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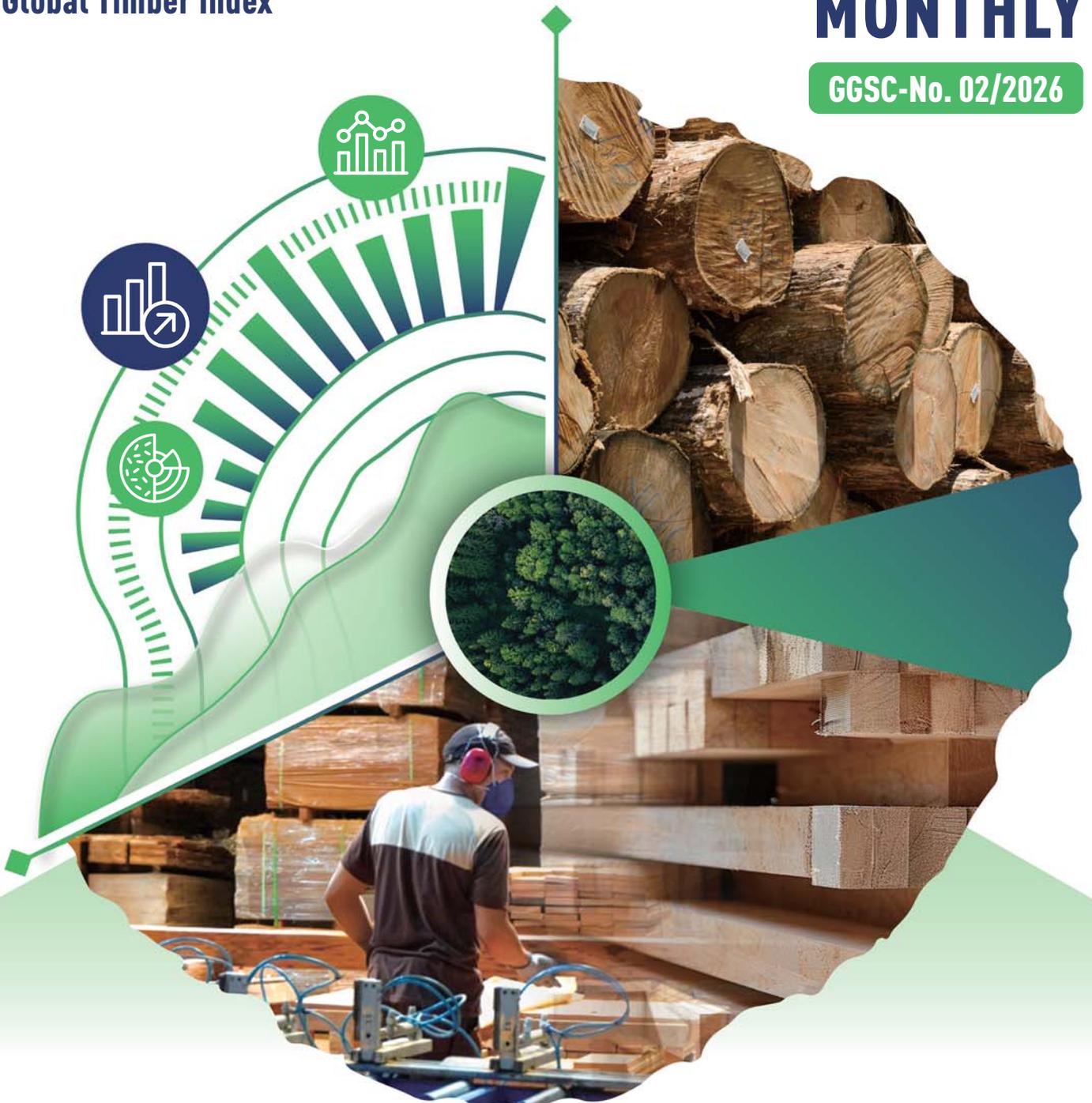
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# GTI REPORT 2026

Global Timber Index

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## Indonesia

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## Malaysia

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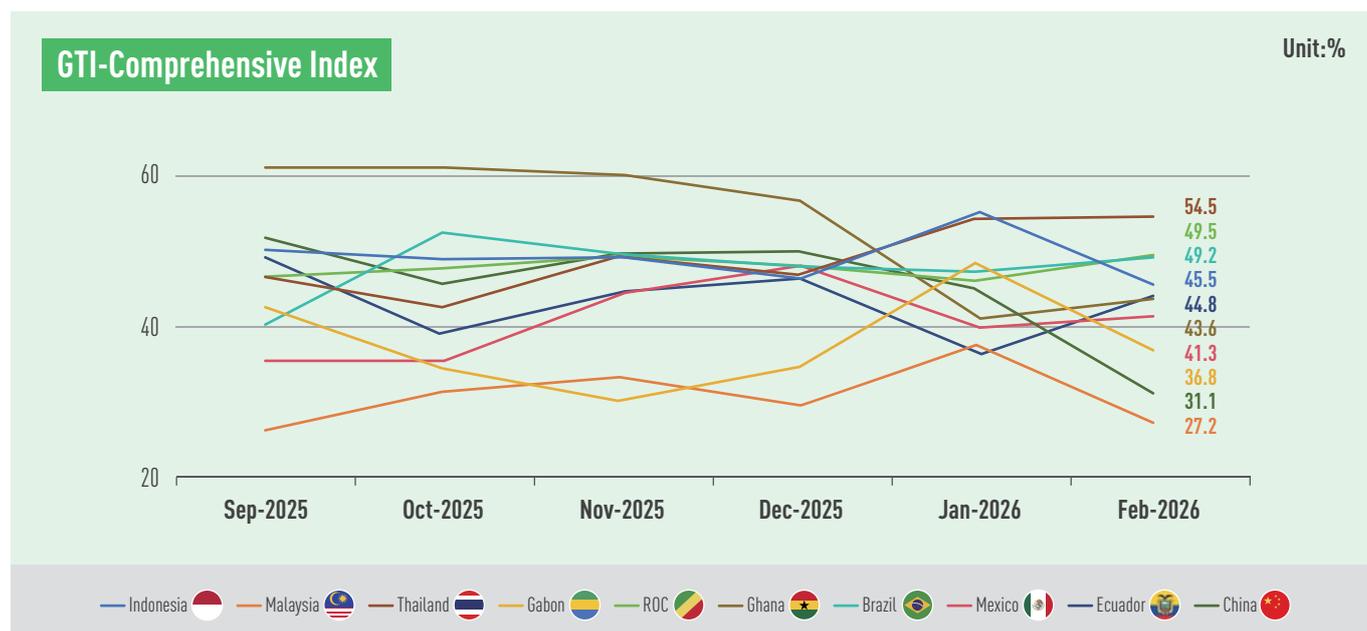
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# **GTI REPORT 2026 FEBRUARY**



## Overview of the GTI Index

### Thailand's timber market strong in February and high-value, sustainable supply chains prioritized in many countries



The Global Timber Index (GTI) Report for February 2026 reveals that Thailand, with a GTI reading of 54.5%, remained in expansion territory above the 50% critical value for the second consecutive month, making it the only one of the ten pilot countries to report growth this month. The other nine GTI pilot countries all registered contraction. The Republic of the Congo (49.5%) and Brazil (49.2%) posted readings near the critical value, indicating slight contraction. Indonesia (45.5%), Ecuador (44.8%), Ghana (43.6%), and Mexico (41.3%) showed moderate contraction. And Gabon (36.8%), China (31.1%), and Malaysia (27.2%) recorded a significant downturn. In China's case, timber enterprises experienced a notable slowdown in production and operations due to an extended Spring Festival holiday.

