



ITTO
INTERNATIONAL TROPICAL
TIMBER ORGANIZATION



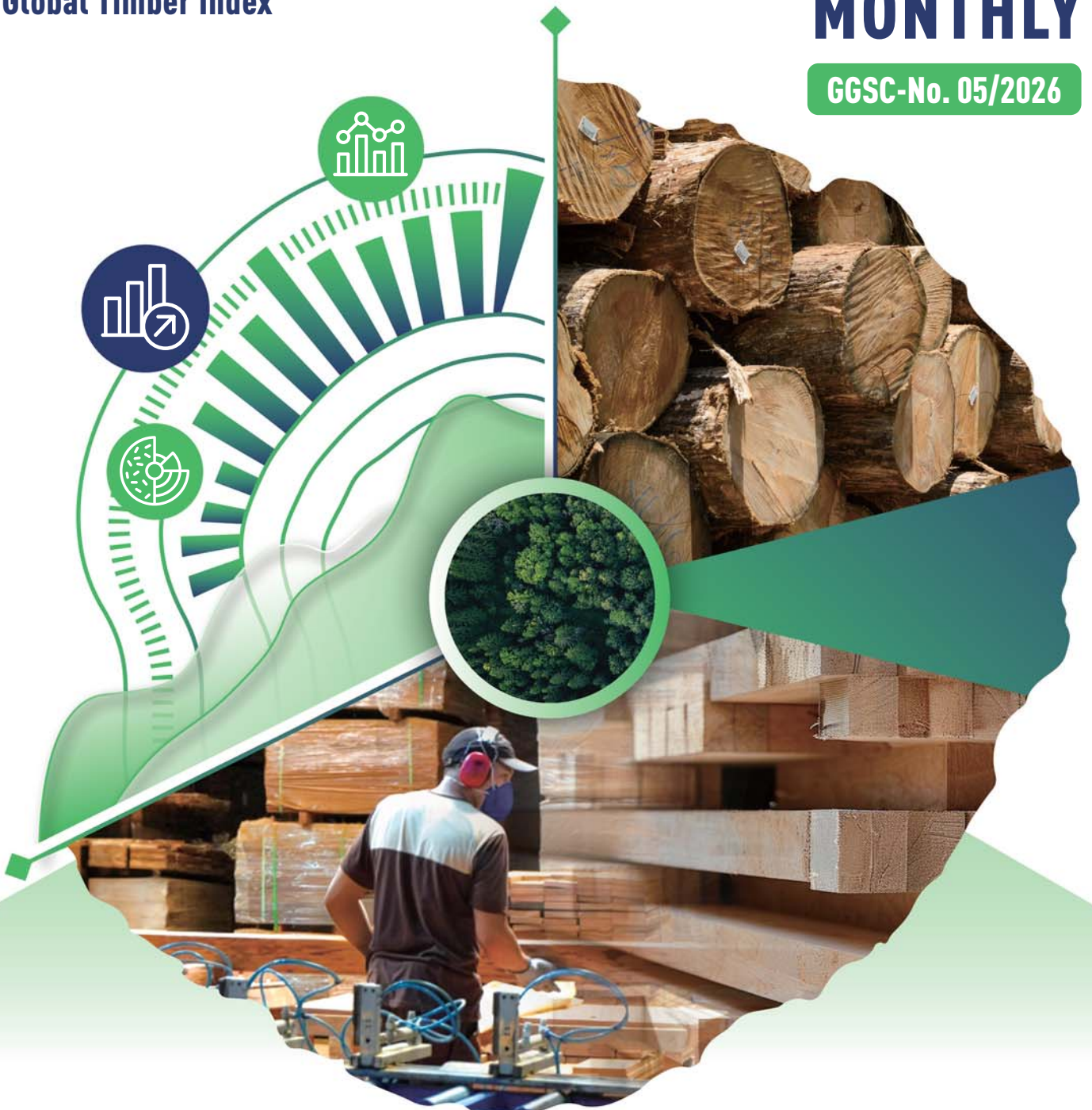
This report was prepared by GGSC, with support of ITTO and IPIM, and Focal Points of Indonesia, Malaysia, Thailand, Gabon, Republic of Congo, Ghana, Brazil, Mexico, Ecuador and China.

