	50.5	47.8	49.1	1.3 ↑	Contract
Harvesting Index	37.5	45.0	40.0	42.3	42.9	47.2	4.3 ↑	Contract
Production Index	47.8	40.9	40.5	53.6	45.8	45.0	-0.8 ↓	Contract
New Orders Index	39.1	36.4	35.7	53.6	31.3	35.0	3.7 ↑	Contract
Export Orders Index	23.3	23.5	33.3	41.7	26.2	23.5	-2.7 ↓	Contract
Existing Orders Index	37.0	47.7	47.6	50.0	50.0	50.0	0.0	Stable
Inventory Index of Finished Products	32.6	52.3	42.9	60.7	50.0	50.0	0.0	Stable
Purchase Quantity Index	30.8	44.4	44.4	55.0	41.2	45.8	4.6 ↑	Contract
Purchase Price Index	67.9	57.1	58.8	55.6	63.3	62.5	-0.8 ↓	Expand
Inventory Index of Main Raw Materials	45.7	44.4	42.9	54.2	47.7	50.0	2.3 ↑	Stable
Employees Index	45.7	50.0	47.6	50.0	50.0	50.0	0.0	Stable
Delivery Time Index	41.2	40.0	36.1	50.0	25.0	35.7	10.7 ↑	Contract
Market Expectation Index	45.2	43.2	45.2	53.8	52.1	50.0	-2.1 ↓	Stable

Main Challenges Reported by GTI-Ghana Enterprises

- Energy and fuel prices were high.
- Export orders were insufficient.
- The electricity supply was unstable.
- The supply of raw materials was insufficient.
- The condition of forest roads was poor.
- Illegal logging activities still existed, which hindered normal harvesting operations.

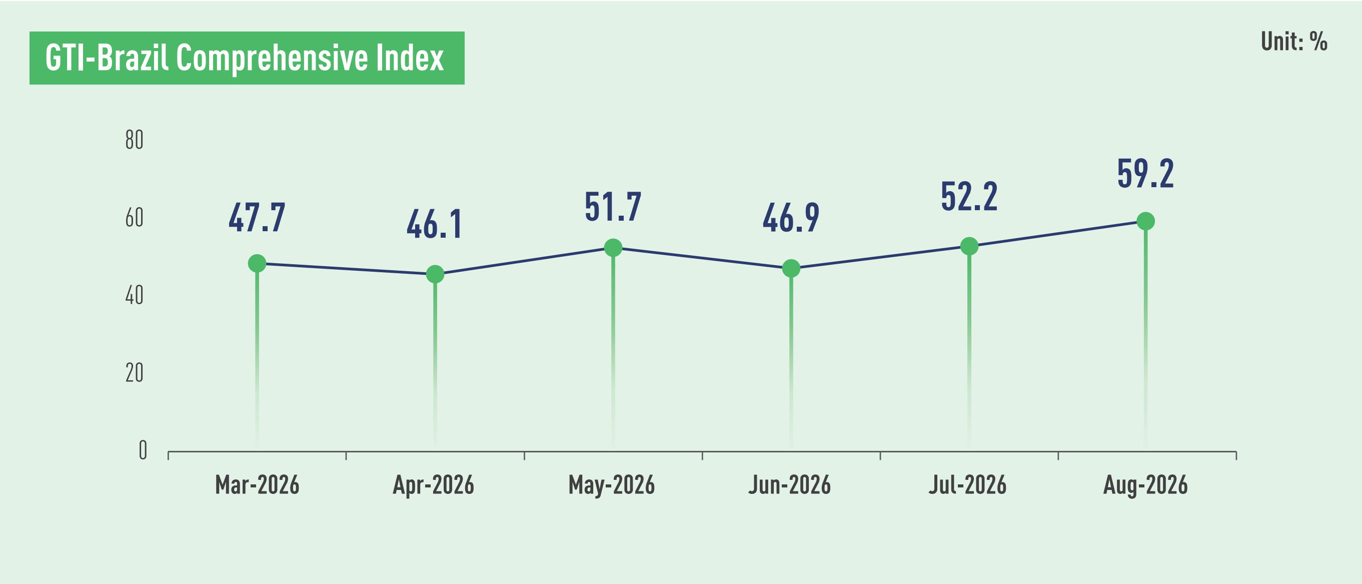
Main Suggestions from GTI-Ghana Enterprises

- The government should increase intervention and investment.
- Introduce trade promotion and investment policies, and step up trade promotion efforts.
- Need the government to increase support for the forestry industry.
- Increase tax exemptions.
- Need the government to invest in renewable energy.
- Need the government to invest in the development of planted forests.