A closer look at the GTI sub-indices highlights bright spots in Latin America this month. Mexico reported an increase in harvesting volume, and Brazil and Ecuador saw a stabilization after previous declines. In terms of new orders, both Brazil and Ecuador registered growth, with a particularly strong uptick in export orders, while Mexico's export market remained stable. Positive signs emerged in some parts of Africa and Asia as well. For instance, harvesting volume grew in the Republic of Congo, and Thailand maintained its momentum with both production and new orders increasing for the second consecutive month.

However, GTI sample enterprises still faced challenges such as weak market demand, unstable raw material supply, and rising operational costs. And heavy rainfall in Indonesia, Ecuador, and Gabon during February disrupted harvesting and transportation activities, underscoring the critical importance of climate resilience for sustainable operations.

This month's report also highlighted pathways toward high-value utilization of wood resources. In Brazil's construction sector, engineered wood, as a low-carbon alternative, can reduce CO<sub>2</sub> emissions by up to 80% per square meter when compared to conventional concrete and masonry structures, while also offering advantages such as less energy required during processing, strong carbon sequestration capacity, and efficient construction. In Gabon, extracts from Okoumé had demonstrated potential in cosmetics and healthcare industries, with the first active ingredient ready for commercialization, thus positioning Okoumé not only as a timber resource for veneer or plywood, but also as a raw material for green chemistry and biotechnology.

On the supply chain governance front, GTI pilot countries had been advancing legal and sustainable frameworks. In Malaysia, the state of Sabah had launched the Sabah Timber Legality Assurance System Plus (TLAS+), which is the first framework in Malaysia to integrate legality checks, deforestation-free rules, and voluntary sustainability standards under a single structure. In Ghana, since the issuance of the first FLEGT license in 2025, over 400 licenses had been issued, indicating substantive work had begun. Meanwhile, the government of the Republic of the Congo had been systematically advancing the sustainable management of its forest concessions. Currently, 32 concessions covering more than 10.5 million hectares are under sustainable management, accounting for 85% of total area allocated for forest exploitation.

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 February 2026



Indonesia's home furniture market was valued at US\$4.94 billion in 2025, with wooden products accounting for 61.70% of the total, according to a report by market research firm Mordor Intelligence, which also said that the market is projected to expand at a compound annual growth rate (CAGR) of 4.19% between 2026 and 2031, supported by robust urban population growth and government incentives. Amid the global trade landscape, Indonesia is reinforcing the implementation of its Timber Legality and Sustainability Verification System (SVLK+). The Head of the Bureau of Public Relations and International Cooperation of Indonesia noted that SVLK+ introduces several key enhancements, including integrated digital traceability, sustainable functionality integration, public transparency and accountability, and global standard harmonization. Meanwhile, the government is moving forward with plans to fully launch its national carbon market by the end of June 2026, with large-scale trading expected to commence the following month. According to the President's Special Envoy for Climate and Energy, authorities are working to integrate several carbon registration systems into a single national framework to improve efficiency and accountability in transaction records.

In February 2026, the GTI-Indonesia index registered 45.5%, fell below the critical value (50%) after one month, 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 (export orders, delivery time, and market expectation) were above the critical value of 50%, another three indexes (new orders, purchase price, and inventory of main raw materials) were at the critical value, while the remaining six indexes (harvesting, production, existing orders, inventory of finished products, purchase quantity, and employees) were below the critical value. Compared to the previous month, the indexes for export orders and delivery time increased by 3.7-4.5 percentage points; the indexes for purchase price and inventory of main raw materials were unchanged from the previous month; and the indexes for harvesting, production, new orders, existing orders, inventory of finished products, purchase quantity, employees, and market expectation declined by 7.7-31.6 percentage points.

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



	2025.09	2025.10	2025.11	2025.12	2026.01	2026.02	MoM	Performance
Comprehensive Index	50.1	48.8	49.1	46.3	55.1	45.5	-9.6 ↓	Contract
Harvesting Index	60.0	58.0	43.5	46.3	77.3	45.7	-31.6 ↓	Contract
Production Index	45.0	38.9	37.5	31.3	58.3	33.3	-25.0 ↓	Contract
New Orders Index	54.5	56.1	56.3	51.5	57.7	50.0	-7.7 ↓	Stable
Export Orders Index	26.9	43.8	56.3	50.0	50.0	54.5	4.5 ↑	Expand
Existing Orders Index	47.1	51.5	43.8	47.1	58.3	42.4	-15.9 ↓	Contract
Inventory Index of Finished Products	51.5	57.6	50.0	48.5	68.2	42.4	-25.8 ↓	Contract
Purchase Quantity Index	50.0	55.6	50.0	35.7	58.3	44.4	-13.9 ↓	Contract
Purchase Price Index	50.0	56.3	50.0	50.0	50.0	50.0	0.0	Stable
Inventory Index of Main Raw Materials	50.0	43.8	50.0	50.0	50.0	50.0	0.0	Stable
Employees Index	50.0	54.5	51.6	52.9	55.2	47.0	-8.2 ↓	Contract
Delivery Time Index	50.0	46.6	50.0	50.0	48.0	51.7	3.7 ↑	Expand
Market Expectation Index	67.6	68.2	70.7	75.0	73.3	65.2	-8.1 ↓	Expand



Integrated Furniture in PT MMI, East Java, Indonesia. Photo: Herman Prayudi



Integrated Furniture in PT MMI, East Java, Indonesia. Photo: Herman Prayudi



## Brief on Indonesian Timber Industry



February 2026 reflected a phase of adjustment with gradual signs of improvement in demand for timber raw materials. Further strengthening momentum will largely depend on the acceleration of downstream industrial production and the recovery of construction activity in key markets.

### Timber Raw Material Supply Conditions

Trade in timber as an industrial raw material showed gradual stabilization following the slowdown at the beginning of the year. Raw material supply from industrial plantation forests and community forests remained relatively adequate; however, weather conditions and infrastructure constraints in certain regions continued to affect distribution efficiency. Price stability was generally maintained, although operational cost pressures persisted.

### Plywood

Plywood exports recorded gradual improvement compared to January. Demand began to pick up, particularly from East Asian markets, as new contracts were realized following early-year inventory adjustments. Exports to the United States were temporarily restrained due to the ongoing U.S. CVD/anti-dumping investigation. Although overall plywood export volumes have not yet returned to peak levels, market sentiment has become more positive.

### Paper

Paper exports remained relatively stable with a slight upward trend, supported by demand from the packaging sector and regional manufacturing industries. Trade activity started to normalize after the early-year consolidation period, although buyers continued to exercise caution in volume commitments.

