ITTO
INTERNATIONAL TROPICAL TIMBER ORGANIZATION

GGSC

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GTI REPORT 2026

Global Timber Index

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GTI REPORT 2026
OCTOBER



Otavalo Canton, Imbabura Province, Ecuador

Minga Community Forestry: An Innovative Model for Sustainable Management of Forest Plantations Integrating Social Participation and International Certification

Best Practice

Overview of the Best Practice

El Angla Community is located in Otavalo Canton, Imbabura Province, Ecuador. The community has established and sustainably manages 85 hectares of commercial radiata pine (Pinus radiata) plantation, creating a model case of community-based forest management.

The project is built on a participatory governance model that integrates the traditional practice of "Minga" (collective community work), institutional technical support, and financial support from partner organizations, with the community serving as the central driving force behind the project.

The key innovation of this initiative is that commercial plantations are no longer focused solely on generating production revenue. Instead, they serve as an integrated development solution that brings together community development, social inclusion, local employment, forest fire prevention, and climate action.

The entire 85-hectare plantation has obtained international Gold Standard certification, with annual carbon monitoring conducted. To date, it has sequestered approximately 160 tonnes of carbon, contributing to global efforts to mitigate climate change.

The project directly benefits 1,480 residents, providing an exemplary model of how community organizations can promote sustainable rural development and ecological conservation.

1. Background

Rural communities in the Andean region face multiple challenges, including natural resource degradation, shrinking economic opportunities, and increasing vulnerability to the impacts of climate change.

In response, the El Angla Community has undertaken productive ecological restoration through the establishment of commercial plantations. These plantations serve not only as a long-term source of economic income but also as a means of strengthening community organizations, restoring degraded land, creating local employment, and enhancing regional climate resilience.

The project adopts a multi-stakeholder responsibility-sharing mechanism, with the following division of responsibilities:

- The community takes the lead in overall coordination, personnel organization, and labor contributions.
- Institutions provide long-term technical guidance and continuous follow-up support.
- Partner organizations support project implementation through financial assistance, skills training, and specialized professional services.

Through coordinated efforts among these stakeholders, a sustainable forest management model with visible and measurable results has been established.

2. The Minga Model: The Core Mechanism of Forest Management

The main innovation of this case lies in adopting "Minga" (collective community work) as the core mechanism for forest management.

Minga is a traditional practice of Indigenous communities in the Andes. Based on voluntary participation and mutual help, it mobilizes collective labor for the common good. It is not merely a form of labor organization but also a cultural vehicle for social organization, mutual support, shared responsibility, and community building.

The El Angla Community has adapted this traditional practice to modern forest management, mobilizing residents to undertake the following activities:

- Tree seedling production.
- Plantation establishment.
- Forest tending and maintenance.
- Construction of firebreaks.
- Forest fire prevention and control.
- Natural resource conservation.
- Protection and maintenance of local community heritage.

Through this model, community members participate actively and continuously in all stages of the project.

3. Key Components of Project Implementation

Community-based Tree Seedling Production

Seedling production is carried out in a community-owned and operated nursery.

This initiative helps strengthen local technical capacity, accumulate practical experience, reduce seedling production costs, and foster a sense of collective ownership among residents from the early stages of the project.

Collective community-based seedling production is the first essential step in ensuring the successful establishment of the plantations.

Plantation Establishment

Tree planting activities are carried out through Minga, the community's collective labor system, with both women and men deeply involved.

Following sustainable forest management technical standards, the project has successfully established 85 hectares of radiata pine plantations, receiving strong support and recognition from the community.

Through the participation of the entire community, a shared sense of responsibility for plantation management and protection has been strengthened.

Sustainable Forest Tending

Community members participate throughout the entire process of forest tending and maintenance, including:

- Weed control.
- Replanting.
- Formative pruning.
- Technical thinning.
- Growth monitoring.
- Plant health inspection and protection.

These activities ensure the healthy growth of the plantations and lay the foundation for the future production of high-quality forest products.

Forest Monitoring and Carbon Accounting

Regular monitoring is conducted annually to assess tree growth and quantify carbon sequestration.

Monitoring data indicate that the plantations have sequestered approximately 160 tonnes of carbon dioxide (CO_2) to date, contributing to climate change mitigation and enhancing regional ecosystem services.

The monitoring data also provide a scientific basis for planning and decision-making in the sustainable management of the plantations.

Forest Fire Prevention

Recognizing the importance of protecting forestry assets and natural resources, the community has established a comprehensive forest fire prevention and control system.

As part of this strategy, a community fire prevention team comprising 20 members has been established. All team members have received professional training and are responsible for fire prevention, routine patrols, and initial fire response.

Working in coordination with the wider community, the team helps reduce fire risks and strengthen regional climate resilience.

Construction and Maintenance of Firebreaks

One of the project's key measures is the establishment of a strategic network of firebreaks.

To date, approximately 15 kilometers of firebreaks have been constructed and maintained through collective community labor.

These activities have mobilized community members on more than 2,000 occasions, making the initiative a typical example of community mobilization and collective forest protection in the region.

4. Achievements and Benefits

Environmental Benefits

- Established 85 hectares of commercial plantations.
- Obtained international Gold Standard certification for the entire 85-hectare plantation area.
- Sequestered approximately 160 tonnes of carbon dioxide to date.
- Achieved productive ecological restoration of degraded land.
- Contributed to climate change mitigation.
- Supported soil and water conservation and enhanced regional ecosystem services.

Economic Benefits

- Generated approximately 800 local employment opportunities.
- Rural women constitute the main group of workers.
- Improved practical capacity in sustainable forest management.
- Created long-term potential for stable income generation through the sustainable harvesting and utilization of timber.

5. Certification and Compliance

The entire 85-hectare commercial plantation holds international Gold Standard certification, ensuring compliance with internationally recognized environmental, social, and climate-related standards.

Meanwhile, all project activities strictly comply with applicable forestry regulations, enhancing the project's legality, transparency, and sustainability.

This certification has established the El Angla Community as a model for community-based forestry management and climate action in Ecuador.

6. Key Drivers of Innovation

The Minga collective labor model adopted by the El Angla Community is innovative in its integration of multiple dimensions:

- Traditional knowledge and modern forest management.
- Commercial forestry production and climate governance initiatives.
- Community-wide participation and professional technical assistance.
- Social inclusion and gender equality.
- Fire prevention and regional disaster resilience.
- Carbon monitoring and international certification.
- Grassroots community governance and environmental sustainability.

This integrated model has strong potential for replication and can serve as a reference for other rural communities.

What Makes it a Best Practice?

The project has established 85 hectares of plantations, created local employment opportunities with extensive participation by women, strengthened community self-governance capacity, and contributed to climate change mitigation through carbon sequestration. In addition, the project has implemented ecological protection measures, adopted participatory governance, strictly complied with forestry regulations, and established a three-way partnership among the community, institutions, and partner organizations. With its innovative approach, measurable outcomes, and strong adaptability, this model can be replicated and promoted in other rural communities and regions of Ecuador.

The best practice above has been provided by El Angla Community. We also appreciate the support from Ecuador's Ministry of Environment and Energy and the Sustainable Forest Management Corporation (GTI focal points in Ecuador), for their contribution to the GTI Platform. For further information on this best practice, please contact Alegria Colta Churuchumbi at mancomunidadlago2020@gmail.com.

Minga Community Forestry



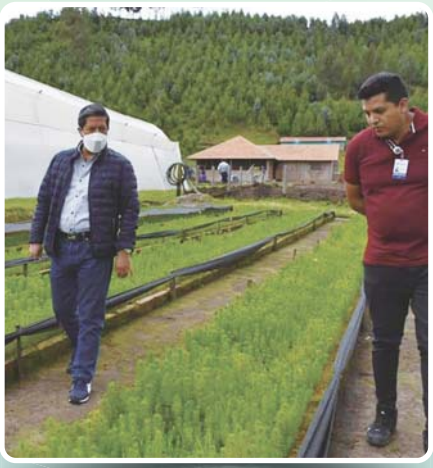


Socialization





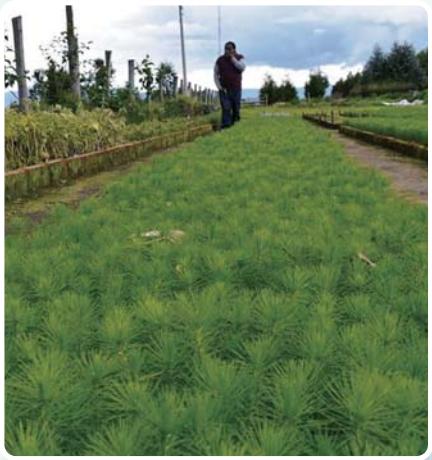
Forest Plantation





Production







Monitoring







Fire Crews and Firebreaks







Brazzaville, Republic of the Congo

Research on the Characteristics and Support for the Optimized Utilization of Lesser-Known Timber Species (LKTS) in the Republic of the Congo

Best Practice

This project is implemented by the National School of Agronomy and Forestry (ENSAF) of Marien Ngouabi University. It falls under the German Agency for International Cooperation (GIZ)'s Tropical Timber Trade (TTT) initiative and aims to promote sustainable forest management in the Republic of the Congo, with a particular focus on lesser-known timber species (LKTS).

1. Project Background

The Congo Basin, the world's second-largest tropical rainforest, is essential for climate regulation, biodiversity conservation, and the livelihoods of millions of people. However, it faces increasing pressure from the overexploitation of major timber species.

Promoting lesser-known timber species (LKTS) is considered a key strategy for reducing pressure on traditionally exploited species and ensuring the sustainability of forest concession areas.

2. Objectives

The overall objective is to support Congolese students in conducting research on topics identified by the project steering committee, with a particular focus on promoting lesser-known and underutilized timber species.

Short-term outcomes include student selection and the submission of research papers. Medium-term outcomes include the publication of preliminary research findings based on LKTS data and stronger links between academia and professional practice. The long-term impact is to guide market demand towards LKTS, reduce pressure on major timber species, and build a more resilient forestry economy.

3. Implementation Strategy

The project adopts the following methodological and implementation strategies to achieve its objectives:

1. Develop a project proposal and submit it to GIZ-TTT to apply for financial and technical support.
2. Establish student selection criteria based on academic performance to ensure the quality of project outcomes.
3. Consult with private forestry companies to ensure an inclusive process, while drawing on subregional experience and working with stakeholders to identify priority research topics.
4. Organize follow-up meetings and consultations through the ENSAF management team and the GIZ-TTT office in Brazzaville.
5. Facilitate coordination and communication between students and their national and international academic supervisors, with the assistance of GIZ-TTT staff in the Republic of the Congo and the ENSAF project liaison officer.