GTI-Brazil Report

GTI-Brazil Index in August 2026



In July, Brazil's exports of wood products (excluding pulp and paper) totaled approximately USD 285 million, down 7.0 percent year-on-year. Of that total, tropical sawnwood shipments rose 23.0 percent, from USD 11.7 million to USD 14.4 million. In the first half of the year, Brazilian furniture and mattress exports reached USD 349.7 million, a decline of roughly USD 24.5 million from the same period a year earlier. Exports to the United States alone fell by nearly USD 44 million, or about 42 percent; excluding the U.S. market, shipments of furniture and mattresses grew approximately 7.2 percent. On August 25, Brazil announced its first Land Degradation Neutrality (LDN) target, committing to restore more than 163,000 square kilometers of land by 2030 through measures that include restoring native vegetation, investing in agroforestry systems, and implementing actions across nature reserves, indigenous territories, permanent protection areas, and watersheds. Meanwhile, in the second quarter, the real-estate sector posted solid results in several regions—particularly the Northeast—bolstered by the Minha Casa, Minha Vida (MCMV) housing program, with new development projects rising 24.6 percent year-on-year and sales volume increasing 13.6 percent.

In August 2026, the GTI-Brazil index registered 59.2%, an increase of 7.0 percentage points from the previous month and above the critical value (50%) for two consecutive months, 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, two indexes (inventory of main raw materials and delivery time) were below the critical value of 50%, while the remaining ten indexes were above the value. Compared to the previous month, the indexes for harvesting, production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, employees, delivery time, and market expectation increased by 1.1 to 13.5 percentage points, and the indexes for purchase price and inventory of main raw materials declined by 0.8 to 2.9 percentage point(s).

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

	2026.03	2026.04	2026.05	2026.06	2026.07	2026.08	MoM	Performance
Comprehensive Index	47.7	46.1	51.7	46.9	52.2	59.2	7.0 ↑	Expand
Harvesting Index	50.0	50.0	43.8	37.5	61.1	63.6	2.5 ↑	Expand
Production Index	50.0	46.4	45.0	40.9	53.8	63.3	9.5 ↑	Expand
New Orders Index	46.4	50.0	70.0	53.8	57.1	67.6	10.5 ↑	Expand
Export Orders Index	53.8	57.1	72.2	62.5	61.5	75.0	13.5 ↑	Expand
Existing Orders Index	50.0	56.7	45.0	42.3	57.1	58.8	1.7 ↑	Expand
Inventory Index of Finished Products	53.6	56.7	25.0	42.3	60.7	61.8	1.1 ↑	Expand
Purchase Quantity Index	45.5	41.7	27.8	45.0	54.5	60.7	6.2 ↑	Expand
Purchase Price Index	75.0	80.8	72.2	63.6	70.8	70.0	-0.8 ↓	Expand
Inventory Index of Main Raw Materials	46.4	40.0	27.8	37.5	50.0	47.1	-2.9 ↓	Contract
Employees Index	53.6	50.0	50.0	50.0	53.6	58.8	5.2 ↑	Expand
Delivery Time Index	39.3	36.7	44.4	45.5	39.3	44.1	4.8 ↑	Contract
Market Expectation Index	71.4	60.0	55.0	65.4	53.6	58.8	5.2 ↑	Expand

Storage Warehouse Corridor in Bleém, Brazil. @ Fernanda Tocantins

Veneer Machine in Belém, Brazil. @ Fernanda Tocantins

GTI-Brazil Report

Brief on Brazilian Timber Industry

- Pine Market: The supply of small-diameter Pine logs remains tighter in the states of Paraná and Santa Catarina, partly due to weather conditions, while demand remains strong, particularly from the pulp industry. This supply-demand imbalance continues to put greater pressure on the small-diameter log market. In contrast, large-diameter logs are more readily available and face lower demand, reflecting reduced production by plywood, moulding, and other manufacturers supplying the U.S. market. The imposition of U.S. tariffs has increased uncertainty surrounding exports and contributed to downward pressure on prices. The domestic market, however, has been absorbing part of the surplus production, partially mitigating the impact on the market.