### Furniture

Furniture exports showed moderate improvement. Several buyers in major markets initiated limited restocking, particularly for mid-range segments and light hospitality projects. However, significant volume expansion remained constrained by global economic conditions that have yet to fully recover.

### Woodworking

Woodworking products experienced a modest increase in demand, particularly for value-added components and customized orders. Construction activity, which has begun to stabilize in several destination markets, provided early signals of recovery.

*Information provided by GTI-Indonesia Focal Point*



Integrated Furniture in PT MMI, East Java, Indonesia. Photo: Herman Prayudi



Integrated Furniture in PT MMI, East Java, Indonesia. Photo: Herman Prayudi



### Main Challenges Reported by GTI-Indonesia Enterprises

- Heavy equipment used for logging operations was damaged.
- The infrastructure supporting timber transportation was inadequate.
- Demand for logs from the wood processing industry was sluggish.
- Extreme rainfall forced enterprises to suspend log production.
- The global plywood market trended to be sluggish.
- The shortage of labor for planting and maintenance persisted.
- Regional policies prohibited logs from being taken out of the province, limiting the market.
- The cross-sectional area of molded wood was restricted by policies, leading to decreased exports.
- Product sales declined while the minimum wage for workers increased; many workers were aging, resulting in decreased productivity; and overseas market demand shrank.



### Main Suggestions from GTI-Indonesia Enterprises

- It is necessary to expand markets in other countries with support from the government.
- Intensify logging when the rain was not too heavy.
- In response to global market conditions, it is necessary to explore new markets and promote the marketing of plywood products.
- Strengthen communication and coordination with upstream suppliers regarding raw material policies, while preparing alternative sourcing plans to mitigate potential raw material supply constraints.
- Policy incentives are needed to increase domestic timber consumption, and it is also necessary to explore new markets for Indonesian wood products in other countries.
- Revise the cross-sectional area restrictions in regulations related to forest product exports to support the sustainable development of upstream and downstream industries.
- For addressing equipment failure issues, it is necessary to strengthen preventive maintenance and operator training, establish partnerships with multiple suppliers, and ensure the availability of critical spare parts.



## GTI-Malaysia Index in February 2026



Data from the Department of Statistics Malaysia showed that the country's total trade rose 12.6% year-on-year to RM272.4 billion in January—the highest level since 1990. Exports surged 19.6% to RM146.9 billion, while imports increased 5.3% to RM125.5 billion. Sabah's Chief Minister said that the state had launched the Sabah Timber Legality Assurance System Plus (TLAS+), which is the first framework in Malaysia to integrate legality checks, deforestation-free rules, and voluntary sustainability standards under a single structure. According to the minister, the TLAS+ includes digital traceability, geolocation monitoring, and social and environmental safeguards to ensure timber products are legal, traceable, and free from deforestation and forest degradation. In other news, the Deputy Minister of Energy and Environmental Sustainability in Sarawak noted that approximately 62% of Sarawak's land is forested. While the state once relied on logging as a primary source of revenue, it is now shifting toward carbon trading, viewing carbon markets as a key solution to climate change. Starting this year, Sarawak will implement a carbon levy, with proceeds directed into a dedicated climate change fund to support initiatives such as forest conservation, climate resilience, and renewable energy development.

In February 2026, the GTI-Malaysia index registered 27.2%, a decrease of 10.3 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 shrank from the previous month.

As for the twelve sub-indexes, one index (inventory of finished products) was above the critical value of 50%, while the remaining eleven indexes were all below the critical value. Compared to the previous month, the index for market expectation increased by 1.7 percentage points; the index for inventory of finished products was unchanged from the previous month; and the indexes for harvesting, production, new orders, export orders, existing orders, purchase quantity, purchase price, inventory of main raw materials, employees, and delivery time declined by 4.5-22.7 percentage points.



Plywood ready to be exported, in Tan Chee Seng Sawmill Perak, Malaysia. Photo: Khairut nizam Nizam

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

	2025.09	2025.10	2025.11	2025.12	2026.01	2026.02	MoM	Performance
Comprehensive Index	26.2	31.3	33.2	29.5	37.5	27.2	-10.3 ↓	Contract
Harvesting Index	58.3	33.3	35.7	33.3	44.4	38.9	-5.5 ↓	Contract
Production Index	28.6	42.9	31.8	29.2	40.0	30.0	-10.0 ↓	Contract
New Orders Index	25.0	25.0	34.6	28.6	37.5	20.8	-16.7 ↓	Contract
Export Orders Index	27.8	33.3	36.4	31.8	30.0	25.0	-5.0 ↓	Contract
Existing Orders Index	27.8	27.8	26.9	25.0	37.5	29.2	-8.3 ↓	Contract
Inventory Index of Finished Products	45.0	45.0	46.2	53.6	54.2	54.2	0.0	Expand
Purchase Quantity Index	22.2	27.8	41.7	38.5	50.0	27.3	-22.7 ↓	Contract
Purchase Price Index	56.3	43.8	45.8	50.0	59.1	45.5	-13.6 ↓	Contract
Inventory Index of Main Raw Materials	37.5	37.5	37.5	34.6	40.9	36.4	-4.5 ↓	Contract
Employees Index	22.2	27.8	30.8	25.0	33.3	25.0	-8.3 ↓	Contract
Delivery Time Index	22.2	25.0	33.3	34.6	36.4	31.8	-4.6 ↓	Contract
Market Expectation Index	40.0	40.0	42.3	50.0	40.0	41.7	1.7 ↑	Contract



### Main Challenges Reported by GTI-Malaysia Enterprises

- Labor costs rose.
- The global building market remained weak.
- Freight rates to the United States increased.
- Demand for timber in the market was low.
- The Sarawak market imported an excessive amount of plywood.
- Companies were affected by U.S. tariffs and anti-dumping policies.
- Selling prices were low, and the strengthening of the ringgit against the U.S. dollar negatively impacted export earnings and cost efficiency.



### Main Suggestions from GTI-Malaysia Enterprises

- Strengthen advertising for products.
- Need government policies to stimulate economic development.
- Appropriately slow down production based on market demand.
- Suggest that the government stimulate construction industries to create more usage of sawnwood.
- Strictly control costs, adjust production according to market conditions, and closely monitor foreign exchange risks.



## GTI-Thailand Index in February 2026



In January 2026, Thailand's trade growth reached its highest level in four years. Export volume rose by 24.4% year-on-year, while imports saw a 29.4% increase over the same period. In other news, the acting director of Thai Forest Industry Organization (FIO) announced that the agency had adopted an aggressive marketing strategy to boost overseas sales of teak from its plantations. Under the new plan, the FIO aims to increase its teak export volume to at least 30,000 cubic meters annually, targeting a minimum export value of 300 million baht. In terms of forest resource management, the Ministry of Natural Resources and Environment of Thailand convened a meeting on February 2 to review the issuance of forest land use permits. During the session, the Ministry emphasized the need for relevant authorities to expedite the approval process for the permits.

In February 2026, the GTI-Thailand index registered 54.5%, an increase of 0.3 percentage point from the previous month and above the critical value (50%) for 2 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Thailand index expanded from the previous month. This month, the production volume of Thailand's timber industry maintained growth for the second consecutive month. Meanwhile, supported by domestic demand, the volume of new orders saw a significant increase compared to the previous month.