GTI REPORT 2026

Global Timber Index

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GTI REPORT 2026

MAY





GLOBAL LEGAL & SUSTAINABLE TIMBER FORUM 2026

2026全球合法与可持续木业高峰论坛



GLSTF2026

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

22-23 September 2026

 Galaxy International Convention Center,
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澳門特別行政區
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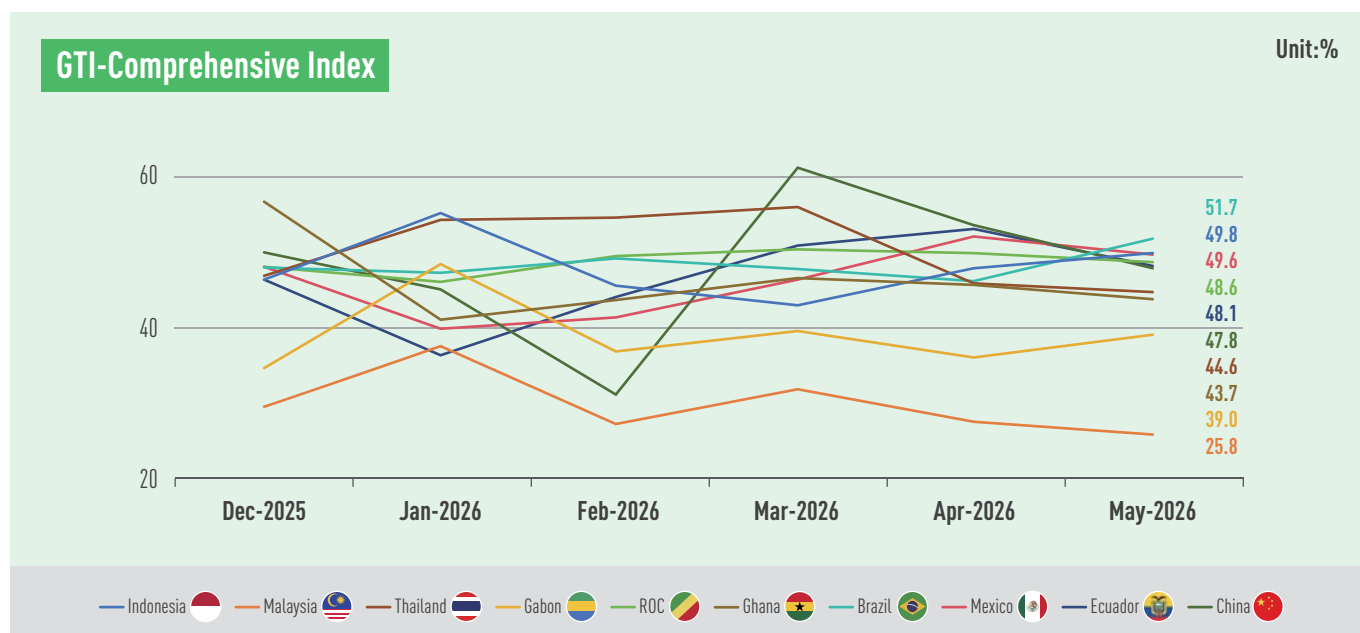
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Overview of the GTI Index

Brazil stands alone in expansion as GTI countries combat industry headwinds



The Global Timber Index (GTI) Report for May 2026 revealed that among the ten GTI pilot countries, only Brazil (51.7%) recorded a GTI reading above the 50% critical value, indicating a slight expansion in its timber sector compared to the previous month. The other nine countries were in contraction territory: Indonesia (49.8%), Mexico (49.6%), the Republic of the Congo (48.6%), and Ecuador (48.1%) posted readings close to the critical value, indicating slight contraction; China (47.8%), Thailand (44.6%), and Ghana (43.7%) showed moderate contraction; and Gabon (39.0%) and Malaysia (25.8%) recorded a significant downturn.

The GTI sub-indices showed that Mexico's harvesting volume increased this month, Ecuador's production volume maintained growth for three consecutive months, and the volume of new orders rose in Indonesia, Thailand, and Brazil. Data also indicated that export performance of the African and Latin American countries was relatively strong this month: Gabon, Brazil, and Ecuador all saw growth in export orders compared to the previous month; the Congo's export market remained stable for seven consecutive months; Mexico's export market stabilized after a downturn; and the contraction in Ghana's export market eased.