Project activities include plenary working sessions, stakeholder workshops, targeted group meetings, research presentations, and thesis defenses.

4. Core Concept

The project is centered on the synergy between academic excellence and sustainable forest resource management, with the aim of transforming timber exploitation practices in the Republic of the Congo.

- A bridge between science and industry: The project goes beyond theoretical research. It seeks to connect ENSAF students with forest concession operators so that they can develop operational recommendations that can be applied in actual production activities.
- Improving quality through joint supervision: The project's innovative feature lies in its dual-supervision mechanism, which combines practical guidance from national experts, who provide context-specific expertise, with support from international experts, who ensure that research outputs meet global academic publication standards.

5. Pathways to Sustainability

The project adopts a multidimensional sustainability strategy aimed at balancing ecological conservation, economic viability, and social capacity building in the Republic of the Congo.

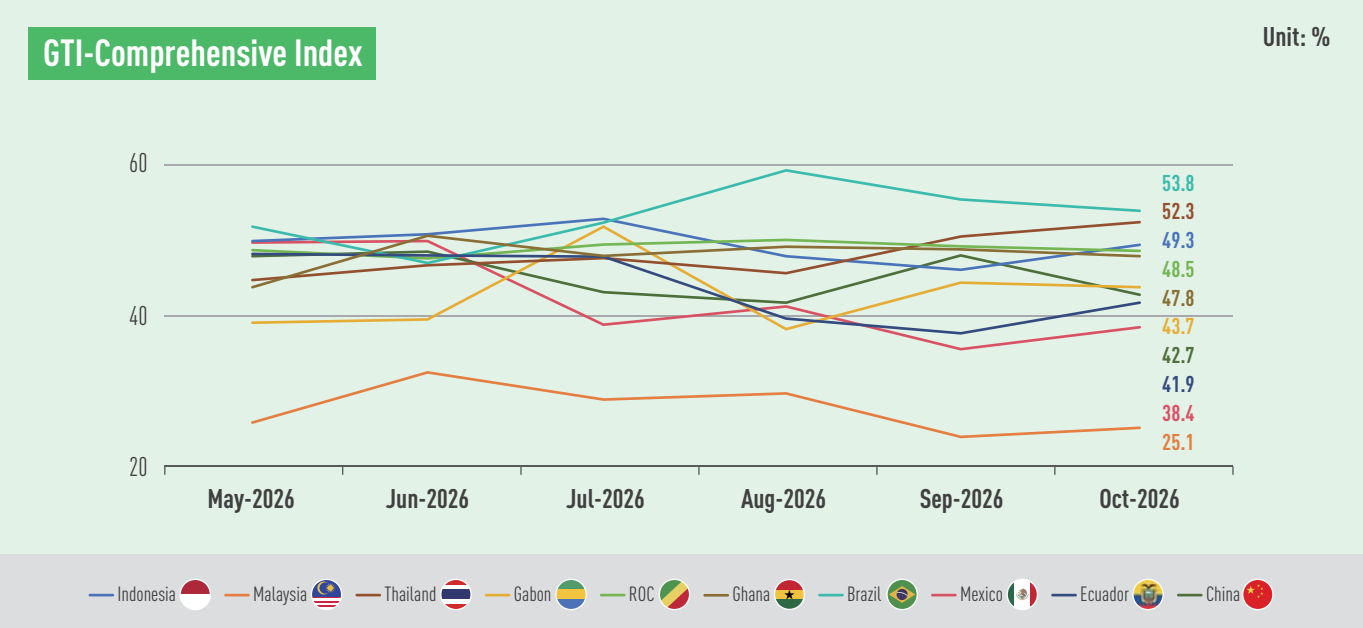
By promoting the use of lesser-known timber species (LKTS), the project helps prevent the overharvesting of popular species, thereby safeguarding ecosystem regeneration and long-term sustainability.

Through the supervision and training of ENSAF students, the project facilitates the transfer of technical skills and helps develop a new generation of professionals in the field of national forest management. Student selection takes into account both academic performance and inclusiveness.

The best practice above has been provided by National School of Agronomy and Forestry (ENSAF) of Marien Ngouabi University. We also appreciate the support from Ministry of Forestry Economy of the Republic of the Congo (GTI focal point in the Congo), for its contribution to the GTI Platform. For further information on this best practice, please contact MOPOUNDZA Paul at paul.mopoundza@umng.cg.

Overview of the GTI Index

Brazil and Thailand maintain growth amid weather disruptions across the tropics



The Global Timber Index (GTI) Report for October 2026 revealed that among the ten pilot countries, Brazil (53.8%) and Thailand (52.3%) maintained GTI readings above the 50% critical value for the fourth and second consecutive month respectively, indicating an overall expansion in their timber sectors. The other eight countries were in contraction territory: Indonesia (49.3%), the Republic of the Congo (48.5%) and Ghana (47.8%) posted readings close to the critical value, indicating slight contraction; Gabon (43.7%), China (42.7%) and Ecuador (41.9%) showed moderate contraction, with China's reading declining from the previous month due to factors such as the National Day holiday; and Mexico (38.4%) and Malaysia (25.1%) recorded low readings, indicating a significant downturn.

GTI sub-indexes showed that harvesting activity in Brazil was stable this month and had been generally steady over the past ten months. Production in Thailand shifted from stable to increasing, while production activity in both Gabon and Brazil showed signs of stabilization. On the demand side, new orders increased in Indonesia, Thailand and Brazil. Notably, Brazil's new orders rose for the sixth consecutive month, with particularly strong performance in export markets.

In October, weather conditions emerged as a prominent factor affecting timber production and operations in many pilot countries. This was also an important reason why none of the countries recorded an increase in harvesting volume this month. In Asia, several Thai enterprises reported difficulties in transporting logs and other raw materials due to flooded roads and persistent rainfall. In Africa, the Republic of the Congo had entered the rainy season; adverse weather combined with poor road conditions restricted harvesting and logistics. Rainfall also disrupted timber industry activities in all three Latin American pilot countries. Indonesia, however, faced different weather-related challenges: prolonged dry weather conditions caused a sharp decline in river water levels, severely disrupting water-based logistics, while haze and extreme heat impacted visibility and operational efficiency. In response to these weather-related challenges, GTI sample enterprises recommended strengthening natural disaster risk management, diversifying suppliers, sourcing raw materials from regions less affected by weather, and flexibly adjusting production and distribution targets in response to weather conditions. Meanwhile, they called on governments to increase road maintenance efforts and improve logistics efficiency to enhance the industry's ability to cope with climate risks and ensure continuity of production.

GTI pilot countries continued to advance preparations for the EU Deforestation Regulation (EUDR). On 27 October, Thailand's Deputy Prime Minister chaired an EUDR meeting, which approved the use of National EUDR Single Window (NESW) platform to facilitate the implementation of traceability and some other matters. Designed to comply with EUDR requirements, the NESW system covers seven designated categories, including timber, and can generate due diligence reports (DDRs) and datasets containing geographic coordinates. In Ghana, the Forestry Commission (FC) and other organizations jointly hosted a national policy dialogue focusing on strengthening Ghana's readiness for EUDR. The FC Chief Executive stated at the event that Ghana is actively strengthening its institutions and traceability systems to meet the requirements, and urged stakeholders to view EUDR as an opportunity to modernize production systems, attract responsible investment, and enhance the competitiveness of Ghanaian products. In addition, the Brazilian Association of Mechanically Processed Timber Industry (ABIMCI) has initiated discussions with the Brazilian Confederation of Agriculture and Livestock (CNA) on the implementation of EUDR. Among the initiatives under consideration is the use of the Agro Brasil + Sustainable platform, developed by the Brazilian Ministry of Agriculture and Livestock (MAPA), as a tool to standardize and centralize traceability and compliance information for Brazilian supply chains subject to European requirements.

1. The Global Timber Index (GTI) is an index system that comprehensively reflects the overall trend of global timber production and trade. It is completed by the participation of major ITTO timber producers and consumers members. The survey covers timber harvesting, trade, manufacturing including production, orders, imports and exports, employees, inventory and raw material prices and other business indicators. It is of a great significance as a guide to business operations, industry investment, and will aid formulation of national policies.

2. The GTI index reflects the monthly prosperity trend of a country's timber market. It does not reflect the competitiveness of a country's timber market, can not be used for ranking or comparing the timber market among countries.

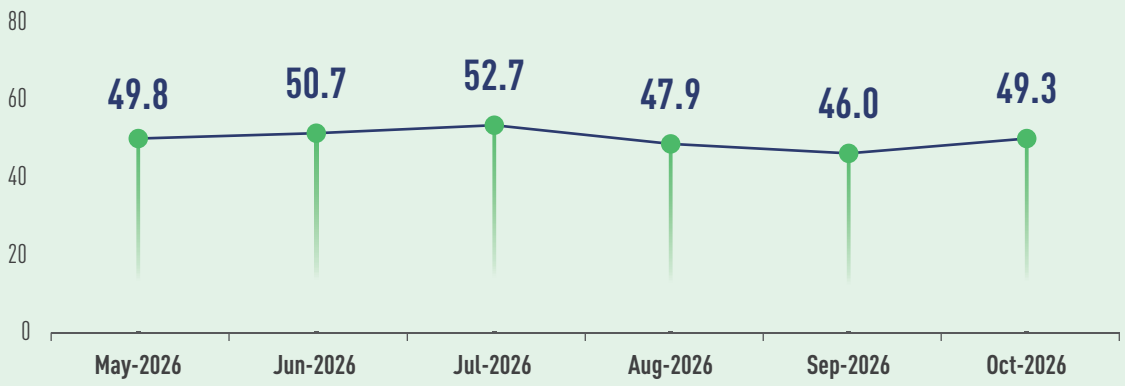


GTI-Indonesia Report

GTI-Indonesia Index in October 2026

GTI-Indonesia Comprehensive Index

Unit: %



At present, Indonesia has a national forest estate of more than 120 million hectares. Of this area, 66.7 million hectares, or 57 percent, are classified as production forests, while 29.1 million hectares, or 25 percent, are protected forests. Indonesia's Ministry of Forestry has prepared the National Investment Plan for Production and Protected Forests 2026-2030. For production forests, the plan aims to ensure supplies of industrial raw materials, promote diversified forestry businesses, and support the transition to renewable energy; for protected forests, the priorities are optimizing environmental and carbon services, protecting watersheds, and establishing sustainable sources of conservation funding. On October 19, Indonesia's Minister of Investment and Downstreaming said at a press conference held at the State Palace that investment in Indonesia's downstreaming sector reached Rp480.1 trillion in January-September 2026, up 11.3% from the same period in 2025. Total investment in the plantation and forestry commodities was Rp83.6 trillion, of which log-related investment amounted to Rp25.3 trillion. In other news, Indonesia lowered October export benchmark price (HPE) for veneer and for processed timber such as merbau and ebony with a cross-sectional area of 1,000-4,000 mm^2, while raising prices for processed timber such as meranti, teak, and plantation-grown pine, gmelina, acacia, balsa, and eucalyptus in the same cross-sectional range.