As for the twelve sub-indexes, three indexes (production, new orders, and delivery time) were above the critical value of 50%, while the remaining nine indexes (harvesting, export orders,

existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, employees, and market expectation) were below the critical value. Compared to the previous month, the indexes for production, new orders, and delivery time increased by 1.2-8.7 percentage points, whereas the remaining nine indexes declined by 0.8-18.7 percentage point(s).



Rong Kwang Sawmill in Phrae, Thailand. Photo: Forest Industry Organization (FIO)

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

	2025.09	2025.10	2025.11	2025.12	2026.01	2026.02	MoM	Performance
Comprehensive Index	46.5	42.4	49.1	46.8	54.2	54.5	0.3 ↑	Expand
Harvesting Index	50.0	37.5	46.2	33.3	41.7	40.9	-0.8 ↓	Contract
Production Index	41.2	41.2	50.0	42.9	58.8	60.0	1.2 ↑	Expand
New Orders Index	58.3	47.2	50.0	50.0	61.1	62.5	1.4 ↑	Expand
Export Orders Index	64.3	42.9	45.5	66.7	50.0	40.0	-10.0 ↓	Contract
Existing Orders Index	41.7	44.4	44.4	46.9	50.0	31.3	-18.7 ↓	Contract
Inventory Index of Finished Products	36.1	38.9	41.7	43.8	47.2	40.6	-6.6 ↓	Contract
Purchase Quantity Index	33.3	36.7	50.0	42.3	44.1	43.3	-0.8 ↓	Contract
Purchase Price Index	46.9	50.0	66.7	57.1	52.9	43.3	-9.6 ↓	Contract
Inventory Index of Main Raw Materials	33.3	28.1	40.6	46.4	50.0	46.4	-3.6 ↓	Contract
Employees Index	50.0	44.4	50.0	46.9	47.2	40.6	-6.6 ↓	Contract
Delivery Time Index	36.1	41.7	50.0	46.9	44.4	53.1	8.7 ↑	Expand
Market Expectation Index	50.0	44.4	36.1	40.6	36.1	31.3	-4.8 ↓	Contract



### Main Challenges Reported by GTI-Thailand Enterprises

- There was a decline in the number of customers.
- The economic situation had not yet improved.
- There is a shortage of timber in the domestic market.
- Due to limited market demand, some enterprises faced excess inventory.
- There was a shortage of labor with professional skills.



### Main Suggestions from GTI-Thailand Enterprises

- Recruit more skilled workers.
- Strengthen market research before production.
- Support the development of fast-growing plantations for commercial timber utilization.
- Promote the advantages of wood as a sustainable product to address declining sales.
- In view of the weak economy and political uncertainty, it is important to focus on cash flow management, control costs, and be ready to adjust strategies as the situation develops.



## GTI-Gabon Index in February 2026



In February, upcountry regions of Gabon experienced persistent heavy rainfall, forcing harvesting operations to proceed at a slow pace, while transportation to and from ports was relatively smooth. In the housing sector, Gabon's Minister of Housing, Urban Planning and Cadastre unveiled a 100-day action plan on February 7. Addressing the nationwide housing shortage of over 200,000 units, the plan proposed a comprehensive approach focused on facilitating self-built housing, securing land tenure, and addressing urgent infrastructure needs. According to the minister, several construction projects are already underway in cities such as Libreville, Lambaréné, Lebamba, and Makokou. On February 23, Gabon and the European Union officially launched the roadmap for their forest partnership, with key priorities including mobilizing green finance, diversifying the timber industry, developing new services such as payments for ecosystem services, and promoting non-timber forest products. Gabon's Minister of Water and Forests, Environment, Climate and the EU Ambassador to Gabon also attended the launch ceremony. The commercial use of timber is also a major focus of Gabon's forestry and timber industries. Currently, several extracts from Okoumé have demonstrated huge potential in the cosmetics and healthcare industries in Gabon, with the first active ingredient now ready for commercialization. This marks

a shift, positioning Okoumé not only as a timber resource for veneer or plywood, but also as a raw material for green chemistry and biotechnology.

In February 2026, the GTI-Gabon index registered 36.8%, a decrease of 11.5 percentage points from the previous month, was below the critical value (50%) for 6 consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Gabon index shrank from the previous month.

As for the twelve sub-indices, three indexes (production, purchase quantity, and inventory of main raw materials) were at the critical value of 50%, while the remaining nine indexes were all below the critical value. Compared to the previous month, the index for purchase quantity increased by 12.5 percentage points; the indexes for production and inventory of main raw materials were unchanged from the previous month; and the indexes for harvesting, new orders, export orders, existing orders, inventory of finished products, purchase price, employees, delivery time, and market expectation declined by 12.5-28.6 percentage points.

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

	2025.09	2025.10	2025.11	2025.12	2026.01	2026.02	MoM	Performance
Comprehensive Index	42.5	34.4	30.2	34.6	48.3	36.8	-11.5 ↓	Contract
Harvesting Index	41.7	35.7	30.0	27.8	50.0	25.0	-25.0 ↓	Contract
Production Index	50.0	50.0	30.0	42.9	50.0	50.0	0.0	Stable
New Orders Index	25.0	25.0	16.7	27.8	50.0	28.6	-21.4 ↓	Contract
Export Orders Index	25.0	25.0	25.0	60.0	50.0	37.5	-12.5 ↓	Contract
Existing Orders Index	58.3	12.5	25.0	27.8	41.7	28.6	-13.1 ↓	Contract
Inventory Index of Finished Products	66.7	43.8	16.7	27.8	41.7	28.6	-13.1 ↓	Contract
Purchase Quantity Index	50.0	30.0	25.0	33.3	37.5	50.0	12.5 ↑	Stable
Purchase Price Index	50.0	30.0	25.0	58.3	50.0	37.5	-12.5 ↓	Contract
Inventory Index of Main Raw Materials	50.0	30.0	33.3	25.0	50.0	50.0	0.0	Stable
Employees Index	45.0	25.0	41.7	27.8	41.7	28.6	-13.1 ↓	Contract
Delivery Time Index	50.0	42.9	40.0	50.0	50.0	33.3	-16.7 ↓	Contract
Market Expectation Index	50.0	62.5	25.0	33.3	50.0	21.4	-28.6 ↓	Contract



### Main Challenges Reported by GTI-Gabon Enterprises

- Logistics and purchase costs were high.
- The quality of wood raw materials was poor, leading to a reduction in the production output.
- Export tariffs rose (as required by the new Finance Law).
- The transportation of logs by railway was slow, which affected enterprises with logging permits in the eastern region.



### Main Suggestions from GTI-Gabon Enterprises

- Implement uniform adjustments to pricing.
- Improve the condition of roads and railways.