The biggest challenges stemmed from weak demand and rising costs, with tensions in the Middle East further driving up fuel and logistics costs for businesses. To address demand-side challenges, timber sectors in the GTI participating countries actively diversified export markets and stepped up international promotion and cooperation. For example, Thailand partially offset the contraction in the Middle East market by expanding the Chinese, U.S., and Malaysian markets; Chinese furniture enterprises maintained order volumes through price adjustments, using a "volume-for-price" strategy to stabilize their export base; at the same time, the countries continued to advance the

building of legal and sustainability systems to improve access to international markets. To alleviate cost pressures, some enterprises strengthened cost control and inventory management, and called on governments to stabilize fuel prices and provide tax incentives and subsidies.

Seasonal rainfall and extreme weather have directly impacted timber-producing countries. Thailand's Meteorological Department announced that the rainy season of this year officially began on May 15 and may last until mid-October, which would affect timber harvesting and raw material supply. In addition, in areas such as Durango, Mexico, the spread of pests like the bark beetle caused significant difficulties for harvesting, mainly due to the rise in extreme temperatures, which increased the pest's breeding cycle from one per year to as many as three.

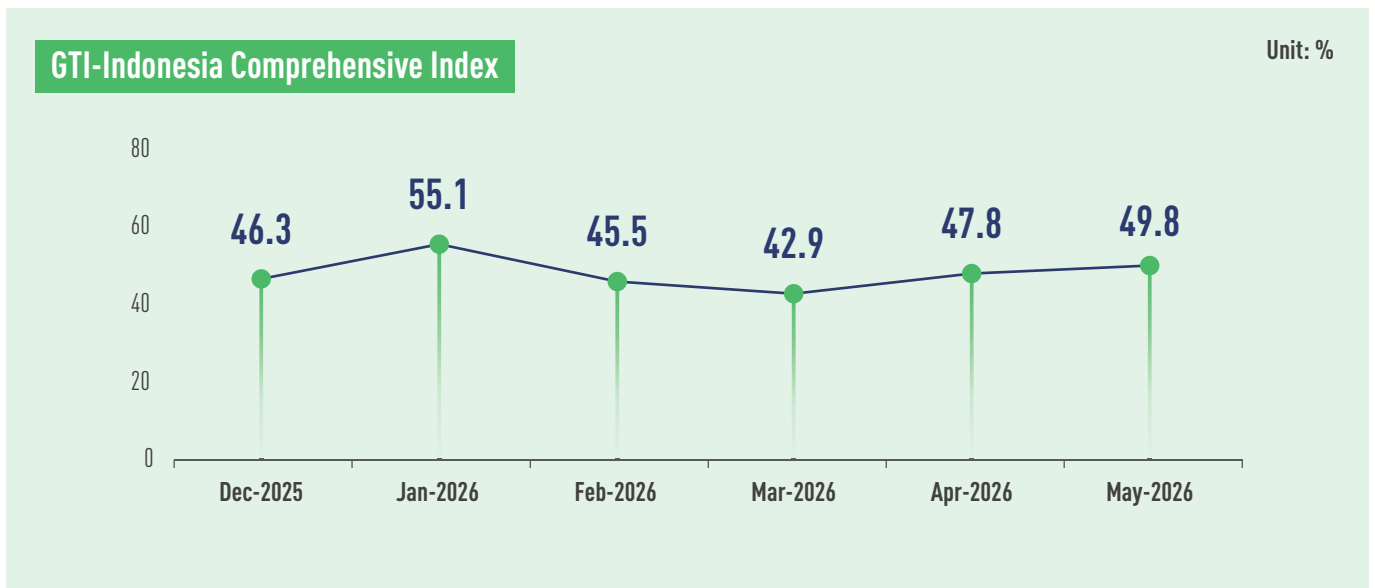
GTI pilot countries continued to make progress in advancing sustainable forest management and legality certification. The Republic of the Congo-EU FLEGT VPA joint annual report showed that in the Congo, 9.79 million hectares of concessions are covered by approved forest management plans, and significant advances have been recorded in the deployment of the Computerized Legality Verification System (SIVL). Ghana has issued approximately 500 FLEGT licenses, covering timber exports valued at around €14.3 million. Gabon's government uses Forest Concession for Sustainable Management (CFAD) to ensure responsible management and utilization of forest resources. Brazil increased areas under federal forest concessions from 1.05 million hectares in 2020 to 1.59 million hectares in 2025, and significantly expanded the area of forests under long-term sustainable management plans. Mexico's government released the National Forestry Program (PNF) 2026-2030, which outlines 146 action lines aimed at increasing sustainable forest productivity and other goals.