- Eucalyptus Market: In the Eucalyptus market, prices remain relatively stable in Entre Rios municipality, in the state of Bahia. However, older and larger-diameter logs command higher prices, particularly when destined for sawmills, reflecting their higher quality and greater end-use value. In the state of Santa Catarina, price adjustments are expected due to higher freight costs, increased forest values, and weather conditions. Heavy rainfall in southern Brazil, particularly in Santa Catarina and Rio Grande do Sul, has been hampering harvesting operations and reducing the regularity of timber supply. As a result, in addition to affecting timber availability, adverse weather conditions are increasing costs and logistical risks across forestry operations.

- Sawnwood and Plywood Market: The sawnwood and plywood markets show heterogeneous performance across companies and regions, ranging from stable conditions and signs of recovery to weak market conditions, particularly for timber from natural forests and certain Pine products. In the states of Paraná and Santa Catarina, civil construction and demand from panel manufacturers continue to support consumption and partially offset weakness in some export-oriented segments. On the other hand, production costs remain high, particularly diesel and harvesting costs. Heavy rainfall and the outlook associated with the El Niño phenomenon are adding further pressure on timber supply and forestry logistics, potentially restricting access to production areas, increasing transportation costs, and reducing timber availability in the short term.

- Performance of Brazil's Planted Forest Sector: In the first half of 2026, Brazil's forest plantation sector exported US$7.5 billion, a 5.9% decrease compared to the same period in 2025. Pulp production remained stable at 13.9 million tons, but exports declined 10.5%, to 9.4 million tons. In value terms, pulp export revenues reached US$5.2 billion, down 4%. These results indicate that the decline in exports is more closely related to the deterioration of international market conditions than to constraints on Brazil's production capacity. Key factors include increased trade protectionism, excess supply in certain markets, and disruptions across global supply chains. China remained the main destination market, purchasing US$2.5 billion worth of Brazilian products. In contrast, exports to North America declined by 22.4%, highlighting the more pronounced impact of adverse trade conditions in that market.

Information provided by GTI-Brazil Focal Point

Muiracatiara Sawmill in Belém, Brazil. @ Fernanda Tocantins

Aerial, Operacao, in Florestal, Mato Grosso, Brazil. @ teakrc

Main Challenges Reported by GTI-Brazil Enterprises

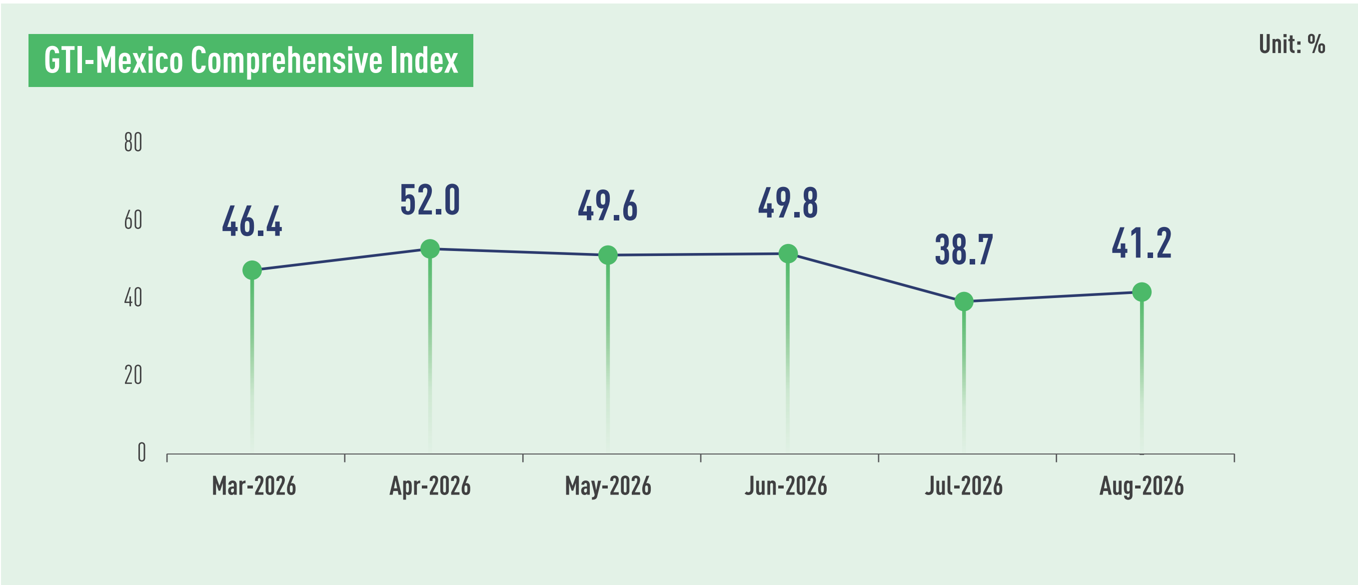
- Access to credit was limited.
- Export market prices declined.
- The supply of raw materials was unstable.
- The Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) delayed the issuance of LPCO (licenses, permits, certificates, and other documents), which affected exports.
- Affected by uncertainty in the U.S. market, the supply market was in a wait-and-see state.
- Affected by U.S. tariffs, prices fell sharply, which caused supply to concentrate in specific regions.
- Forest management operations were insufficient, log prices were high, and qualified labor was in short supply.