## GTI-ROC Index in February 2026



Since the early 2000s, the Government of the Republic of the Congo (ROC) has systematically advanced the sustainable management of its forest concessions. Currently, 32 concessions covering more than 10.5 million hectares are under sustainable management, representing 85% of the country's total area allocated for forest exploitation. However, the Congolese timber sector continues to face long-standing challenges. According to discussions at a timber industry seminar organized by the International Tropical Timber Technical Association (ATIBT) in Pointe-Noire, the challenges include limited engagement of large enterprises in the domestic timber market, high costs of processed wood products, difficulties related to the legalization of small-scale sawmills, insufficient availability of dried sawnwood, product standardization issues, high transportation costs, the scarcity of licensed transporters, and a heavy tax burden on small and medium-sized enterprises. Recently, the World Bank released a report titled Strategic Roadmaps for Carbon Market and Climate Finance in the Forest Sector for the Congo Basin Countries, which notes that as a High Forested Low Deforestation (HFLD) country, the Congo can benefit from carbon markets and climate finance to achieve emission reductions in its forest sector. Currently, the Congo has laid important groundwork for carbon finance and markets, with progress such as REDD+ strategy, the Forest Carbon Task Force, the Emissions Reduction Program (ERP) in Sangha-Likouala, and various private sector and NGO projects.

In February 2026, the GTI-ROC index registered 49.5%, an increase of 3.5 percentage points from the previous month, still below the critical value of 50%, indicating that the business prosperity of the superior timber enterprises represented by the GTI-ROC index shrank from the previous month.

As for the twelve sub-indexes, one index (harvesting) was above the critical value of 50%, seven indexes (new orders, export orders, purchase quantity, purchase price, inventory of main raw materials, employees, and delivery time) were at the value, while the remaining four indexes (production, existing orders, inventory of finished products, and market expectation) were below the critical value. Compared to the previous month, the indexes for harvesting, new orders, existing orders, purchase quantity, purchase price, and inventory of main raw materials increased by 0.3 to 33.3 percentage point(s); the indexes for export orders, employees, and delivery time were unchanged from the previous month; and the indexes for production, inventory of finished products, and market expectation declined by 2.0 to 4.0 percentage points.

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

	2025.09	2025.10	2025.11	2025.12	2026.01	2026.02	MoM	Performance
Comprehensive Index	46.9	48.0	49.6	48.0	46.0	49.5	3.5 ↑	Contract
Harvesting Index	50.0	50.0	50.0	46.0	50.0	52.1	2.1 ↑	Expand
Production Index	47.8	50.0	50.0	48.0	50.0	47.9	-2.1 ↓	Contract
New Orders Index	47.9	50.0	50.0	46.2	47.7	50.0	2.3 ↑	Stable
Export Orders Index	47.9	47.5	50.0	50.0	50.0	50.0	0.0	Stable
Existing Orders Index	47.9	52.5	50.0	46.2	47.7	48.0	0.3 ↑	Contract
Inventory Index of Finished Products	47.9	52.5	50.0	46.2	50.0	48.0	-2.0 ↓	Contract
Purchase Quantity Index	50.0	37.5	56.3	50.0	16.7	50.0	33.3 ↑	Stable
Purchase Price Index	37.5	30.0	50.0	50.0	16.7	50.0	33.3 ↑	Stable
Inventory Index of Main Raw Materials	37.5	30.0	50.0	50.0	16.7	50.0	33.3 ↑	Stable
Employees Index	47.9	50.0	50.0	48.1	50.0	50.0	0.0	Stable
Delivery Time Index	47.9	50.0	45.2	50.0	50.0	50.0	0.0	Stable
Market Expectation Index	47.9	50.0	50.0	48.1	50.0	46.0	-4.0 ↓	Contract



### Main Challenges Reported by GTI-ROC Enterprises

- The logistics was slow.
- Enterprises faced great financial and tax pressure.
- Forestry management procedures needed improvement.
- Severe weather affected production and operations.



### Main Suggestions from GTI-ROC Enterprises

- Improve logistics efficiency.
- 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 February 2026



Recently, Ghana's president highlighted the country's extensive road infrastructure drive when he spoke during the 2026 State of the Nation Address, noting that 73 projects covering nearly 2,000 kilometers are currently underway. As the road network gradually improves, transportation efficiency for Ghana's timber industry is expected to see a boost in the future. On February 15, the Timber Industry Development Division (TIDD) of Ghana released a report showing that Ghana's wood and wood product exports fell by 20% year-on-year in 2025, totaling 217,000 cubic meters. By destination, Asia remained the dominant market, accounting for 63% of shipments, followed by Europe (17%), Africa (13%), the Americas (4%), and the Middle East (3%). On the international cooperation front, the European Forest Institute (EFI) launched a new EU-funded project in Ghana on February 12, aimed at supporting sustainable forest management and governance in the country, particularly for strengthening civil society, community, and private sector participation in decision-making platforms related to Forest Law Enforcement, Governance and Trade (FLEGT). The Technical Director of Forestry at Ghana's Ministry of Lands and Natural Resources noted that since the issuance of the first FLEGT license by Ghana in 2025, over 400 licenses had been issued, indicating serious work had begun.

In February 2026, the GTI-Ghana index registered 43.6%, an increase of 2.6 percentage points from the previous month and below the 50% critical value for 2 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, the indexes for inventory of finished products and purchase price were above the critical value of 50%, the indexes for existing orders and delivery time were at the critical value, while the remaining eight indexes were below the critical value. Compared to the previous month, the indexes for harvesting, production, new orders, existing orders, inventory of finished products, purchase quantity, employees, and delivery time increased by 0.5-14.3 percentage point(s), whereas the indexes for export orders, purchase price, inventory of main raw materials, and market expectation declined by 0.2-3.3 percentage point(s).



Factory of AYIPA WOOD COMPANY LIMITED, Ghana. Photo: Peter Zormelo

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

	2025.09	2025.10	2025.11	2025.12	2026.01	2026.02	MoM	Performance
Comprehensive Index	61.0	61.0	60.0	56.6	41.0	43.6	2.6 ↑	Contract
Harvesting Index	60.0	60.0	70.0	52.9	38.2	44.7	6.5 ↑	Contract
Production Index	63.3	63.3	73.3	59.5	38.1	43.5	5.4 ↑	Contract
New Orders Index	53.3	53.3	46.7	40.5	33.3	37.0	3.7 ↑	Contract
Export Orders Index	54.5	54.5	40.0	39.5	34.6	34.4	-0.2 ↓	Contract
Existing Orders Index	50.0	50.0	40.0	45.2	35.7	50.0	14.3 ↑	Stable
Inventory Index of Finished Products	53.3	53.3	56.7	73.8	50.0	56.5	6.5 ↑	Expand
Purchase Quantity Index	53.3	53.3	53.3	38.5	34.4	47.4	13.0 ↑	Contract
Purchase Price Index	73.3	73.3	50.0	76.9	56.3	55.3	-1.0 ↓	Expand
Inventory Index of Main Raw Materials	63.3	63.3	40.0	50.0	38.1	34.8	-3.3 ↓	Contract
Employees Index	46.7	46.7	50.0	52.4	45.2	45.7	0.5 ↑	Contract
Delivery Time Index	56.7	56.7	86.7	53.8	46.2	50.0	3.8 ↑	Stable
Market Expectation Index	33.3	33.3	50.0	35.7	39.5	39.1	-0.4 ↓	Contract



### Main Challenges Reported by GTI-Ghana Enterprises

- Production costs were high.
- The market was limited.
- The worker turnover rate was high.
- Road conditions were poor.
- It was difficult to explore new markets.
- Fuel and electricity costs were high.
- Taxes and fees were high.
- The costs of raw materials, such as glue and logs, were high.
- It was difficult to obtain concessions or forest land use contracts.