In October 2026, the GTI-Indonesia index registered 49.3%, an increase of 3.3 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-Indonesia index still shrank from the previous month.

Regarding the twelve sub-indexes, five indexes (new orders, existing orders, inventory of finished products, purchase quantity, and employees) were above the critical value of 50%; two indexes (inventory of main raw materials and delivery time) were at the critical value; and the remaining five indexes (harvesting, production, export orders, purchase price, and market expectation) were below the value. Compared to the previous month, the indexes for new orders, existing orders, inventory of finished products, purchase quantity, employees, and delivery time increased by 5.0 to 23.3 percentage points, whereas the indexes for harvesting, production, export orders, purchase price, inventory of main raw materials, and market expectation declined by 2.6 to 29.8 percentage points.

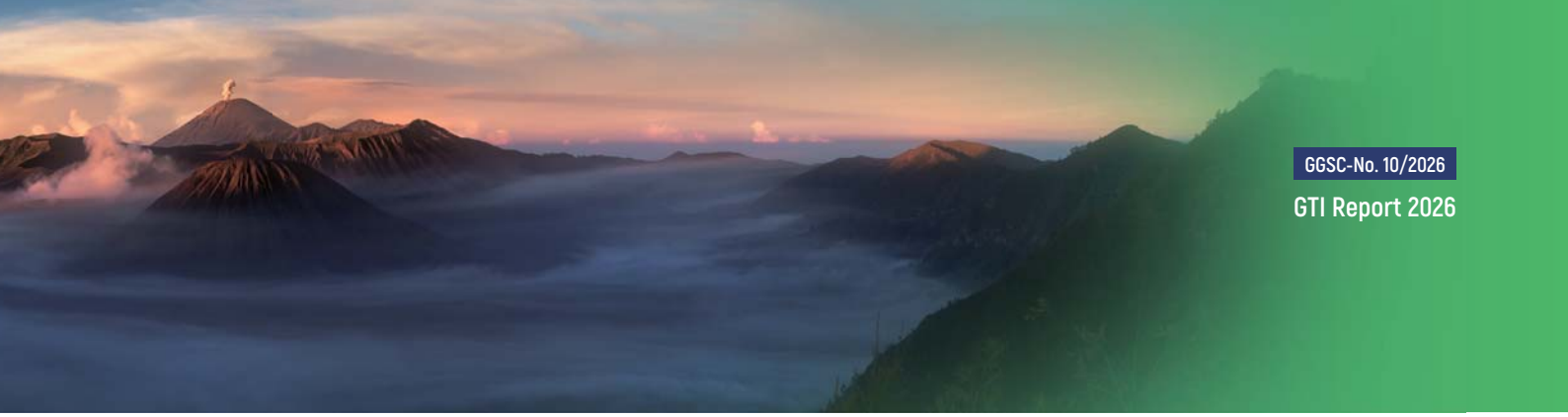


Table: Overview of GTI-Indonesia Sub-Indexes (%)

	2026.05	2026.06	2026.07	2026.08	2026.09	2026.10	MoM	Performance
Comprehensive Index	49.8	50.7	52.7	47.9	46.0	49.3	3.3 ↑	Contract
Harvesting Index	50.0	52.2	50.0	52.2	45.8	41.4	-4.4 ↓	Contract
Production Index	50.0	55.6	59.1	50.0	54.5	41.7	-12.8 ↓	Contract
New Orders Index	51.7	51.7	52.9	45.8	41.7	53.3	11.6 ↑	Expand
Export Orders Index	38.9	45.0	46.2	50.0	38.9	35.0	-3.9 ↓	Contract
Existing Orders Index	41.4	43.3	40.0	37.5	36.7	60.0	23.3 ↑	Expand
Inventory Index of Finished Products	44.8	48.3	41.4	50.0	46.7	60.0	13.3 ↑	Expand
Purchase Quantity Index	31.3	37.5	40.9	50.0	37.5	55.0	17.5 ↑	Expand
Purchase Price Index	50.0	50.0	50.0	50.0	76.5	46.7	-29.8 ↓	Contract
Inventory Index of Main Raw Materials	45.0	45.0	45.8	50.0	52.6	50.0	-2.6 ↓	Stable
Employees Index	44.8	43.3	47.1	43.2	46.7	51.7	5.0 ↑	Expand
Delivery Time Index	55.3	54.5	53.8	53.1	34.8	50.0	15.2 ↑	Stable
Market Expectation Index	54.2	55.8	60.0	61.1	60.0	41.7	-18.3 ↓	Contract



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

1. Overview of Sector Activity & Trends

Natural Forest Concessions (CN): Operations in October faced significant seasonal challenges, primarily due to prolonged dry weather conditions that drastically reduced river water levels. This severely hampered water-based logistics (log transportation via pontoons and rivers) and increased overall haul distances.

Planted Forest Concessions (CP): Activities centered heavily on mitigating forest fire risks associated with the prolonged dry season.

Wood Processing Industries (IN): Processing plants experienced operational bottlenecks tied to raw material supply constraints, machinery readiness, and fluctuating daily operational costs like diesel fuel.

2. Key Challenges Faced (October vs. September 2026)

Natural Factors & Logistics Infrastructure: Severe drought conditions in several regions caused river levels to drop so low that transportation pontoons ran aground, halting downstream shipments. Haze and and extreme heat also impacted visibility and operational efficiency.

Regulatory & Trade Impediments: Such a policies (in a particular province) to restrict log transport to other provinces and limits on the cross-sectional dimensions of export timber products (such as mouldings) constrain market flexibility and raw material absorption. Additional international compliance and certification requirements in export markets created administrative delays.

Technical Aspects & Production Costs: Rising prices for diesel fuel, lubricants, glue materials (urea/melamine), and vehicle spare parts escalated overall operating costs. Machinery wear-and-tear and equipment breakdowns led to production backlogs, requiring scheduled preventive maintenance to clear bottlenecks.

3. Proposed Solutions and Recommendations from Enterprises

Logistics Management & Target Adjustments: Flexibly adjust production and distribution targets in response to field and weather conditions, while closely monitoring river and transport routes.

Environmental Mitigation: Intensify patrols and monitoring across concession zones to proactively mitigate forest fire hazards during dry spells.

Efficiency & Maintenance: Implement structured preventive and corrective maintenance schedules for processing machinery and heavy equipment to minimize downtime.

Policy Review: Urge relevant authorities to evaluate trade restrictions and provide supportive frameworks for local timber utilization to strengthen export competitiveness.

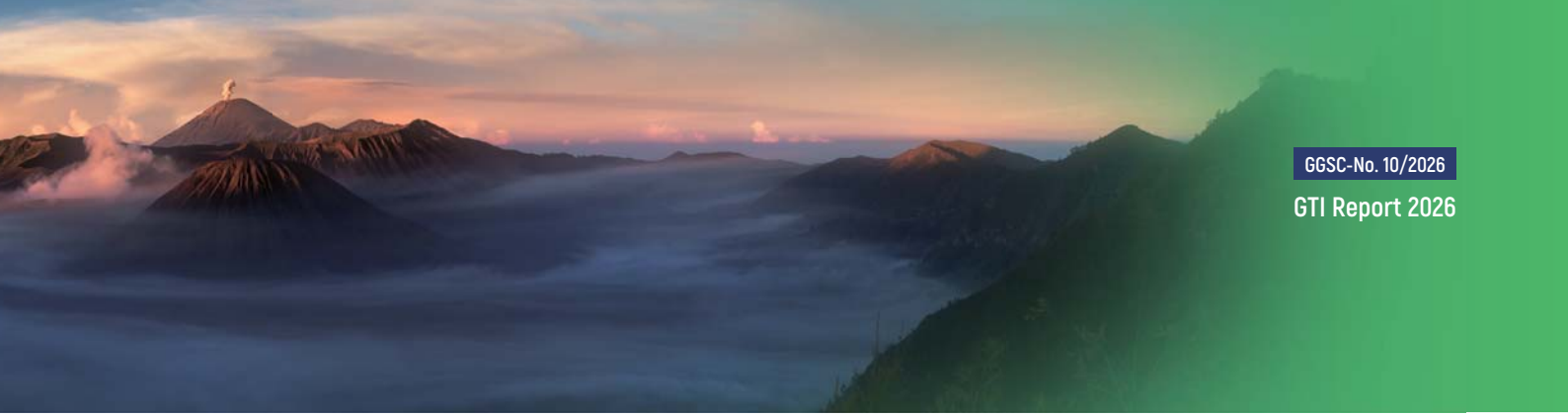
Information provided by GTI-Indonesia Focal Point



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

- Prices of raw materials such as logs rose.
- Rising fuel prices pushed up production costs.
- Harvesting equipment and vehicles were damaged, and spare parts were limited.
- Because production capacity was low and the equipment in use was insufficient, the supply of wood materials fell below target.
- Extreme weather and thick haze hindered production.
- There were cross-sectional area restrictions on exported wood products, and BIS certificate-related requirements affected certification process for some enterprises.
- Demand for wood was sluggish; the policy prohibiting the transport of logs to other provinces significantly reduced orders.
- Poor machine conditions affected the delivery of existing orders. The kiln-drying process became a production bottleneck.
- Prolonged drought lowered river water levels, pontoons ran aground, and log transportation via rivers was affected.