Main Suggestions from GTI-Brazil Enterprises

- Increase the level of industrialization of the production chain.
- Develop alternative markets to reduce dependence on the U.S. market.
- Pursue a strong foreign policy to seek tariff reductions.
- Establish a task force within IBAMA to clear the backlog of pending matters.
- Accelerate document review by the competent environmental authority and increase the number of personnel responsible for review.
- Focus on promoting timber from sustainably managed forests as a market-viable sustainable alternative material.

GTI-Mexico Report

GTI-Mexico Index in August 2026



On August 9, the Mexican government launched the 2026 National Reforestation Campaign, the first such nationwide effort to be carried out simultaneously across all 32 states, aiming to plant 6.6 million trees and plants and sow one million seeds across 32,184 hectares, with a longer-term target of cultivating and planting 1.5 billion plants and trees by 2030. Mexico's Environment Minister noted that approximately 60 percent of the country's forest ecosystems lie on community or ejido lands, underscoring the critical importance of engaging these communities in forest protection and restoration. In the State of Mexico, forestry activities related to timber harvesting generate roughly 500 million pesos in annual economic value and provide direct employment for about 3,000 people. In other news, recently, several Mexican timber associations have publicly cited U.S. tariffs and the strengthening of the peso against the dollar as factors weighing on producers' sales.

In August 2026, the GTI-Mexico index registered 41.2%, an increase of 2.5 percentage points from the previous month, and remained below the critical value (50%) for four 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%, while the remaining ten indexes were below the value. Compared to the previous month, the indexes for production, new orders, existing orders, purchase quantity, purchase price, and market expectation increased by 1.7 to 11.3 percentage points; the export orders index was unchanged from the previous month; and the indexed for harvesting, inventory of finished products, inventory of main raw materials, employees, and delivery time declined by 1.6 to 11.9 percentage points.

Wooden stacker in Cárdenas, Tabasco, Mexico. @ Empresa PROXYLO

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

	2026.03	2026.04	2026.05	2026.06	2026.07	2026.08	MoM	Performance
Comprehensive Index	46.4	52.0	49.6	49.8	38.7	41.2	2.5 ↑	Contract
Harvesting Index	47.7	62.5	52.6	60.0	41.7	35.7	-6.0 ↓	Contract
Production Index	44.7	46.4	50.0	52.8	35.3	44.4	9.1 ↑	Contract
New Orders Index	43.2	55.9	47.5	50.0	31.6	42.9	11.3 ↑	Contract
Export Orders Index	75.0	33.3	50.0	50.0	25.0	25.0	0	Contract
Existing Orders Index	38.6	41.2	47.5	45.2	31.6	33.3	1.7 ↑	Contract
Inventory Index of Finished Products	45.5	44.1	57.5	47.6	42.1	40.5	-1.6 ↓	Contract
Purchase Quantity Index	42.3	60.0	45.8	30.8	29.2	34.6	5.4 ↑	Contract
Purchase Price Index	60.7	62.5	69.2	61.5	53.8	59.1	5.3 ↑	Expand
Inventory Index of Main Raw Materials	50.0	50.0	57.7	43.3	50.0	43.8	-6.2 ↓	Contract
Employees Index	52.3	55.9	50.0	45.2	39.5	35.7	-3.8 ↓	Contract
Delivery Time Index	45.5	50.0	47.5	54.8	50.0	38.1	-11.9 ↓	Contract
Market Expectation Index	63.6	61.8	62.5	76.2	71.1	73.8	2.7 ↑	Expand