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 May 2026



Records from Indonesian Wood Panel Producers Association (APKINDO) shows that Indonesia's log production from natural forests in Q1 2026 was approximately 2 million cubic meters, a decrease of roughly 30% compared to the same period last year. Sumatra saw the largest decline, followed by Kalimantan, Java-Bali, and the eastern regions of Indonesia. One contributing factor to the supply contraction was the revocation of some forest utilization business permits. However, Raw material supply conditions gradually improved between April and May. Meanwhile, U.S. anti-dumping and countervailing duties caused Indonesia's plywood exports to the United States to plummet by 60% to 94,000 cubic meters in the first quarter, while shipments to Mexico surged by 65% to 15,000 cubic meters. To strengthen its timber export markets, the Indonesian government and enterprises have actively conducted market promotion activities in the United States, Europe, and other regions, while working to enhance the legality, traceability, and sustainability of timber products. The Director General of Sustainable Forest Management at Indonesia's Ministry of Forestry stated that the country's Timber Legality and Sustainability Verification System (SVLK+) is continuously updated to align with global regulations, including the US Lacey Act and the European Union Deforestation Regulation (EUDR).

In May 2026, the GTI-Indonesia index registered 49.8%, below the critical value (50%) for four consecutive months, 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-indices, three indexes (new orders, delivery time, and market expectation) were above the critical value of 50%, another three indexes (harvesting, production, and purchase price) were at the critical value, while the remaining six indexes (export orders, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, and employees) were below the value. Compared to the previous month, the indexes for harvesting, new orders, inventory of finished products, employees, and delivery time increased by 2.1 to 3.3 percentage points; the indexes for production, export orders, purchase price, and inventory of main raw materials were unchanged from the previous month; and the indexes for existing orders, purchase quantity, and market expectation declined by 3.9 to 6.7 percentage points.

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



	2025.12	2026.01	2026.02	2026.03	2026.04	2026.05	MoM	Performance
Comprehensive Index	46.3	55.1	45.5	42.9	47.8	49.8	2.0 ↑	Contract
Harvesting Index	46.3	77.3	45.7	52.3	47.9	50.0	2.1 ↑	Stable
Production Index	31.3	58.3	33.3	31.3	50.0	50.0	0.0	Stable
New Orders Index	51.5	57.7	50.0	48.4	48.4	51.7	3.3 ↑	Expand
Export Orders Index	50.0	50.0	54.5	44.4	38.9	38.9	0.0	Contract
Existing Orders Index	47.1	58.3	42.4	40.3	45.3	41.4	-3.9 ↓	Contract
Inventory Index of Finished Products	48.5	68.2	42.4	38.7	42.2	44.8	2.6 ↑	Contract
Purchase Quantity Index	35.7	58.3	44.4	40.0	36.4	31.3	-5.1 ↓	Contract
Purchase Price Index	50.0	50.0	50.0	50.0	50.0	50.0	0.0	Stable
Inventory Index of Main Raw Materials	50.0	50.0	50.0	43.8	45.0	45.0	0.0	Contract
Employees Index	52.9	55.2	47.0	43.5	42.2	44.8	2.6 ↑	Contract
Delivery Time Index	50.0	48.0	51.7	50.0	52.1	55.3	3.2 ↑	Expand
Market Expectation Index	75.0	73.3	65.2	64.0	60.9	54.2	-6.7 ↓	Expand



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



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



Brief on Indonesian Timber Industry



Overall, Indonesia's wood-processing industry maintained relatively stable operations during May 2026. Production activities remained supported by adequate raw material supplies, although export demand varied among destination markets.

Plywood

During May 2026, plywood export performance remained relatively stable compared with the previous month. Demand from Asian markets continued to provide the primary support for export growth, particularly for products used in construction and interior applications.

Nevertheless, market competition remained intense and buyers continued to adopt cautious purchasing strategies. Consequently, growth in new orders remained limited despite stable production levels. External factors, including trade policy developments and economic uncertainty in several importing countries, also continued to influence market sentiment.

Pulp and Paper

The pulp and paper industry maintained relatively stable performance throughout May 2026. The availability of plantation forest raw materials remained adequate to support production activities, while relatively stable input prices helped manufacturers maintain cost efficiency. Despite these positive conditions, export competition remained strong, particularly in Asian markets where producers continue to face pressure from regional competitors. As a result, market expansion and product differentiation remain important strategies for maintaining competitiveness.

Furniture

Furniture remained one of the strongest-performing segments within Indonesia's wood-based industry. Demand from North American and European markets continued to improve gradually, particularly for higher value-added products. In addition, growing international demand for certified and sustainably sourced furniture products continued to provide opportunities for Indonesian exporters. This trend aligns with increasing consumer awareness regarding sustainability and responsible sourcing practices.