Main Suggestions from GTI-Indonesia Enterprises

- Improve raw material utilization efficiency.
- Develop new potential buyers and explore new potential timber species.
- Carry out coordinated logistics planning to ensure smooth waterway transportation.
- Monitor operating areas to prevent forest fire risks.
- Increase production capacity and production efficiency, and add harvesting equipment.
- Raise the timber purchase prices paid by buyers to offset production costs.
- Wait for the implementation of diversified forestry regulations (including carbon trading), so as to make better use of forests.
- Regularly maintain equipment, prioritizing the repair of equipment at production bottlenecks (especially kiln-drying process equipment).
- Re-examine restrictive policies and regulations concerning cross-provincial log trading and the cross-sectional area of export products.
- Wait for the rainy season to restore river log transportation; regularly monitor river channels and transport routes; and adjust production and distribution targets according to field conditions.



GTI-Malaysia Report

GTI-Malaysia Index in October 2026

GTI-Malaysia Comprehensive Index

Unit: %



From January to August 2026, Malaysia's timber industry exports totaled RM12.8 billion, with the United States, China and Japan as the top three export trading partners. In a written reply to the parliament on October 27, the Minister of Investment, Trade and Industry said that Malaysia's furniture exports to the United States fell from RM4.67 billion to RM3.77 billion in the first nine months of 2026, a decline of 19.2%, while furniture exports to Guyana, Switzerland, Vietnam and New Zealand, among others, rose sharply. On sustainable forest management, the Deputy Minister of Natural Resources and Environmental Sustainability (NRES) told the Dewan Rakyat (the lower house of Parliament) that logging companies are required to provide deposits or bonds to ensure they fulfill their obligations to carry out ecological restoration and replanting in the licensed forest areas. In terms of tree species selection, the high-value species to be replanted include Kapur, Merawan Kancing, Kelat, Tembusu and Merbau. In Sarawak, forest cover reaches about 7.64 million hectares, or 62% of the state's total land area. Of this, about 1.54 million hectares of natural forests and forest plantations have obtained forest management certification, aiming to ensure the sustainable management of forest resources.

In October 2026, the GTI-Malaysia index registered 25.1%, an increase of 1.2 percentage points from the previous month, was below the critical value (50%) for many months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Malaysia index still shrank from the previous month.

Regarding the twelve sub-indexes, two indexes (the inventory of finished products, and the purchase price) were above the critical value of 50%, while the remaining ten indexes were below the value. Compared to the previous month, the indexes for existing orders, purchase quantity, purchase price, inventory of main raw materials and delivery time increased by 5.6 to 20.0 percentage points; the indexes for harvesting, production and inventory of finished products declined by 5.0 to 7.1 percentage points; and the indexes for new orders, export orders, employees, and market expectation were unchanged from the previous month.



Log Cross Cut in Tan Chee Seng Sawmill Perak, Malaysia. © Khairul nizam



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

	2026.05	2026.06	2026.07	2026.08	2026.09	2026.10	MoM	Performance
Comprehensive Index	25.8	32.3	28.8	29.7	23.9	25.1	1.2 ↑	Contract
Harvesting Index	30.0	25.0	31.3	31.3	35.7	28.6	-7.1 ↓	Contract
Production Index	20.0	27.8	25.0	22.2	18.8	12.5	-6.3 ↓	Contract
New Orders Index	29.2	40.9	30.0	31.8	25.0	25.0	0	Contract
Export Orders Index	20.0	33.3	27.8	30.0	22.2	22.2	0	Contract
Existing Orders Index	33.3	27.3	20.0	22.7	15.0	35.0	20.0 ↑	Contract
Inventory Index of Finished Products	54.2	45.5	55.0	50.0	60.0	55.0	-5.0 ↓	Expand
Purchase Quantity Index	31.8	30.0	38.9	40.0	27.8	38.9	11.1 ↑	Contract
Purchase Price Index	59.1	65.0	55.6	60.0	61.1	66.7	5.6 ↑	Expand
Inventory Index of Main Raw Materials	36.4	30.0	33.3	45.0	33.3	44.4	11.1 ↑	Contract
Employees Index	25.0	31.8	30.0	31.8	25.0	25.0	0	Contract
Delivery Time Index	22.7	25.0	27.8	25.0	22.2	33.3	11.1 ↑	Contract
Market Expectation Index	45.8	45.5	45.0	40.9	40.0	40.0	0	Contract

Main Challenges Reported by GTI-Malaysia Enterprises

- The volume of orders declined.
- Rates for freight to the United States rose.
- Demand in the timber market was insufficient.
- Companies had insufficient raw material reserves.
- Procurement costs for glue and diesel were high.
- Output was low, log procurement costs were high, and supply was disrupted.
- Plywood imports into the Sarawak market were large, the global construction market remained weak, and regional conflicts led to tight shipping space.

Main Suggestions from GTI-Malaysia Enterprises

- Slow down production.
- Introduce government incentive measures.
- Provide government support to stabilize log supply, reduce operating costs and enhance export competitiveness.
- Wait for the global economy to recover.
- Have the government intervene to increase container and vessel capacity.
- Introduce government stimulus policies to increase building and construction projects.



GTI-Thailand Report

GTI-Thailand Index in October 2026

GTI-Thailand Comprehensive Index

Unit: %



On October 27, Thailand's Deputy Prime Minister chaired a meeting on responding to the EU Deforestation Regulation (EUDR). The meeting approved the establishment of a subcommittee for driving implementation of the EU Deforestation Regulation, which will be responsible for developing work plans and measures, as well as coordinating cooperation among relevant domestic and international agencies. To implement traceability, the meeting approved the use of National EUDR Single Window (NESW) platform. Designed to comply with EUDR requirements, the NESW system covers seven designated categories, including timber, and can generate due diligence reports (DDRs) and datasets containing geographic coordinates. In other news, data from the Thai Furniture Association reveals that Thailand's exports of furniture and parts totaled around USD 1.52 billion in January-September 2026, up 17.11% year over year. Over the same period, sawnwood exports reached USD 948 million, up 2.63% year over year; medium-density fiberboard (MDF) exports totaled USD 542 million, down 17.91%; and particleboard exports amounted to USD 356 million, down 1.95%. In October, persistent rainfall across many parts of Thailand disrupted timber harvesting and transport operations. Recently, The Rubber Authority of Thailand (RAOT) began accepting applications for its 2027 Replanting Program. Rubber farmers may apply from October 1, 2026, to March 31, 2027, but those who have submitted their applications must not fell any rubber trees until they have received approval from RAOT.

In October 2026, the GTI-Thailand index registered 52.3%, an increase of 1.9 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-Thailand index expanded from the previous month.

Regarding the twelve sub-indexes, five indexes (production, new orders, export orders, purchase price, and market expectation) were above the critical value of 50%, one index (delivery time) was at the critical value, while the remaining six indexes (harvesting, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, and employees) were below the value. Compared to the previous month, the indexes for harvesting, production, export orders, existing orders, delivery time, and market expectation increased by 0.4 to 13.2 percentage point(s), whereas the indexes for new orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, and employees declined by 0.3 to 12.5 percentage point(s).



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

	2026.05	2026.06	2026.07	2026.08	2026.09	2026.10	MoM	Performance
Comprehensive Index	44.6	46.6	47.5	45.6	50.4	52.3	1.9 ↑	Expand
Harvesting Index	36.4	16.7	46.4	39.3	37.5	38.5	1.0 ↑	Contract
Production Index	34.4	47.4	55.0	41.7	50.0	55.6	5.6 ↑	Expand
New Orders Index	52.8	50.0	47.6	44.7	57.9	57.5	-0.4 ↓	Expand
Export Orders Index	33.3	42.9	31.3	35.7	57.1	60.0	2.9 ↑	Expand
Existing Orders Index	30.6	38.1	40.5	50.0	42.1	42.5	0.4 ↑	Contract
Inventory Index of Finished Products	44.4	38.1	38.1	50.0	50.0	37.5	-12.5 ↓	Contract
Purchase Quantity Index	34.6	42.1	47.4	40.6	55.9	46.7	-9.2 ↓	Contract
Purchase Price Index	65.6	63.2	61.9	65.6	55.9	55.6	-0.3 ↓	Expand
Inventory Index of Main Raw Materials	50.0	40.0	40.0	38.9	50.0	41.7	-8.3 ↓	Contract
Employees Index	44.4	42.9	45.2	50.0	50.0	47.5	-2.5 ↓	Contract
Delivery Time Index	41.7	47.6	42.9	52.6	36.8	50.0	13.2 ↑	Stable
Market Expectation Index	50.0	54.8	52.4	42.1	47.4	55.0	7.6 ↑	Expand



A pile of products in CDP Sawmill, Samutsakorn, Thailand. © Yuvarin Akravisophol



A worker thumbs up beside stacked products in CDP Sawmill, Samutsakorn, Thailand. © Yuvarin Akravisophol



GTI-Thailand Report

Brief on Thai Timber Industry

- Thailand's timber market in October 2026 showed mixed results, with some positive signs despite continuing economic difficulties. Compared with July–September, when the market remained slow and uncertain, October showed that some businesses were still able to increase sales and production. However, export demand remained weak, with most respondents reporting no export orders. Thailand's high household debt, weak purchasing power, and cautious private investment continued to limit demand, particularly in construction, furniture, and other wood-related industries.

- Flooding and heavy rainfall became major challenges for timber businesses in October. Several companies reported difficulties transporting timber and raw materials because of flooded roads and prolonged rainfall. Businesses continued to experience high labor, fuel, and transportation costs, as well as shortages of workers and suitable raw materials. Some companies received more orders but struggled to increase production quickly enough. These problems added pressure to an industry already affected by high operating costs and limited production capacity during the previous months. Flooding added another challenge, affecting transport, manufacturing, and household incomes. Siam Commercial Bank (SCB EIC) estimated that the September–October floods could reduce overall Thailand's annual economic growth by around 0.05–0.1 percentage points.

- Thailand's timber market is likely to remain cautious despite some positive business results. The wider Thai economy improved in the third quarter, supported by exports and private investment, but household spending remained under pressure from high living costs. Compared with July–September, the timber industry in Thailand continued to face similar problems of weak demand and high costs while flooding made transportation and production more difficult. Overall, the recovery of Thailand's timber market will depend on stronger domestic demand, better production capacity, and the ability of businesses to recover from flood-related disruptions.

Information provided by GTI-Thailand Focal Point



Staff display wood pellets in the warehouse of CDP Sawmill, Samutsakorn, Thailand. © Yuvarin Akravisophol



Wood processing in CDP Sawmill, Samutsakorn, Thailand. © Yuvarin Akravisophol



Main Challenges Reported by GTI-Thailand Enterprises

- The economic environment was unfavorable.
- Transportation costs were high.
- The rice harvesting season caused daily labor shortages at wood-processing plants.
- Persistent heavy rainfall hindered transportation.
- Sales increased, but production was insufficient.
- Flooding made some roads impassable for timber transport and made employee commuting difficult.
- Employees lacked the necessary capabilities, and rising transportation costs drove up production costs.
- Prices of chemicals and painting materials rose, and labor and various raw material costs increased.