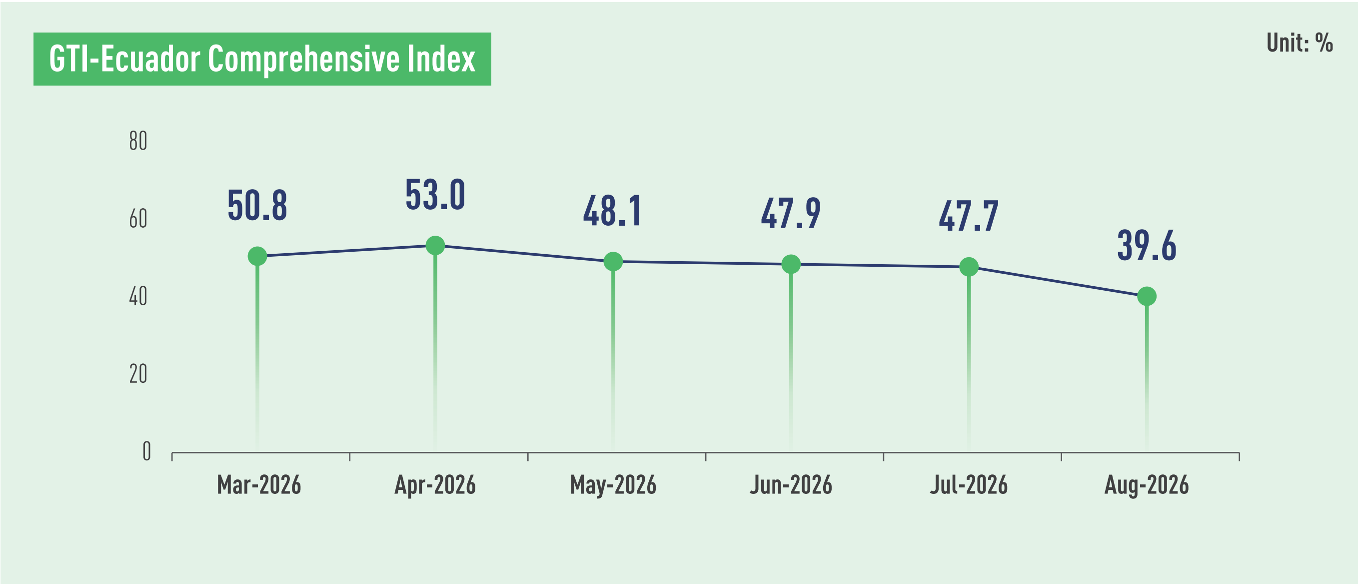
Main Challenges Reported by GTI-Mexico Enterprises

- Logistics and distribution efficiency was low.
- Sales of wood products decreased.
- Weather conditions affected production and operations.
- Consumer awareness of wood products was relatively low.
- Enterprises faced price pressure from competitors.
- Market demand was unstable, and demand was difficult to predict.
- Enterprises had limited sales channels or insufficient channel development.

Main Suggestions from GTI-Mexico Enterprises

- Optimize forest management procedures.
- Improve the planning of industry logistics processes.
- Conduct capacity building to improve enterprises' wood processing capabilities.
- Improve road conditions to increase transportation efficiency.
- Adjust policies to reduce imports of wood products.
- Obtain government subsidies to reduce production costs.
- Ensure adequate inventory for the sales and distribution channels of products.

GTI-Ecuador Index in August 2026



Latest data from the Central Bank of Ecuador shows that the country's exports of wood and cork products rose from US$58 million to US$83 million during the first half of 2026, representing a year on year increase of 42.9%. In response to the new challenges posed by the EU Deforestation Regulation (EUDR), Ecuador's Ministry of Economic and Productive Development (MDEP) has announced that it is drafting a national balsa strategy, which aims to strengthen mechanisms for traceability, geolocation, legal compliance, and sustainability, thereby maintaining and expanding market access for balsa products internationally. According to figures from the Ecuadorian Forestry and Wood Industry Association (AIMA), balsa accounts for roughly 40% of the country's total wood sector exports. While actively positioning its balsa industry for growth, Ecuador's teak sector is also pursuing a transformation and upgrade, focusing on higher value added production to tap into new markets beyond its traditional customer base. At present, India accounts for a substantial share of Ecuadorian teak demand, while other markets include the United States, Germany, Italy, Mexico, Belgium, and others.