### Main Suggestions from GTI-Ghana Enterprises

- Need tax exemptions and government subsidy.
- Government investment in road infrastructure is necessary.
- Suggest that the government provide incentive packages for legally operating enterprises.
- Expand the customer base to increase sales revenue and ensure the smooth operation of all production stages.
- Need relevant authorities to assist in developing the market for timber products.



## GTI-Brazil Index in February 2026



On February 12, the Brazilian government approved the expansion and modernization projects for nine ports—including Santos, Pecem, and Paranaguá—with a total investment of 5.1 billion reais. The upgrades are expected to significantly enhance port operational capacity and provide stronger logistical support for timber product exports. Latest foreign trade data revealed that Brazil's total exports of wood products (excluding pulp and paper) reached approximately US\$263 million in January, a 17.0% decline year-on-year. However, tropical plywood and tropical sawnwood posted strong gains, with export volumes surging 40.0% and 15.0%, respectively. During the same period, Brazil's furniture and mattress exports totaled US\$38.9 million, down 13.7% year-on-year. The United States accounted for 19.3% of the furniture and mattress shipments, down from 28.3% in January 2025, and other main destinations included Uruguay (12.2%), Chile (8.0%), Peru (7.7%), and the United Kingdom (6.0%). On the domestic front, downstream demand showed encouraging signs. According to the National Real Estate Indicator Survey conducted by the Brazilian Chamber of the Construction Industry (CBIC), several key metrics in the country's real estate sector reached all-time highs in the fourth quarter of 2025. With expectations of lower interest rates and improved credit conditions, CBIC expressed a relatively optimistic outlook for the housing market in 2026.

In February 2026, the GTI-Brazil index registered 49.2%, an increase of 2.0 percentage points from the previous month and below the critical value (50%) for the fourth consecutive month, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Brazil index shrank from the previous month.

Regarding the twelve sub-indexes, five indexes (new orders, export orders, inventory of finished products, purchase price, and market expectation) were above the critical value of 50%, two indexes (harvesting, and employees) were at the critical value, while the remaining five indexes (production, existing orders, purchase quantity, inventory of main raw materials, and delivery time) were below the critical value. Compared to the previous month, the indexes for harvesting, production, new orders, export orders, existing orders, purchase price, employees, delivery time, and market expectation increased by 0.4-14.1 percentage point(s), whereas the indexes for inventory of finished products, purchase quantity, and inventory of main raw materials declined by 4.8-7.5 percentage points.

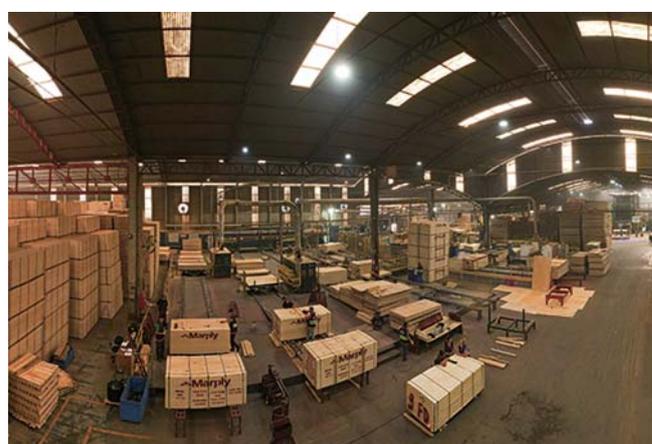
## Table: Overview of GTI-Brazil Sub-Indexes (%)



	2025.09	2025.10	2025.11	2025.12	2026.01	2026.02	MoM	Performance
Comprehensive Index	40.2	52.3	49.5	47.9	47.2	49.2	2.0 ↑	Contract
Harvesting Index	38.9	59.1	54.5	50.0	44.4	50.0	5.6 ↑	Stable
Production Index	37.5	57.1	53.6	50.0	45.8	46.4	0.6 ↑	Contract
New Orders Index	46.2	60.0	53.3	46.7	50.0	53.3	3.3 ↑	Expand
Export Orders Index	45.8	64.3	60.7	53.6	54.2	57.1	2.9 ↑	Expand
Existing Orders Index	38.5	53.3	56.7	43.3	42.3	46.7	4.4 ↑	Contract
Inventory Index of Finished Products	57.7	53.3	56.7	53.3	61.5	56.7	-4.8 ↓	Expand
Purchase Quantity Index	50.0	50.0	54.2	50.0	45.0	37.5	-7.5 ↓	Contract
Purchase Price Index	62.5	61.5	65.4	65.4	59.1	73.1	14.0 ↑	Expand
Inventory Index of Main Raw Materials	30.8	36.7	43.3	50.0	53.8	46.7	-7.1 ↓	Contract
Employees Index	38.5	46.7	46.7	50.0	42.3	50.0	7.7 ↑	Stable
Delivery Time Index	41.7	46.4	42.9	42.9	45.8	46.2	0.4 ↑	Contract
Market Expectation Index	34.6	56.7	66.7	53.3	53.8	67.9	14.1 ↑	Expand



Finish-Estoque in Palmas PR, Brazil. Photo: Banco de Imagens Marini



Factory-Acabamento in Palmas PR, Brazil. Photo: Banco de Imagens Marini



## Brief on Brazilian Timber Industry



- The recent revision of U.S. import tariffs on wood products may improve conditions for the recovery of Brazilian exports to the North American market. The change follows a U.S. Supreme Court decision that invalidated the previous tariff of about 40% on certain wood products, which had significantly reduced the competitiveness of Brazilian timber. Subsequently, the U.S. government introduced a global tariff of up to 15% under Section 122 of the Trade Act of 1974. Although this still represents an additional cost for exporters, the lower rate may reduce some of the competitive distortions seen in recent years. While regulatory and trade uncertainties remain due to frequent tariff changes, industry representatives believe the relative reduction could gradually restore the competitiveness of Brazilian wood products in the U.S. market and support a recovery in exports, which have recently been affected by weaker demand, commercialization challenges, and production adjustments in the sector.
- Engineered wood has been increasingly consolidated in Brazil as a lower climate-impact alternative in the construction sector, with the potential to reduce CO<sub>2</sub> emissions by up to 80% per square meter when compared to conventional concrete and masonry structures. In addition to requiring less energy during processing, the material also contributes to the storage of carbon captured during tree growth, keeping this carbon stored throughout the lifespan of buildings. From a construction perspective, industrialized engineered wood systems allow for greater precision in component manufacturing, reduced waste at construction sites, and shorter construction timelines, factors that contribute to greater cost predictability and efficiency. In the Brazilian context, characterized by the wide availability of planted forests and advances in wood-based construction technologies, the expanded use of this material has been identified as a promising strategy to support the transition of the construction sector toward more sustainable production models aligned with decarbonization goals.
- The trade agreement between Mercosur and the European Union is expected to enhance the competitiveness of Brazilian wooden furniture industries by providing for the gradual reduction of import tariffs applied by the European bloc. The progressive elimination of these tariff barriers may make Brazilian products more price-competitive in the European market, creating conditions for expanding the sector's exports. In addition to the potential increase in export volumes, the agreement may also support greater Brazilian participation in higher value-added segments, particularly in the wooden furniture market, where the country already holds a relevant presence. Trade liberalization is also likely to stimulate economies of scale, market diversification, and stronger integration of Brazilian companies into global value chains. Furthermore, the agreement includes trade facilitation measures that may reduce operational costs for exporters, including the simplification of customs procedures, the maintenance of export incentive mechanisms, and the possibility of self-certification of origin. These instruments may particularly benefit small and medium-sized enterprises by lowering administrative costs and expanding access to the European market.

