

# GTI-WOODBASED PANEL (GTI-WBP) REPORT

## MONTHLY

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Tracking and monitoring the global  
woodbased panel market trend.



The pilot countries for the GTI-WBP index include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico, and China. In 2022, the total production of woodbased panel in the nine countries mentioned above was 336 million cubic meters, accounting for **63.8%** of the total global production volume of woodbased panel.

## Introduction to the GTI-Woodbased Panel

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

### Calculation Method

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

GTI-WBP index contains diffusion index and comprehensive index.

1. GTI-WBP diffusion index. There are 10 diffusion indices (or called sub-indices) based on the data from 10 objective questions which covers production, new orders, new export orders, existing orders, inventory of products, purchasing quantity, purchasing prices of main raw materials, inventory of raw materials, employees, and delivery time. The diffusion index is calculated by adding the percentage of enterprises with positive answers to half of the percentage with unchanged answers.

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

### Interpretation

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

### Survey Method

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

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

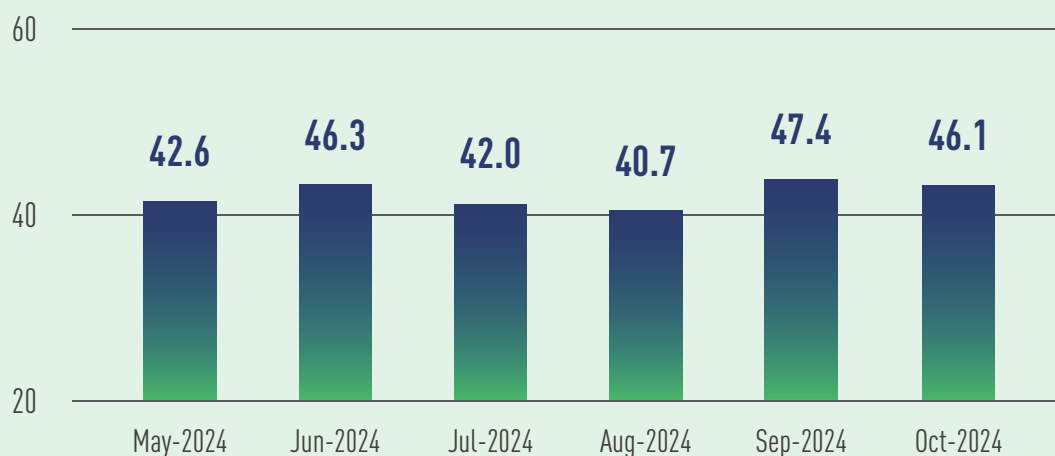
### Index Representativeness

The pilot countries for the GTI-WBP index include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico and China. In 2022, the total production of woodbased panel in the nine countries mentioned above was 336 million cubic meters, accounting for 63.8% of the total global production volume of woodbased panel.

## GTI-Woodbased Panel Index in October 2024



### GTI-WBP Comprehensive Index



In October, the GTI-Woodbased Panel (GTI-WBP) Index registered 46.1%, a decrease of 1.3 percentage points from the previous month, was below the critical value (50%) for seven consecutive months, indicating that in the GTI pilot countries, the overall business prosperity of wood-based panel industry represented by the index shrank from last month.

On the demand side, the demand for wood-based panels was still declining in pilot countries. This month, both new orders index (46.6%) and export orders index (43.5%) registered below the critical value of 50%, indicating a month-over-month decline in the overall performance of such orders. And data for the past three months reveals that the business pressure of wood-based panel industry mainly come from the downturn in the international market.

On the supply side, the downward trend in wood-based panel production had lasted for seven months. This month, the production index registered 45.3%, a decrease of 4.1 percentage points from the previous month, still below the critical value of 50%. While reducing the production of wood-based panels, the sample enterprises also cleared their inventory of finished products to alleviate pressures from capital shortages, rising production costs, and not enough warehouse space.

In terms of prices, the purchase price index for raw materials registered 61.3%, above the critical value for 4 consecutive months, indicating a continued upward trend in raw material prices, which was mainly due to inconvenient transportation, increased logistics costs, and raw material shortages in some countries. Timber enterprises' cost pressure was particularly prominent in Ghana, Mexico, and Malaysia, as raw material prices in these countries had been rising for several months.

Main updates related to the wood-based panel market include: recently, Sabah exported its first batch of EUDR (European Union Deforestation Regulation)-compliant plywood to Poland, which may open up new market opportunities for Sabah's timber sector. In September, Brazil's exports of tropical plywood reached US\$1.6 million in value and 2,700 m<sup>3</sup> in volume, representing a year-on-year growth of 33% and 35%, respectively. On 11 October, the European Commission announced that it decided to initiate an anti-dumping proceeding concerning imports of hardwood plywood originating in China, and the product subject to this investigation is plywood consisting solely of sheets of wood other than bamboo and okoumé, each ply not exceeding 6 mm thickness, with at least one outer ply of tropical wood or non-coniferous wood, of species specified under subheadings 4412 31, 4412 33 and 4412 34.

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

	May 2024	Jun. 2024	Jul. 2024	Aug. 2024	Sep. 2024	Oct. 2024	MoM	Performance
Comprehensive Index	42.6	46.3	42.0	40.7	47.4	46.1	-1.3 ↓	Contract
Production Index	40.8	43.3	39.1	43.2	49.4	45.3	-4.1 ↓	Contract
New Orders Index	40.4	48.5	40.0	36.5	50.6	46.6	-4.0 ↓	Contract
Export Orders Index	44.9	50.0	44.9	34.7	40.9	43.5	2.6 ↑	Contract
Existing Orders Index	44.1	44.0	45.6	39.5	46.7	39.0	-7.7 ↓	Contract
Inventory Index of Finished Products	48.5	52.9	43.9	45.2	48.9	44.4	-4.5 ↓	Contract
Purchase Quantity Index	39.0	46.4	44.1	40.1	48.6	44.5	-4.1 ↓	Contract
Purchase Price Index	51.2	46.2	57.6	54.2	53.5	61.3	7.8 ↑	Expand
Inventory Index of Main Raw Materials	40.8	53.9	38.4	38.5	38.0	47.7	9.7 ↑	Contract
Employees Index	47.1	46.1	44.8	38.3	43.3	43.5	0.2 ↑	Contract
Delivery Time Index	44.8	42.1	49.4	49.3	49.4	48.6	-0.8 ↓	Contract



### ● Main Challenges Reported by GTI-WBP Enterprises ●

- Consumers' purchasing power declined. (Thailand)
- Orders were not enough for enterprises. (China)
- Workers lacked commitment and absenteeism was severe. (Brazil)
- The prices of raw materials rose, while it was difficult to increase the selling prices of products. (Mexico)
- Frequent power outages, poor road conditions, and high production costs posed challenges. (Ghana)



### ● Main Suggestions from GTI-WBP Enterprises ●

- Seek new consumers. (Thailand)
- Conduct more online sales. (Thailand)
- Invest in training and seek institutional incentive programs for workers. (Brazil)
- Restrict imports and encourage consumers to use domestic panels. (Mexico)
- Implement a price control mechanism that takes into account the rise in raw material prices. (Ghana)



**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.

## Declaration

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

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## Contact Us

### Ms. Sydney (Xuting) Gao

Director for Public Relations, GGSC Secretariat

✉ [gaoxuting@itto-ggsc.org](mailto:gaoxuting@itto-ggsc.org)

### Ms. Zuo Ping

Technical Assistant of Publicity Department, GGSC Secretariat

✉ [zuoping@itto-ggsc.org](mailto:zuoping@itto-ggsc.org)