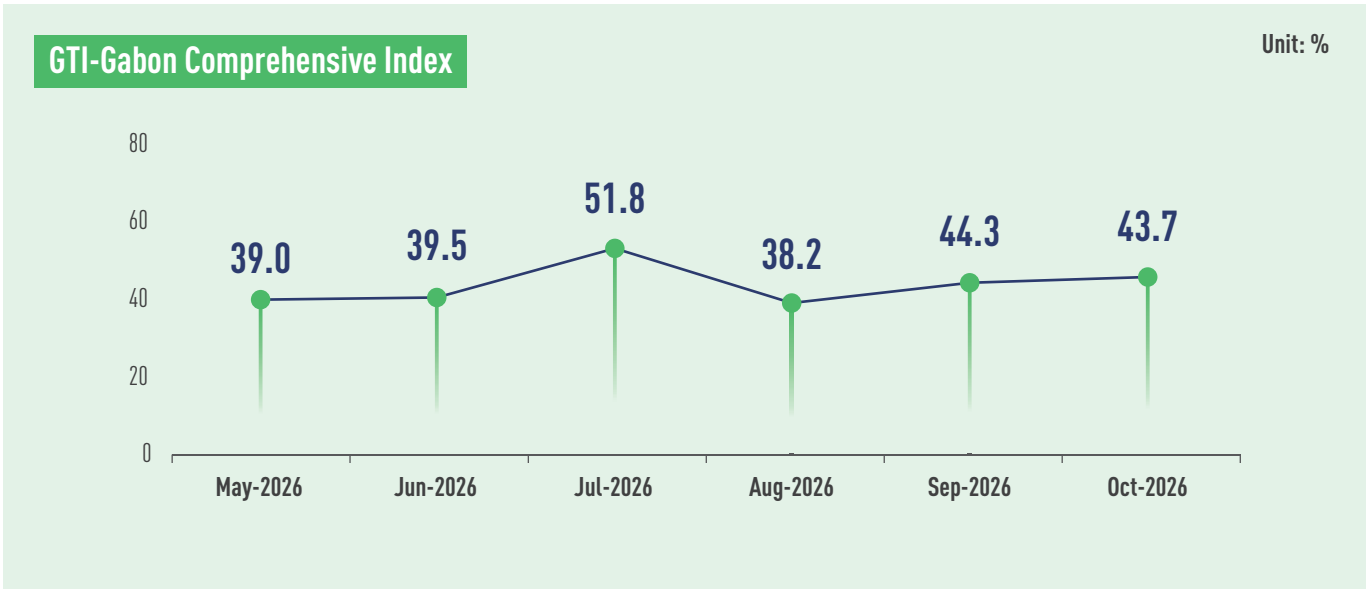
Main Suggestions from GTI-Thailand Enterprises

- Develop production plans.
- Step up advertising and promotional efforts.
- Resume timber transport as planned once floodwaters recede.
- Source raw materials from other regions, such as southern Thailand.
- Adjust procurement schedules accordingly—for example, prioritize suppliers experiencing the fewest disruptions.
- Use technology for production planning and design products that are better suited to available machinery and innovations.
- Strengthen risk management, cybersecurity, and natural disaster preparedness, and diversify suppliers to ensure business continuity.



GTI-Gabon Report

GTI-Gabon Index in October 2026



Eurostat data show that in January-August 2026, among the eight Central and West African countries covered by its statistics, Gabon was the largest supplier of timber and wood products, with EU imports of such products from Gabon totaling 144,700 tonnes, up 3.28% year on year. On October 11, the Gabonese government announced adjustments to several ministries, splitting the former Ministry of Water and Forests, Environment, Climate into two separate bodies: the Ministry of Environment and Climate, and the Ministry of Water and Forests (with responsibility for human-wildlife conflict). Under Gabon's draft finance law 2027, the budget allocation for the water and forestry sector is CFAF 40.53 billion, an increase of CFAF 18.29 billion from CFAF 22.24 billion in 2026. At the ministerial meeting held on October 8, the Minister of Housing, Habitat, Urban Planning and Land Registration said that 2,249 housing units are being built under the ministry's oversight, and a number of new large real estate projects are also being prepared in Ogooué-Maritime, Nyanga and Ngounié provinces.

In October 2026, the GTI-Gabon index registered 43.7%, a decrease of 0.6 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-Gabon index shrank from the previous month.

Regarding the twelve sub-indexes, one index (purchase price) was above the critical value of 50%, one index (production) was at the value, while the remaining ten indexes were below the value. Compared to the previous month, the indexes for new orders, export orders, purchase quantity, and purchase price increased by 0.9 to 24.2 percentage point(s); the indexes for harvesting, existing orders, inventory of finished products, inventory of main raw materials, employees, delivery time, and market expectation declined by 1.2 to 15.4 percentage points; and the index for production was unchanged from the previous month.



Field operaion in the forest, Gabon. © BONUS HARVEST



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

	2026.05	2026.06	2026.07	2026.08	2026.09	2026.10	MoM	Performance
Comprehensive Index	39.0	39.5	51.8	38.2	44.3	43.7	-0.6 ↓	Contract
Harvesting Index	37.5	35.7	37.5	38.9	42.9	37.5	-5.4 ↓	Contract
Production Index	41.7	38.9	60.0	38.9	50.0	50.0	0	Stable
New Orders Index	37.5	33.3	50.0	30.0	25.0	35.3	10.3 ↑	Contract
Export Orders Index	58.3	44.4	50.0	41.7	33.3	34.6	1.3 ↑	Contract
Existing Orders Index	37.5	38.9	50.0	35.0	37.5	35.3	-2.2 ↓	Contract
Inventory Index of Finished Products	37.5	33.3	40.0	30.0	37.5	35.3	-2.2 ↓	Contract
Purchase Quantity Index	35.7	42.9	50.0	35.7	40.0	40.9	0.9 ↑	Contract
Purchase Price Index	35.7	57.1	66.7	33.3	30.0	54.2	24.2 ↑	Expand
Inventory Index of Main Raw Materials	35.7	42.9	50.0	40.0	42.9	41.7	-1.2 ↓	Contract
Employees Index	31.3	44.4	50.0	45.0	62.5	47.1	-15.4 ↓	Contract
Delivery Time Index	50.0	43.8	45.0	42.9	50.0	46.9	-3.1 ↓	Contract
Market Expectation Index	37.5	44.4	45.0	30.0	50.0	41.2	-8.8 ↓	Contract

Main Challenges Reported by GTI-Gabon Enterprises

- Roads were in poor condition.
- Equipment broke down frequently, which slowed production.
- Orders were insufficient, and business activity declined sharply.
- Export duties were high, and VAT was not refunded.
- Diesel prices rose, and transport costs (diesel and Setrag rail freight) continued to increase.

Main Suggestions from GTI-Gabon Enterprises

- Strengthen maintenance of production equipment and, where necessary, invest in upgrading or replacing some equipment.
- Adjust railway freight rates and reduce diesel prices and tariffs on wood products.
- Improve road and rail conditions and increase energy supply at lower cost.
- Ensure that companies within the economic zone are subject to the same taxes as companies outside the zone, establish a VAT reimbursement schedule, and set minimum prices for logs based on certification status.
- Establish a fee and tax relief mechanism for certified timber enterprises that have fully paid their taxes to the state (covering diesel costs, railway freight, and export duties).



GTI-ROC Index in October 2026

GTI-ROC Comprehensive Index

Unit: %



On October 14, the Council of Ministers of the Republic of the Congo (ROC) approved a bill establishing the Agency for the Control of Forest Products for Export and Import (ACPFEI). The new agency will replace the Service for the Control of Forest Products for Export (SCPFE), which was created under the 2000 forest code. The new body must take several requirements into account, including the integration of obligations under the Voluntary Partnership Agreement (VPA) on forest law enforcement, governance and trade, the enforcement of log export ban, and the promotion of responsible and sustainable harvesting through the implementation of reduced-impact logging standards. In other news, data released by the Congo's General Directorate of the Economy (DGE) and the General Directorate of Customs and Indirect Taxes (DGDDI) show that Congo's exports totaled 1,463.7 billion CFA francs in the second quarter of 2026, up 55.1% year on year. Exports from the timber sector rose 32.5%, making a positive contribution to the improvement in the country's foreign trade performance. On October 19, the Minister of Environment, Sustainable Development, and the Congo Basin chaired a national workshop in Brazzaville to validate the action and investment plan for the country's third Nationally Determined Contribution (NDC 3.0). Experts estimate that implementing the action plan over the period 2026-2035 will require a total of USD 8.88 billion.

In October 2026, the GTI-ROC index registered 48.5%, a decrease of 0.6 percentage point from the previous month and below the critical value of 50% for two consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-ROC index shrank from the previous month.

Regarding the twelve sub-indexes, six indexes (new orders, export orders, inventory of finished products, employees, delivery time, and market expectation) were at the 50% critical value, while the other six (harvesting, production, existing orders, purchase quantity, purchase price, and inventory of main raw materials) were below the critical value. Compared to the previous month, the indexes for new orders, inventory of finished products, and inventory of main raw materials increased by 1.9 to 3.8 percentage points; the indexes for harvesting, production, existing orders, purchase quantity, purchase price, and delivery time declined by 1.5 to 5.3 percentage points; and the indexes for export orders, employees, and market expectation were unchanged from the previous month.



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

	2026.05	2026.06	2026.07	2026.08	2026.09	2026.10	MoM	Performance
Comprehensive Index	48.6	47.5	49.3	50.0	49.1	48.5	-0.6 ↓	Contract
Harvesting Index	46.0	43.2	46.7	50.0	47.9	44.4	-3.5 ↓	Contract
Production Index	47.9	45.5	46.4	50.0	50.0	44.7	-5.3 ↓	Contract
New Orders Index	48.0	45.5	50.0	50.0	48.1	50.0	1.9 ↑	Stable
Export Orders Index	50.0	47.7	50.0	50.0	50.0	50.0	0	Stable
Existing Orders Index	50.0	43.2	46.4	48.1	46.2	44.7	-1.5 ↓	Contract
Inventory Index of Finished Products	50.0	47.7	46.2	48.1	46.2	50.0	3.8 ↑	Stable
Purchase Quantity Index	47.8	50.0	50.0	50.0	50.0	47.8	-2.2 ↓	Contract
Purchase Price Index	52.2	50.0	50.0	50.0	50.0	47.8	-2.2 ↓	Contract
Inventory Index of Main Raw Materials	50.0	50.0	52.0	50.0	44.0	47.8	3.8 ↑	Contract
Employees Index	50.0	50.0	50.0	50.0	50.0	50.0	0	Stable
Delivery Time Index	48.0	50.0	50.0	50.0	51.9	50.0	-1.9 ↓	Stable
Market Expectation Index	50.0	50.0	50.0	50.0	50.0	50.0	0	Stable

Main Challenges Reported by GTI-ROC Enterprises

- Adverse weather disrupted production and operations.
- Forestry administrative procedures were cumbersome.
- Enterprises faced heavy financial and tax burdens.
- Logistics were slow, and road conditions were poor.