*Information provided by GTI-Brazil Focal Point*



Combi Products in Palmas PR, Brazil. Photo: Banco de Imagens Marini



Finish-Estoque in Palmas PR, Brazil. Photo: Banco de Imagens Marini



### Main Challenges Reported by GTI-Brazil Enterprises

- There were difficulties in hiring workforce.
- The supply of raw materials was unstable.
- International market prices declined.
- The imposition of tariffs by the United States negatively affected product prices in the market.
- There were problems such as high interest rates, unfavorable exchange rates, oversupply, and low demand.
- IBAMA delayed the issuance of CITES permits and LPCO documents (Licenses, Permits, Certificates, and Other documents).
- Sales declined while operating costs (especially related to suppliers and logistics) rose. In addition, delays in some customer payments also put pressure on the enterprise.



### Main Suggestions from GTI-Brazil Enterprises

- Adjust external economic policies.
- Increase investment to improve infrastructure.
- Promote the industrialization of production chains.
- The suggestion is that the analysis be performed by AI within IBAMA's system.
- Actively advertise job vacancies in neighboring states.
- Establish an innovative policy framework with a fair taxation mechanism by introducing tax incentives and simplifying administrative approval procedures for the timber industry.
- Expand markets and develop new products to enhance competitiveness and minimize risks associated with unreliable buyers.



# GTI-Mexico Report



## GTI-Mexico Index in February 2026



Recently, Mexico’s Federal Environmental Protection Agency coordinated a nationwide forest enforcement operation. Targeting illegal logging, unauthorized land-use changes, and the illicit transport of forest products, the operation resulted in the seizure of 394.95 cubic meters of timber, and the initiation of administrative and criminal proceedings. In January 2026, the activities of some timber producers in Mexico came to a near standstill as annual forest harvesting permits had yet to be issued, resulting in a downturn in overall industry output. By February, however, the supply-side activities began to normalize as permits were gradually issued. On the trade front, a weaker U.S. dollar had placed pressure on the forestry. In Parral, Chihuahua, which ranks second nationwide in terms of revenue from the timber industry, local producers experienced significant setbacks in 2025. Javier Portillo, President of the Parral Timber Producers Union, stated that due in part to the depreciation of the US dollar and the imported timber from the United States and Chile, the sales of Parral’s timber industry plummeted by 40% in 2025. At the same time, rising fuel prices—such as diesel and premium gasoline, both essential for forestry—had further driven up production costs.

In February 2026, the GTI-Mexico index registered 41.3%, an increase of 1.5 percentage points from the previous month, was below the critical value (50%) for several consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Mexico index shrank from the previous month. On a positive note, the harvesting volume ended a seven-month streak of declines, posting a slight increase this month.

As for the twelve sub-indices, three indexes (harvesting, purchase price, and market expectation) were above the critical value of 50%, two indexes (production, and export orders) were at the value, while the remaining seven indexes (new orders, existing orders, inventory of finished products, purchase quantity, inventory of raw materials, employees, and delivery time) were below the value. Compared to the previous month, the indexes for harvesting, production, new orders, inventory of finished products, purchase quantity, inventory of raw materials, and delivery time increased by 1.1-21.2 percentage points; the index for existing orders was unchanged from the previous month; and the indexes for export orders, purchase price, employees, and market expectation declined by 7.7-25.0 percentage points.



Wood Pile, Mexico. Photo: Forestal Salto de Camellones

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

	2025.09	2025.10	2025.11	2025.12	2026.01	2026.02	MoM	Performance
Comprehensive Index	35.4	35.4	44.3	48.0	39.8	41.3	1.5 ↑	Contract
Harvesting Index	27.5	27.5	47.5	43.8	32.4	53.6	21.2 ↑	Expand
Production Index	32.5	32.5	50.0	46.7	41.2	50.0	8.8 ↑	Stable
New Orders Index	38.1	38.1	45.0	52.9	38.9	40.0	1.1 ↑	Contract
Export Orders Index	16.7	16.7	50.0	50.0	75.0	50.0	-25.0 ↓	Stable
Existing Orders Index	23.8	23.8	37.5	44.1	33.3	33.3	0.0	Contract
Inventory Index of Finished Products	40.5	40.5	47.5	47.1	44.4	46.7	2.3 ↑	Contract
Purchase Quantity Index	31.3	31.3	53.8	50.0	25.0	37.5	12.5 ↑	Contract
Purchase Price Index	56.3	56.3	55.6	65.0	70.8	54.2	-16.6 ↓	Expand
Inventory Index of Main Raw Materials	33.3	33.3	38.9	45.5	30.8	34.6	3.8 ↑	Contract
Employees Index	35.7	35.7	42.5	44.1	44.4	36.7	-7.7 ↓	Contract
Delivery Time Index	35.7	35.7	37.5	47.1	38.9	40.0	1.1 ↑	Contract
Market Expectation Index	73.8	73.8	80.0	70.6	75.0	63.3	-11.7 ↓	Expand



### Main Challenges Reported by GTI-Mexico Enterprises

- Product sales decreased.
- There was price pressure from competitors.
- Market demand was unstable and difficult to predict.
- There were international trade barriers or tariff issues.
- Product sales channels were limited, or channel development was insufficient.



### Main Suggestions from GTI-Mexico Enterprises

- Conduct capacity building to enhance the level of wood processing.
- Purchase or lease equipment for product transportation.
- Introduce policies to reduce imports of wood products.
- Improve road conditions to increase product transportation efficiency.
- Ensure sufficient product sales and distribution channels.
- Increase market recognition and added value of domestic products.
- Obtain government subsidies to lower production costs.



## GTI-Ecuador Index in February 2026



Latest data from the Central Bank of Ecuador (BCE) revealed that in 2025, the country's forestry and timber industries generated over US\$737 million in export revenue, marking a 13.41% year-on-year increase from 2024. Main export destinations included China, the United States, Peru, Colombia, India, and the European Union. Among the exports, balsa wood products accounted for the largest share at 41%, followed by wood-based panels (38%), paper and paperboard (9%), teak (8%), and furniture (2%). The Ecuadorian Wood Industries Association (AIMA) attributed this performance to advancements in processing technology, the exploration of new markets, and a diversification strategy—efforts that had solidified the forestry sector as a key pillar of the national economy. Currently, the forestry sector ranks seventh among Ecuador's non-oil exports and first among its manufactured goods exports. In the housing sector, the President of Ecuador recently declared 2026 as the "Year of Construction and Employment." Currently, the country is ramping up public works and housing projects, while also improving access to housing. Following a significant interest rate reduction implemented in January, Authorities further adjusted the Credicasa housing program in February, raising the loan ceiling from US\$50,000 to US\$65,000.