In August 2026, the GTI-Ecuador index registered 39.6%, a decrease of 8.1 percentage points 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-Ecuador index shrank from the previous month.

Regarding the twelve sub-indexes, all were below the critical value. Compared to the previous month, the index for harvesting increased by 0.7 percentage point; the index for delivery time was unchanged from the previous month; and the indexes for others declined by 2.0 to 20.6 percentage points.

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

	2026.03	2026.04	2026.05	2026.06	2026.07	2026.08	MoM	Performance
Comprehensive Index	50.8	53.0	48.1	47.9	47.7	39.6	-8.1 ↓	Contract
Production Index	62.5	43.8	50.0	43.8	31.8	32.5	0.7 ↑	Contract
New Orders Index	75.0	56.3	53.8	50.0	50.0	41.3	-8.7 ↓	Contract
Export Orders Index	37.5	56.3	46.9	45.8	45.5	36.0	-9.5 ↓	Contract
Existing Orders Index	33.3	75.0	55.6	58.3	56.3	35.7	-20.6 ↓	Contract
Inventory Index of Finished Products	50.0	56.3	53.1	50.0	54.5	36.0	-18.5 ↓	Contract
Purchase Quantity Index	62.5	31.3	56.3	41.7	54.5	36.0	-18.5 ↓	Contract
Purchase Price Index	75.0	62.5	53.1	50.0	45.5	38.0	-7.5 ↓	Contract
Import Index	75.0	62.5	68.8	62.5	59.1	48.0	-11.1 ↓	Contract
Inventory Index of Main Raw Materials	75.0	56.3	50.0	45.8	54.5	43.8	-10.7 ↓	Contract
Employees Index	37.5	50.0	50.0	54.2	50.0	40.0	-10.0 ↓	Contract
Delivery Time Index	25.0	42.9	37.5	41.7	40.9	40.9	0.0	Contract
Market Expectation Index	62.5	50.0	34.4	50.0	50.0	48.0	-2.0 ↓	Contract

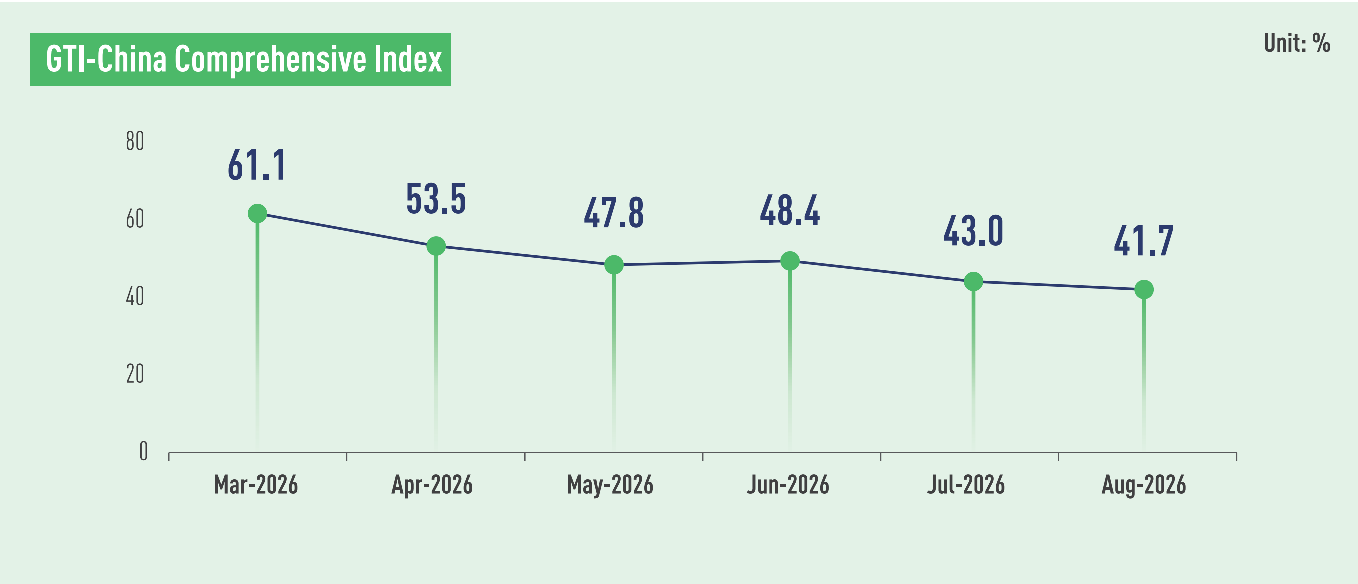
Main Challenges Reported by GTI-Ecuador Enterprises

- There was rainfall in mountainous areas.
- The number of clients decreased.
- Raw material supply was unstable.
- Workers at sawmills and loading/unloading crews were insufficiently skilled.
- Electric voltage was inadequate to sustain production processes.
- Housing sales declined, and suppliers delivered timber at a slower pace.
- Enterprises faced timber shortages, working capital difficulties, and legal permit issues.
- Some factories failed to meet regulatory requirements.