Main Suggestions from GTI-ROC Enterprises

- Improve logistics efficiency.
- Increase diesel supply and stabilize prices.
- Streamline and adjust forestry management procedures.
- Relevant authorities should adjust the forestry management model.
- Suggest that the government provide tax incentives for enterprises.
- Suggest that the government step up road maintenance and improve road infrastructure.

GTI-Ghana Report

GTI-Ghana Index in October 2026

GTI-Ghana Comprehensive Index

Unit: %



Recently, the Forestry Commission (FC) of Ghana, in partnership with the Africa Forest Forum (AFF) and the Alliance for a Green Revolution (AGRA) in Africa, hosted a national policy dialogue on strengthening Ghana's readiness for the EU Deforestation Regulation (EUDR). At the event, the Chief Executive of the Forestry Commission said the country is actively strengthening its institutions and traceability systems to ensure that exports meet international requirements. He also urged stakeholders to view the EUDR not merely as a compliance requirement but as an opportunity to modernize production systems, attract responsible investment, and enhance the competitiveness of Ghanaian products. Currently, Ghana possesses valuable timber resources and a rich variety of native tree species, but the stocks of well-known species such as Mahogany and Sapele are increasingly declining, driving the industry to develop and promote lesser used species (LUS) to meet growing timber demand. In downstream industries, the government places high priority on furniture manufacturing, viewing it as a key sector for promoting local value addition in raw materials, creating jobs, and attracting foreign investment. In the real estate sector, on October 7, the Chief Executive of the National Housing Fund (NHF) announced that the NHF had reduced the interest rate on its national mortgage scheme from 13.5% to 8.4%, aiming to make homeownership more affordable for Ghanaians.

In October 2026, the GTI-Ghana index registered 47.8%, a decrease of 0.9 percentage point from the previous month and below the 50% critical value for four consecutive months, 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 critical 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 value. Compared to the previous month, the indexes for purchase price, export orders, employees, inventory of finished products, inventory of main raw materials, and market expectation increased by 0.2 to 7.7 percentage point(s); the index for existing orders was unchanged from the previous month; and the indexes for harvesting, production, new orders, purchase quantity, and delivery time declined by 2.3 to 7.6 percentage points.



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



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

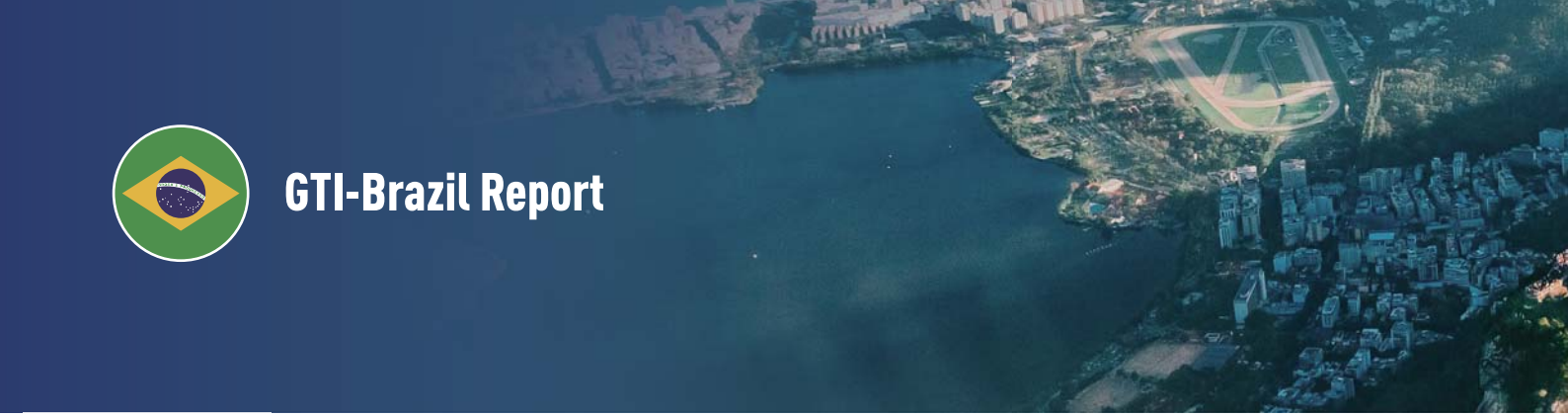
	2026.05	2026.06	2026.07	2026.08	2026.09	2026.10	MoM	Performance
Comprehensive Index	43.7	50.5	47.8	49.1	48.7	47.8	-0.9 ↓	Contract
Harvesting Index	40.0	42.3	42.9	47.2	50.0	42.9	-7.1 ↓	Contract
Production Index	40.5	53.6	45.8	45.0	48.1	45.8	-2.3 ↓	Contract
New Orders Index	35.7	53.6	31.3	35.0	38.9	31.3	-7.6 ↓	Contract
Export Orders Index	33.3	41.7	26.2	23.5	21.7	26.2	4.5 ↑	Contract
Existing Orders Index	47.6	50.0	50.0	50.0	50.0	50.0	0	Stable
Inventory Index of Finished Products	42.9	60.7	50.0	50.0	48.1	50.0	1.9 ↑	Stable
Purchase Quantity Index	44.4	55.0	41.2	45.8	44.1	41.2	-2.9 ↓	Contract
Purchase Price Index	58.8	55.6	63.3	62.5	55.6	63.3	7.7 ↑	Expand
Inventory Index of Main Raw Materials	42.9	54.2	47.7	50.0	46.2	47.7	1.5 ↑	Contract
Employees Index	47.6	50.0	50.0	50.0	46.3	50.0	3.7 ↑	Stable
Delivery Time Index	36.1	50.0	25.0	35.7	32.6	25.0	-7.6 ↓	Contract
Market Expectation Index	45.2	53.8	52.1	50.0	51.9	52.1	0.2 ↑	Expand

Main Challenges Reported by GTI-Ghana Enterprises

- There was a shortage of raw materials.
- Export orders declined.
- Electricity supply was unstable, and electricity prices were high.
- Fuel prices rose, and diesel costs were high.
- Imported plywood led to intense competition.
- Poor road conditions drove up the procurement cost of raw materials (logs).
- Production costs were high, and energy, fuel, and utility costs rose.
- Heavy rains and flooding made forest operations difficult and damaged local power plants.
- Irregular rainfall hindered logging operations, and the muddiness of unpaved roads worsened.

Main Suggestions from GTI-Ghana Enterprises

- Provide tax incentives.
- Have the government invest in forest plantation.
- Strictly enforce the Forest Law.
- Introduce trade promotion policies.
- Regulate the market of imported wood products.
- Procure sufficient raw materials before the rains.
- Invest in road infrastructure and forest roads.
- Provide government subsidies (including fuel subsidies).
- Need government support for investing in renewable energy and alternative power sources.

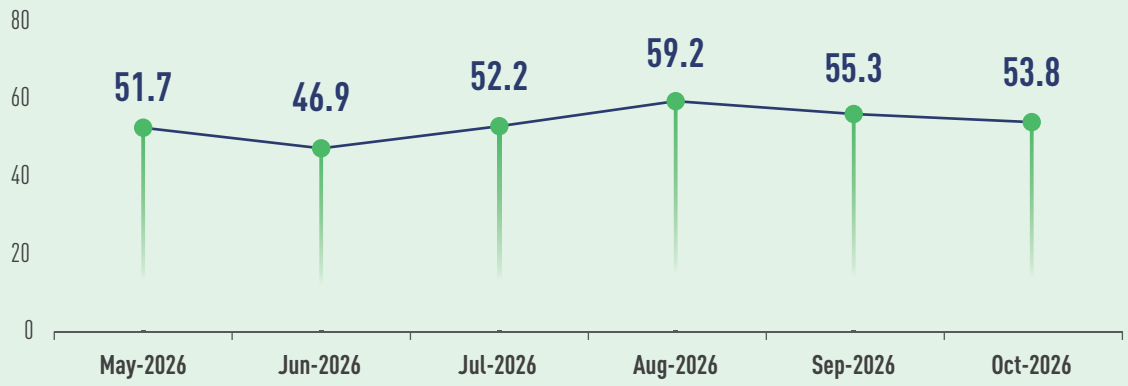


GTI-Brazil Report

GTI-Brazil Index in October 2026

GTI-Brazil Comprehensive Index

Unit: %



In September, Brazil's exports of wood products (excluding pulp and paper) totaled approximately US$247 million, up 13% from the same period last year. Exports of tropical plywood rose 29% year on year, marking two consecutive months of strong growth. In the plantation industry covering products such as pulp, paper, wood-based panels, and sawnwood, total exports reached US$7.5 billion in the first half of 2026. China remained the leading destination, accounting for US$2.5 billion, followed by Europe and North America. According to a research report released on October 21 by Canopy, a Brazilian forestry technology company, Brazil's total forest plantation area reached 10.73 million hectares in 2025, up 8.1% from 2021, with about 90% of the newly added forest area concentrated in Mato Grosso do Sul. To support market expansion, the Brazilian Furniture Industry Association (ABIMÓVEL) and the Brazilian Trade and Investment Promotion Agency (ApexBrasil) renewed their cooperation agreement for the 2026–2028 cycle on October 22. The agreement continues to designate North America as a strategic priority while also pursuing market diversification across markets such as Spain, France, Portugal, Poland, and China, and exploring new opportunities in Africa and the Middle East.

In October 2026, the GTI-Brazil index registered 53.8%, a decrease of 1.5 percentage points from the previous month and above the critical value (50%) for four consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Brazil index still expanded from the previous month.