In February 2026, the GTI-Ecuador index registered 44.8%, an increase of 8.5 percentage points from the previous month and below the critical value (50%) for 6 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, two indexes (new orders, and export orders) were above the critical value of 50%, five indexes (harvesting, existing orders, purchase quantity, purchase price, and employees) were at the critical value, while the remaining five indexes (production, inventory of finished products, inventory of main raw materials, delivery time, and market expectation) were below the critical value. Compared to the previous month, the indexes for harvesting, new orders, export orders, purchase quantity, inventory of main raw materials, employees, and delivery time increased by 3.6-28.6 percentage points; the indexes for existing orders and inventory of finished products were unchanged from the previous month; and the indexes for production, purchase price, and market expectation declined by 2.4-21.4 percentage points.

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

	2025.09	2025.10	2025.11	2025.12	2026.01	2026.02	MoM	Performance
Comprehensive Index	49.1	39.0	44.5	46.3	36.3	44.8	8.5 ↑	Contract
Production Index	53.8	39.3	25.0	41.7	28.6	50.0	21.4 ↑	Stable
New Orders Index	54.2	38.5	30.0	50.0	35.7	33.3	-2.4 ↓	Contract
Export Orders Index	42.9	38.2	70.0	41.7	42.9	64.3	21.4 ↑	Expand
Existing Orders Index	36.4	31.3	50.0	40.0	50.0	70.0	20.0 ↑	Expand
Inventory Index of Finished Products	46.4	29.4	40.0	33.3	50.0	50.0	0.0	Stable
Purchase Quantity Index	60.7	35.3	40.0	33.3	28.6	28.6	0.0	Contract
Purchase Price Index	50.0	32.4	30.0	58.3	21.4	50.0	28.6 ↑	Stable
Import Index	35.7	61.8	60.0	58.3	71.4	50.0	-21.4 ↓	Stable
Inventory Index of Main Raw Materials	57.1	35.3	30.0	50.0	21.4	28.6	7.2 ↑	Contract
Employees Index	50.0	41.2	50.0	50.0	42.9	50.0	7.1 ↑	Stable
Delivery Time Index	46.4	41.2	20.0	41.7	25.0	28.6	3.6 ↑	Contract
Market Expectation Index	75.0	50.0	40.0	58.3	57.1	35.7	-21.4 ↓	Contract



### Main Challenges Reported by GTI-Ecuador Enterprises

- There was a shortage of raw materials needed for production.
- Worker wages increased.
- Production and operations slowed down due to heavy rainfall.



### Main Suggestions from GTI-Ecuador Enterprises

- Raise market prices of products.
- Ensure the availability of different plantations for logging and utilization.
- Revise road regulations and relax timber harvesting restrictions.
- Promote the economic benefits of diversified afforestation at business or trade forums.



## GTI-China Index in February 2026



Recently, the 29th APEC Experts Group on Illegal Logging and Associated Trade (EGILAT) Plenary was held in Guangzhou, China, bringing together representatives from 14 APEC (Asia-Pacific Economic Cooperation) member economies and participating international organizations, including the International Tropical Timber Organization (ITTO). According to the 2026 work plan adopted at the meeting, an APEC Ministerial Meeting on Forestry will be held in China this year. In response to the EU Deforestation Regulation (EUDR), Chinese timber enterprises are exploring various strategies, such as supply chain restructuring, technological empowerment, certification system development, and enhanced industry collaboration. According to statistics from China's General Administration of Customs, in 2025, China's exports of wood and wood products to the EU reached approximately US\$18.7 billion, with major product categories including furniture, plywood, and wood-based building materials. On February 1, China's national recommended standard, the "Design Guide for Senior-Friendly Furniture," officially took effect, marking a shift from conceptual advocacy to standardized, refined development in the country's senior-friendly furniture industry.

In February 2026, the GTI-China index registered 31.1%, a decrease of 13.9 percentage points from the previous month and below the critical value (50%) for the fifth consecutive month, indicating that the business prosperity of the superior timber enterprises represented by the GTI-China index shrank from the previous month. Due to the extended Spring Festival holiday this month, the production and operation of China's timber enterprises were notably disrupted, and the actual operating days were significantly fewer compared to a normal month.

As for the twelve sub-indexes, two indexes (purchase price, and market expectation) were above the 50% critical value, while the remaining ten indexes were all below the critical value. Compared to the previous month, the index for market expectation increased by 19.3 percentage points, whereas the remaining eleven indexes declined by 1.5-23.7 percentage points.

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

	2025.09	2025.10	2025.11	2025.12	2026.01	2026.02	MoM	Performance
Comprehensive Index	51.7	45.6	49.6	49.9	45.0	31.1	-13.9 ↓	Contract
Production Index	53.5	45.0	50.0	51.4	44.9	21.2	-23.7 ↓	Contract
New Orders Index	54.8	44.4	53.7	51.4	43.5	23.6	-19.9 ↓	Contract
Export Orders Index	54.4	48.3	51.8	48.6	44.9	40.1	-4.8 ↓	Contract
Existing Orders Index	48.7	41.7	44.5	48.6	47.8	30.2	-17.6 ↓	Contract
Inventory Index of Finished Products	46.5	46.0	45.0	47.6	48.2	40.6	-7.6 ↓	Contract
Purchase Quantity Index	56.1	49.3	52.3	53.8	52.9	37.7	-15.2 ↓	Contract
Purchase Price Index	59.6	48.7	49.5	44.3	56.2	52.4	-3.8 ↓	Expand
Import Index	50.4	60.3	51.8	60.4	48.2	43.4	-4.8 ↓	Contract
Inventory Index of Main Raw Materials	45.2	46.4	46.3	49.1	49.6	48.1	-1.5 ↓	Contract
Employees Index	50.4	47.0	46.3	45.3	45.3	39.2	-6.1 ↓	Contract
Delivery Time Index	48.7	46.7	47.2	50.9	44.9	40.6	-4.3 ↓	Contract
Market Expectation Index	57.0	48.7	57.3	36.8	40.6	59.9	19.3 ↑	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 (GGSCI) 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.

The rights to interpret data and the intellectual property contained in the reports are owned by ITTO and GGSCI Secretariat jointly. ITTO and GGSCI Secretariat hereby grant you a limited, revocable, nonsublicensable license to access and display on your individual device the GTI report (excluding any software code) solely for your personal, non-commercial use. Without the permission from ITTO and GGSCI Secretariat, you shall not copy, download, stream, capture, reproduce, duplicate, archive, upload, modify, translate, publish, broadcast, transmit, retransmit, distribute, perform, display, sell, or otherwise use any GTI report Content.



**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.

## 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)

# GTI REPORT

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### GGSC

Contact person: Ms. Yinfeng Li

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

Tel: 86-10-6288 8626

Website: [www.itto-ggsc.org](http://www.itto-ggsc.org)



Scan the QR code and  
follow the official account

### ITTO

Contact person: Mr. Qiang Li

Email: [li@itto.int](mailto:li@itto.int)

Website: [www.itto.int](http://www.itto.int)



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follow the official account