Main Suggestions from GTI-Ecuador Enterprises

- Find more suppliers.
- Optimize materials and manufacturing processes.
- Stabilize market prices for timber products.
- Scale up afforestation and reforestation efforts.
- Upgrade the capacity of power transformers.
- Ensure a supply of higher quality timber.
- Provide targeted support for small scale timber enterprises.
- Regulate the country's foreign trade activities.
- Boost sales, enhance management support from public agencies, and streamline administrative procedures.
- Harmonize product pricing across the domestic market.
- Strengthen oversight to ensure that all mills and factories comply with relevant regulations.

GTI-China Index in August 2026



From January to July this year, China's import volume of logs and sawnwood registered a year-on-year decline, yet the total import value remained largely flat compared with the same period last year, suggesting an overall uptick in average import prices. During the same period, China's exports of furniture and parts reached approximately US$39.19 billion, up 8.5 percent year on year, signaling a shift from the downward trend seen last year to a growth territory. Analysts point out that Chinese furniture exports are gradually moving away from their previously concentrated market structure toward a more diversified geographical footprint, with a number of manufacturers accelerating their push into markets such as the Middle East, Southeast Asia, and Latin America to reduce reliance on any single market. Entering August, extreme weather conditions across the country have begun to subside, and with the traditional "Golden September and Silver October" peak-season stocking window drawing closer, industry insiders maintain a cautiously optimistic outlook on the near-term performance of the domestic building materials and home furnishing market.

In August 2026, the GTI-China index registered 41.7%, a decrease of 1.3 percentage points 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-China index shrank from the previous month.

Regarding the twelve sub-indexes, three indexes (inventory of finished products, import, and market expectation) were above the 50% critical value, one index (export orders) was at the value, while the remaining eight indexes (production, new orders, existing orders, purchase quantity, purchase price, inventory of main raw materials, employees, and delivery time) were below the critical value. Compared to the previous month, the indexes for export orders, inventory of finished products, purchase quantity, purchase price, import, inventory of main raw materials, and delivery time increased by 2.1 to 13.9 percentage points, whereas the indexes for production, new orders, existing orders, employees, and market expectation declined by 1.7 to 4.6 percentage points.

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

	2026.03	2026.04	2026.05	2026.06	2026.07	2026.08	MoM	Performance
Comprehensive Index	61.1	53.5	47.8	48.4	43.0	41.7	-1.3 ↓	Contract
Production Index	65.5	57.6	49.3	49.0	43.2	41.5	-1.7 ↓	Contract
New Orders Index	65.0	54.0	43.5	48.1	42.6	38.0	-4.6 ↓	Contract
Export Orders Index	54.9	53.1	49.3	46.2	46.9	50.0	3.1 ↑	Stable
Existing Orders Index	62.1	52.2	46.4	45.2	49.4	45.8	-3.6 ↓	Contract
Inventory Index of Finished Products	54.9	52.7	51.8	49.5	38.9	52.8	13.9 ↑	Expand
Purchase Quantity Index	67.0	56.7	52.9	51.0	39.5	48.6	9.1 ↑	Contract
Purchase Price Index	73.8	70.1	47.1	50.0	46.3	48.6	2.3 ↑	Contract
Import Index	53.4	49.1	54.0	47.6	50.6	53.5	2.9 ↑	Expand
Inventory Index of Main Raw Materials	55.8	49.6	51.4	44.7	38.9	46.5	7.6 ↑	Contract
Employees Index	56.8	50.9	47.5	48.6	43.8	40.8	-3.0 ↓	Contract
Delivery Time Index	55.3	51.8	51.8	50.0	45.1	47.2	2.1 ↑	Contract
Market Expectation Index	68.4	58.5	48.6	54.8	53.1	50.7	-2.4 ↓	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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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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