Regarding the twelve sub-indexes, seven indexes (new orders, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, and employees) were above the critical value of 50%, three indexes (harvesting, production, and market expectation) were at the critical value, while two indexes (inventory of main raw materials and delivery time) were below the value. Compared to the previous month, the indexes for export orders, new orders, existing orders, inventory of finished products, purchase price, inventory of main raw materials, and delivery time increased by 0.2 to 12.6 percentage point(s), whereas the indexes for harvesting, production, purchase quantity, employees, and market expectation declined by 4.7 to 10.7 percentage points.



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

	2026.05	2026.06	2026.07	2026.08	2026.09	2026.10	MoM	Performance
Comprehensive Index	51.7	46.9	52.2	59.2	55.3	53.8	-1.5 ↓	Expand
Harvesting Index	43.8	37.5	61.1	63.6	60.0	50.0	-10.0 ↓	Stable
Production Index	45.0	40.9	53.8	63.3	60.7	50.0	-10.7 ↓	Stable
New Orders Index	70.0	53.8	57.1	67.6	56.7	64.7	8.0 ↑	Expand
Export Orders Index	72.2	62.5	61.5	75.0	65.4	65.6	0.2 ↑	Expand
Existing Orders Index	45.0	42.3	57.1	58.8	43.3	55.9	12.6 ↑	Expand
Inventory Index of Finished Products	25.0	42.3	60.7	61.8	60.0	61.8	1.8 ↑	Expand
Purchase Quantity Index	27.8	45.0	54.5	60.7	65.4	60.7	-4.7 ↓	Expand
Purchase Price Index	72.2	63.6	70.8	70.0	73.1	75.0	1.9 ↑	Expand
Inventory Index of Main Raw Materials	27.8	37.5	50.0	47.1	46.7	47.1	0.4 ↑	Contract
Employees Index	50.0	50.0	53.6	58.8	60.0	52.9	-7.1 ↓	Expand
Delivery Time Index	44.4	45.5	39.3	44.1	43.3	44.1	0.8 ↑	Contract
Market Expectation Index	55.0	65.4	53.6	58.8	60.0	50.0	-10.0 ↓	Stable



Forest Research in Mato Grosso, Brazil. © teakrc



Forest Operation in Para, Brazil. © teakrc

GTI-Brazil Report

Brief on Brazilian Timber Industry

- The Brazilian Association of Mechanically Processed Timber Industry (ABIMCI) has initiated discussions with the Brazilian Confederation of Agriculture and Livestock (CNA) on the implementation of the European Union Deforestation Regulation (EUDR), scheduled for December 30, 2026. Among the initiatives under consideration is the use of the Agro Brasil + Sustainable platform, developed by the Ministry of Agriculture and Livestock (MAPA), as a tool to standardize and centralize traceability and compliance information for Brazilian supply chains subject to European requirements. This initiative could help streamline compliance procedures and strengthen the competitiveness of Brazilian timber products in the European market.

- The state of Mato Grosso's forest-based industry, in the Amazon, recorded estimated operational losses of nearly BRL 60 million due to the shutdown of forest control systems operated by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) and the State Secretariat for the Environment (SEMA). An updated survey by the Center for Timber Producing and Exporting Industries of the State of Mato Grosso (CIPEM) reports 1,331 trucks stopped and losses affecting various segments of the supply chain, including the transportation of logs, sawnwood, and biomass. The disruptions also affected approximately USD 1.1 million in export operations, impacting transportation, industrial supply, and the fulfillment of commercial contracts. The situation highlights the sector's vulnerability to regulatory system disruptions, which can generate substantial economic losses and undermine operational reliability.

- Brazilian exports of timber products declined by more than USD 224 million between January and September 2026 compared with the same period in 2025. A survey conducted by WoodFlow covered eight product groups, including sawnwood, plywood, pine mouldings, and wooden doors. Among the highlighted segments, exports of pine mouldings fell by 46% in volume, while shipments of wooden doors decreased by 18%. This performance reflects the combined effects of trade barriers, high operating costs, logistical bottlenecks, and difficulties in diversifying buyer markets. The decline underscores the need to improve cost competitiveness, address logistical constraints, and expand market diversification to support the recovery of timber exports.

Information provided by GTI-Brazil Focal Point



Lecture and Social Action in Belem, Brazil. © teakrc



Innovation Workshop in Mato Grosso, Brazil. © teakrc



Main Challenges Reported by GTI-Brazil Enterprises

- Logistics costs were high.
- The supply of raw materials needed for production was unstable.
- Log prices were high, and qualified labor was in short supply.
- Tariff barriers existed, while freight rates rose and costs increased.
- The systems of the relevant authorities did not operate smoothly.
- Export market prices fell, putting further pressure on profit margins.
- The European and U.S. markets still had certain concerns about Brazilian forest products.
- September and October were chaotic in terms of raw material supply. Excessive rainfall caused factory shutdowns and higher transport costs, while fuel prices rose.

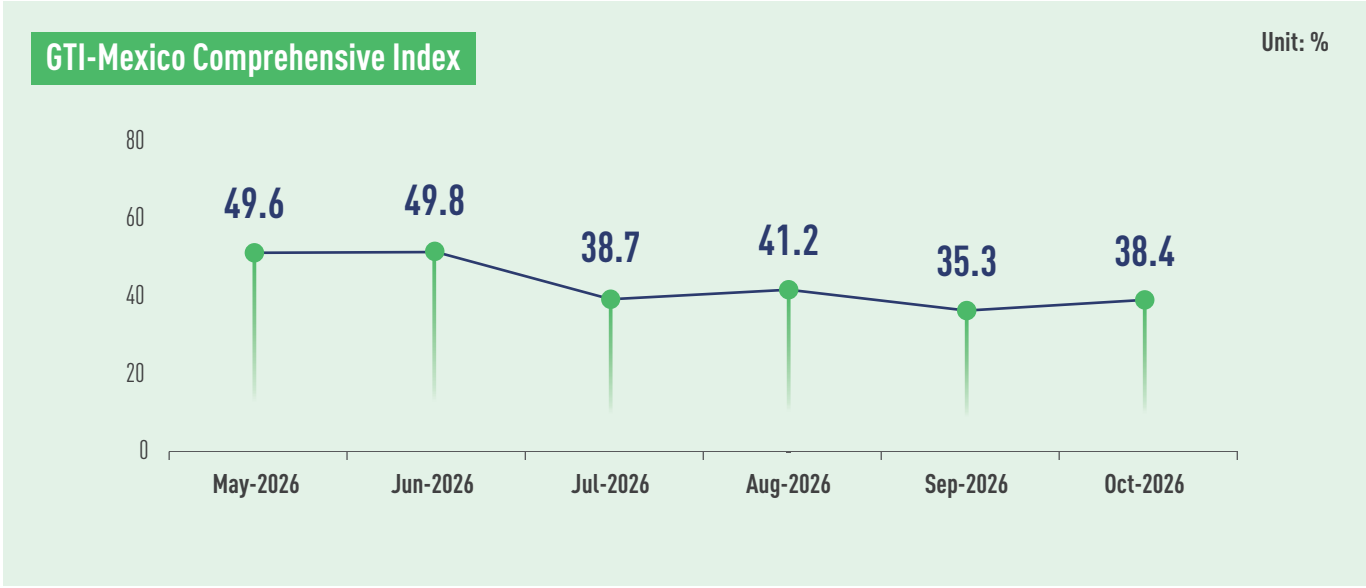
Main Suggestions from GTI-Brazil Enterprises

- Further reduce costs.
- Adjust export sales terms and conditions.
- Increase the level of industrialization across the production chain.
- Environmental authorities (IBAMA and SEMA) should increase technical investment and improve efficiency.
- Restore confidence in Brazilian native timber in the U.S. and European markets and enhance its value and competitiveness.
- Establish a dedicated working group to expedite the processing of all backlogged export applications. Use artificial intelligence to accelerate the review of export documents.



GTI-Mexico Report

GTI-Mexico Index in October 2026



From September to October, persistent rainfall in regions such as Durango led to shortages of logs and disrupted production in downstream industries, including furniture manufacturing. In this context, industry representatives called on relevant authorities to provide financial support and improve rural road conditions to facilitate timber transportation and ensure the continuity of production. In terms of market, the industry has entered a critical period for placing orders and stocking up ahead of the December holiday season. The Southeast Regional Office of the National Chamber of the Timber Industry of Mexico stated that, driven by rising demand for home furnishings during the Christmas season, the furniture industry in southeastern Mexico is expected to achieve year-on-year growth of 15% to 20% in the fourth quarter of 2026. Regarding forest governance, Mexican government agencies jointly conducted a nationwide forestry enforcement operation from October 21 to 24, covering 30 states, in an effort to combat illegal logging, prevent unauthorized changes in forest land use, and strengthen oversight of sawmills in fields including record-keeping, operating permits, and transportation.

In October 2026, the GTI-Mexico index registered 38.4%, an increase of 3.1 percentage points from the previous month, and below the critical value (50%) for six consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Mexico index still shrank from the previous month.

Regarding the twelve sub-indexes, two indexes (purchase price and market expectation) were above the critical value of 50%, one index (export orders) was at the critical value, while the remaining nine indexes were below the value. Compared to the previous month, the indexes for harvesting, production, new orders, purchase quantity, inventory of main raw materials, and delivery time increased by 2.4 to 5.5 percentage points; the indexes for inventory of finished products, purchase price, and market expectation declined by 2.3 to 3.9 percentage points; and the indexes for export orders, existing orders, and employees were unchanged from the previous month.



Wood drying in Cárdenas, Tabasco, Mexico. © Empresa PROXYLO



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

	2026.05	2026.06	2026.07	2026.08	2026.09	2026.10	MoM	Performance
Comprehensive Index	49.6	49.8	38.7	41.2	35.3	38.4	3.1 ↑	Contract
Harvesting Index	52.6	60.0	41.7	35.7	28.9	34.2	5.3 ↑	Contract
Production Index	50.0	52.8	35.3	44.4	30.6	36.1	5.5 ↑	Contract
New Orders Index	47.5	50.0	31.6	42.9	40.5	42.9	2.4 ↑	Contract
Export Orders Index	50.0	50.0	25.0	25.0	50.0	50.0	0	Stable
Existing Orders Index	47.5	45.2	31.6	33.3	40.5	40.5	0	Contract
Inventory Index of Finished Products	57.5	47.6	42.1	40.5	33.3	31.0	-2.3 ↓	Contract
Purchase Quantity Index	45.8	30.8	29.2	34.6	26.9	30.8	3.9 ↑	Contract
Purchase Price Index	69.2	61.5	53.8	59.1	57.7	53.8	-3.9 ↓	Expand
Inventory Index of Main Raw Materials	57.7	43.3	50.0	43.8	32.1	35.7	3.6 ↑	Contract
Employees Index	50.0	45.2	39.5	35.7	31.0	31.0	0	Contract
Delivery Time Index	47.5	54.8	50.0	38.1	40.5	45.2	4.7 ↑	Contract
Market Expectation Index	62.5	76.2	71.1	73.8	66.7	64.3	-2.4 ↓	Expand

Main Challenges Reported by GTI-Mexico Enterprises

- Weather conditions affected enterprises' production and operations.
- Sales of timber products declined.
- Market demand was unstable and difficult to forecast.
- Enterprises' sales channels were limited or insufficiently developed.
- Enterprises faced price pressure from competitors.
- There were international trade barriers or tariff issues.
- Forest management procedures were cumbersome.