Woodworking Products

The woodworking segment maintained relatively stable performance compared with April 2026. Demand from construction-related sectors remained moderate, while customized and higher value-added products continued to perform better than standard products.

However, manufacturers generally remained cautious in expanding production capacity due to ongoing uncertainty in global demand and market conditions.

Upstream Sector: Timber Supply and Raw Material Production

The supply of timber raw materials remained generally stable during May 2026 and continued to support downstream industrial activities.

Industrial Plantation Forests (HT)

Timber production from plantation forests remained stable throughout the reporting period. Raw material availability continued to support the pulp, paper, and panel industries. However, growth in downstream demand remained limited, resulting in production levels being adjusted according to market requirements.

Natural Forests (HA)

Production from natural forests remained relatively strong and continued to support industries requiring higher-quality timber, particularly plywood and specialized wood products. Operational activities improved in several regions due to better field accessibility and more favorable weather conditions.

Community Forests (HR)

Community forests continued to contribute positively to national timber supply. Demand from small and medium-sized enterprises remained relatively stable, supported by favorable domestic timber prices and continued processing activity within the domestic market.

Industry Outlook

Looking ahead, Indonesia's forestry and wood-based industries are expected to maintain relatively stable performance during the coming months. Adequate raw material availability, gradual improvements in selected export markets, and the continued growth of sustainable wood products are expected to support the sector.

However, industry players are likely to remain cautious due to persistent uncertainties in the global economy, fluctuating demand patterns, and rising logistics costs. Continued efforts to improve operational efficiency, strengthen transportation infrastructure, and diversify export markets will be critical for sustaining the competitiveness and resilience of Indonesia's forestry sector.

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

- The supply of raw materials decreased.
- Heavy equipment used for logging was damaged.
- Export prices showed a downward trend.
- There was a shortage of labor for planting and maintaining.
- Extreme rainfall affected production and operations.
- Illegal logging activities still existed.
- The policy limits the cross-sectional area of processed moulding wood, which had resulted in decreased exports.
- Due to rising fuel prices and increased distances, transportation costs were high despite low log prices.
- In East Java, the supply of raw materials was limited while demand was quite strong, leading to price increases and frequent shortages of raw materials.
- Anti-dumping and countervailing duties imposed a burden on Indonesian practitioners, resulting in a decline in exports of plywood products to the United States.
- Industrial diesel prices rose sharply, the aging workforce led to a decline in production efficiency, and overseas markets were shrinking.
- Implementation of fumigation was constrained due to limited fumigation depots.



Main Suggestions from GTI-Indonesia Enterprises

- Purchases logs from more channels.
- Expand overseas markets with support from the government.
- Conduct regular maintenance for the damaged heavy equipment.
- It is necessary to repair the road at points where the road is severely damaged.
- Need the government to strengthen actions to address illegal logging and mining.
- Adjust production volume according to the absorption capacity of wood processing enterprises.
- Strive to maximize wood production during dry/not rainy weather, so as to meet the target of the annual logging plan.
- To face global market conditions, efforts are needed to seek new markets and promote the marketing of plywood products.
- Revise regulations concerning the export of forestry products, especially provisions regarding cross-sectional area, so as to support the sustainability of the upstream and downstream sectors.
- Policy incentives are needed to increase the absorption of wood in the domestic market, as well as to seek new markets for wood products from Indonesia to other countries.
- It should be possible to relax the sawnwood export policy, or expand the cross-sectional area range for various tree species (especially those naturally growing in eastern Indonesia).