Main Suggestions from GTI-Mexico Enterprises

- Access government subsidies to reduce production costs.
- Obtain support to purchase equipment and machinery and to develop infrastructure.
- Ensure that product sales and distribution channels have sufficient inventory and adequate supply.
- Reduce imports of timber products through legislation.
- Streamline administrative procedures for forest management.
- Conduct capacity-building activities to enhance wood processing capacity.
- Step up product marketing and increase the value added of domestic products.

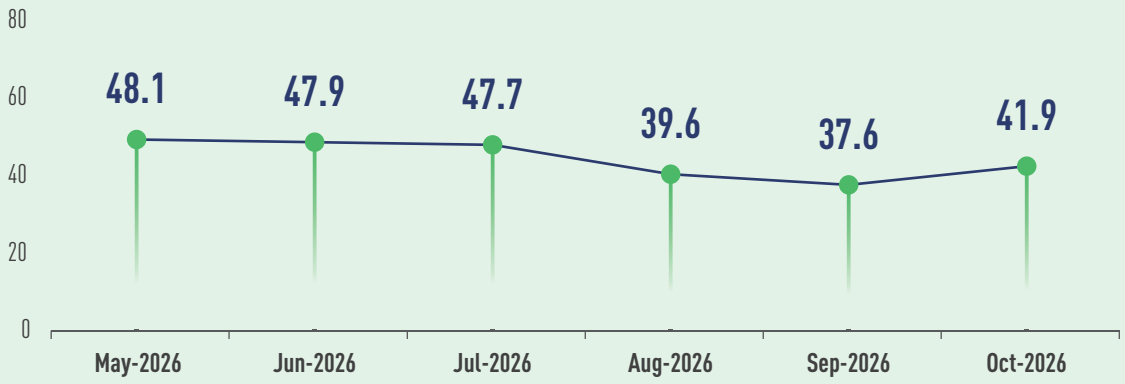


GTI-Ecuador Report

GTI-Ecuador Index in October 2026

GTI-Ecuador Comprehensive Index

Unit: %



In October, heavy rains across parts of Ecuador disrupted logging and transport activities. A World Bank report released on October 6 said that Ecuador is one of the Latin American countries expected to suffer the greatest economic losses from El Niño, with coastal and Amazonian areas likely to experience extreme flooding and the highlands likely to face drought. On the production side, as a major supplier of balsa wood, Ecuador faces challenges not only in maintaining production capacity but also in promoting responsible production practices. In this context, some small-scale balsa producers in Ecuador recently strengthened responsible practices in forest resource use by obtaining certification and meeting international traceability standards. In terms of international cooperation, during the 28th Session of the FAO Committee on Forestry (COFO28), Ecuador and FAO reached a technical cooperation agreement on specific initiatives for forest restoration and monitoring, with a focus on ensuring the participation of local producers and Indigenous peoples. Downstream, Ecuador's benchmark lending rate for the real estate sector fell from 9.47% in October 2025 to 8.37% in October 2026; the lower mortgage rates should help stimulate housing demand and, in turn, boost demand in the timber sector.

In October 2026, the GTI-Ecuador index registered 41.9%, an increase of 4.3 percentage points from the previous month and below the critical value (50%) for six consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Ecuador index still shrank from the previous month.

Regarding the twelve sub-indexes, one index (purchase price) was above the critical value of 50%, another one index (delivery time) was at the critical value, while the remaining ten indexes were below the critical value. Compared to the previous month, the indexes for harvesting, production, new orders, export orders, existing orders, inventory of finished products, purchase price, and delivery time increased by 2.0 to 9.1 percentage points; the index for employees was unchanged from the previous month; and the indexes for purchase quantity, inventory of main raw materials, and market expectation declined by 3.3 to 6.6 percentage points.



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

	2026.05	2026.06	2026.07	2026.08	2026.09	2026.10	MoM	Performance
Comprehensive Index	48.1	47.9	47.7	39.6	37.6	41.9	4.3 ↑	Contract
Production Index	50.0	43.8	31.8	32.5	34.6	37.5	2.9 ↑	Contract
New Orders Index	53.8	50.0	50.0	41.3	34.6	37.0	2.4 ↑	Contract
Export Orders Index	46.9	45.8	45.5	36.0	32.1	41.1	9.0 ↑	Contract
Existing Orders Index	55.6	58.3	56.3	35.7	31.3	33.3	2.0 ↑	Contract
Inventory Index of Finished Products	53.1	50.0	54.5	36.0	32.1	39.3	7.2 ↑	Contract
Purchase Quantity Index	56.3	41.7	54.5	36.0	32.1	39.3	7.2 ↑	Contract
Purchase Price Index	53.1	50.0	45.5	38.0	42.3	35.7	-6.6 ↓	Contract
Import Index	68.8	62.5	59.1	48.0	50.0	55.4	5.4 ↑	Expand
Inventory Index of Main Raw Materials	50.0	45.8	54.5	43.8	46.2	42.9	-3.3 ↓	Contract
Employees Index	50.0	54.2	50.0	40.0	42.9	42.9	0	Contract
Delivery Time Index	37.5	41.7	40.9	40.9	40.9	50.0	9.1 ↑	Stable
Market Expectation Index	34.4	50.0	50.0	48.0	46.4	42.9	-3.5 ↓	Contract

Main Challenges Reported by GTI-Ecuador Enterprises

- There were equipment maintenance problems.
- Log prices rose.
- There was a timber shortage and a lack of timber suppliers.
- Balsa wood prices fell.
- The El Niño phenomenon affected the timber industry, and heavy rainfall restricted logging.
- Supplies of diesel, resin, and electricity were insufficient, which affected production.
- Transport costs were high, rainfall increased operational difficulties, and logistics were extremely difficult.

Main Suggestions from GTI-Ecuador Enterprises

- Increase logging permits.
- Accelerate machinery maintenance.
- Stabilize fuel prices.
- Expand power transformer capacity.
- Strengthen oversight by environmental authorities.
- Increase forest plantation efforts.
- Promote private power generation projects.
- Ensure supply through pre-harvesting.
- Strengthen promotion of domestic products in overseas markets.
- Have the competent authorities regulate prices.
- Strengthen employee training, expand exports, and improve product quality.



GTI-China Report

GTI-China Index in October 2026

GTI-China Comprehensive Index

Unit: %



Data from the General Administration of Customs show that in September China imported 2.83 million cubic meters of logs, up 10.5% year on year, and 1.98 million cubic meters of sawnwood, down 6.4%. On the export side, China exported 1.57 million tonnes of wood and wood products in September, up 16.7% year on year. On October 27, China's National Bureau of Statistics released operating data for industrial enterprises above designated size for January-September 2026, showing that overall industrial profits continued to grow, while furniture manufacturing and wood processing subsectors came under operating pressure. In the downstream market, according to the Ministry of Housing and Urban-Rural Development, the share of second-hand home transactions in China rose from 27% in 2020 to 46% in 2025 and reached 52% in the first eight months of 2026. Crossing the 50% mark signals that real estate has entered a stock-based era, with the investment driver shifting toward stock renewal. In this context, renovation of urban villages, dilapidated housing and old residential communities has become the main focus, driving downstream demand in sectors such as decoration and home furnishings.

In October 2026, the GTI-China index registered 42.7%, a decrease of 5.2 percentage points from the previous month and below the critical value (50%) for six consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-China index shrank from the previous month. Affected by factors including the seven-day National Day holiday, the production and operation activities of Chinese timber enterprises generally slowed this month.

Regarding the twelve sub-indexes, one index (purchase price) was above the critical value of 50%, while the remaining eleven indexes were all below the critical value. Compared to the previous month, the indexes for inventory of finished products, purchase price, and employees increased by 0.4 to 7.2 percentage point(s), whereas the indexes for production, new orders, export orders, existing orders, purchase quantity, import, inventory of main raw materials, delivery time, and market expectation declined by 0.9 to 9.1 percentage point(s).



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

	2026.05	2026.06	2026.07	2026.08	2026.09	2026.10	MoM	Performance
Comprehensive Index	47.8	48.4	43.0	41.7	47.9	42.7	-5.2 ↓	Contract
Production Index	49.3	49.0	43.2	41.5	49.5	42.9	-6.6 ↓	Contract
New Orders Index	43.5	48.1	42.6	38.0	47.6	38.5	-9.1 ↓	Contract
Export Orders Index	49.3	46.2	46.9	50.0	47.6	46.7	-0.9 ↓	Contract
Existing Orders Index	46.4	45.2	49.4	45.8	46.2	37.9	-8.3 ↓	Contract
Inventory Index of Finished Products	51.8	49.5	38.9	52.8	45.7	47.8	2.1 ↑	Contract
Purchase Quantity Index	52.9	51.0	39.5	48.6	52.4	44.0	-8.4 ↓	Contract
Purchase Price Index	47.1	50.0	46.3	48.6	53.8	61.0	7.2 ↑	Expand
Import Index	54.0	47.6	50.6	53.5	48.1	45.6	-2.5 ↓	Contract
Inventory Index of Main Raw Materials	51.4	44.7	38.9	46.5	42.5	40.1	-2.4 ↓	Contract
Employees Index	47.5	48.6	43.8	40.8	46.3	46.7	0.4 ↑	Contract
Delivery Time Index	51.8	50.0	45.1	47.2	51.5	47.3	-4.2 ↓	Contract
Market Expectation Index	48.6	54.8	53.1	50.7	50.7	44.0	-6.7 ↓	Contract

Main Challenges Reported by GTI-China Enterprises

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

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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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