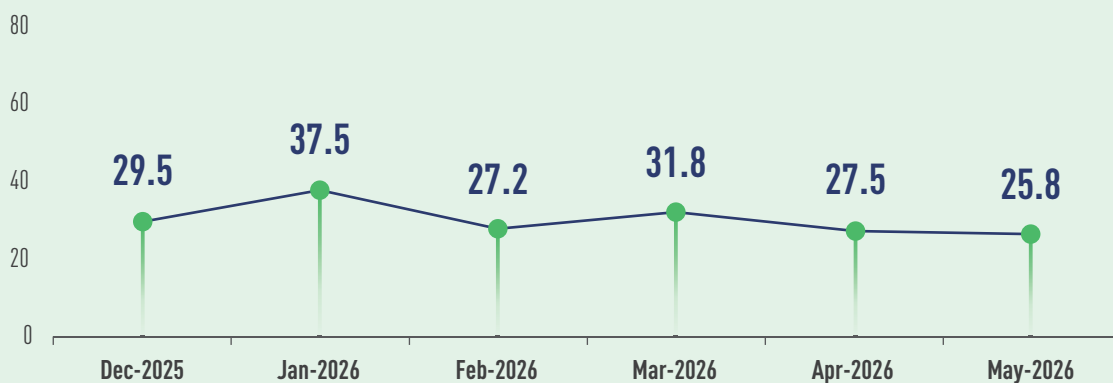


GTI-Malaysia Index in May 2026



GTI-Malaysia Comprehensive Index

Unit: %



Currently, the timber industry in Malaysia is under triple burden: the expansion of the Sales and Service Tax (SST), high diesel prices, and foreign worker shortages, according to the Malaysian Timber Association (MTA). Since July 2025, sawnwood has lost its long standing SST exemption and is now subject to a 5% sales tax, thus driving an estimated 8-12% increase in downstream production costs. During the first quarter of 2026, Sarawak's timber exports fell 10% to RM564 million amid weakening global demand. Recently, the Premier of Sarawak announced that the state will gradually reduce its timber exports as part of accelerated transition to a green economy, which is expected to further weigh on the export performance. On the sustainable forest management front, many regions in Malaysia are exploring the use of digital technologies to strengthen forest governance while actively promoting plantation forestry to reduce dependence on natural forest timber. The Chief Minister of Sabah said that the state has identified approximately 400,000 hectares of degraded forest reserves for forest plantation development, and the state government is also drafting a dedicated forest master plan to guide the management of its forest resources over the next 25 years.

In May 2026, the GTI-Malaysia index registered 25.8%, a decrease of 1.7 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.

Regarding the twelve sub-indexes, two indexes (purchase price, and inventory of finished products) were above the critical value of 50%, while the remaining ten indexes were all below the critical value. Compared to the previous month, the indexes for inventory of finished products, inventory of main raw materials, employees, delivery time, and market expectation increased by 0.5 to 5.0 percentage point(s), whereas the indexes for harvesting, production, new orders, export orders, existing orders, purchase quantity, and purchase price declined by 0.8 to 11.3 percentage point(s).



Trimming to specific sizes, in Tan Chee Seng Sawmill Perak, Malaysia. © Khairul Nizam Perak, Khairul Nizam

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

	2025.12	2026.01	2026.02	2026.03	2026.04	2026.05	MoM	Performance
Comprehensive Index	29.5	37.5	27.2	31.8	27.5	25.8	-1.7 ↓	Contract
Harvesting Index	33.3	44.4	38.9	38.9	31.3	30.0	-1.3 ↓	Contract
Production Index	29.2	40.0	30.0	38.9	31.3	20.0	-11.3 ↓	Contract
New Orders Index	28.6	37.5	20.8	31.8	30.0	29.2	-0.8 ↓	Contract
Export Orders Index	31.8	30.0	25.0	33.3	27.8	20.0	-7.8 ↓	Contract
Existing Orders Index	25.0	37.5	29.2	36.4	40.0	33.3	-6.7 ↓	Contract
Inventory Index of Finished Products	53.6	54.2	54.2	54.5	50.0	54.2	4.2 ↑	Expand
Purchase Quantity Index	38.5	50.0	27.3	25.0	33.3	31.8	-1.5 ↓	Contract
Purchase Price Index	50.0	59.1	45.5	45.0	61.1	59.1	-2.0 ↓	Expand
Inventory Index of Main Raw Materials	34.6	40.9	36.4	35.0	33.3	36.4	3.1 ↑	Contract
Employees Index	25.0	33.3	25.0	22.7	20.0	25.0	5.0 ↑	Contract
Delivery Time Index	34.6	36.4	31.8	30.0	22.2	22.7	0.5 ↑	Contract
Market Expectation Index	50.0	40.0	41.7	40.9	45.0	45.8	0.8 ↑	Contract



Main Challenges Reported by GTI-Malaysia Enterprises

- Market demand was low.
- There was a shortage of raw material supply.
- The volume of orders decreased.
- Glue prices rose, and diesel costs were high.
- Freight costs to the United States were high.
- The global construction market remained weak.
- The conflict in the Middle East affected market performance and led to tight shipping space.
- There were too many imported plywood products in the Sarawak market.
- Manufacturing costs were high, freight rates rose, selling prices could not cover the rising costs, and weak market demand affected profitability.

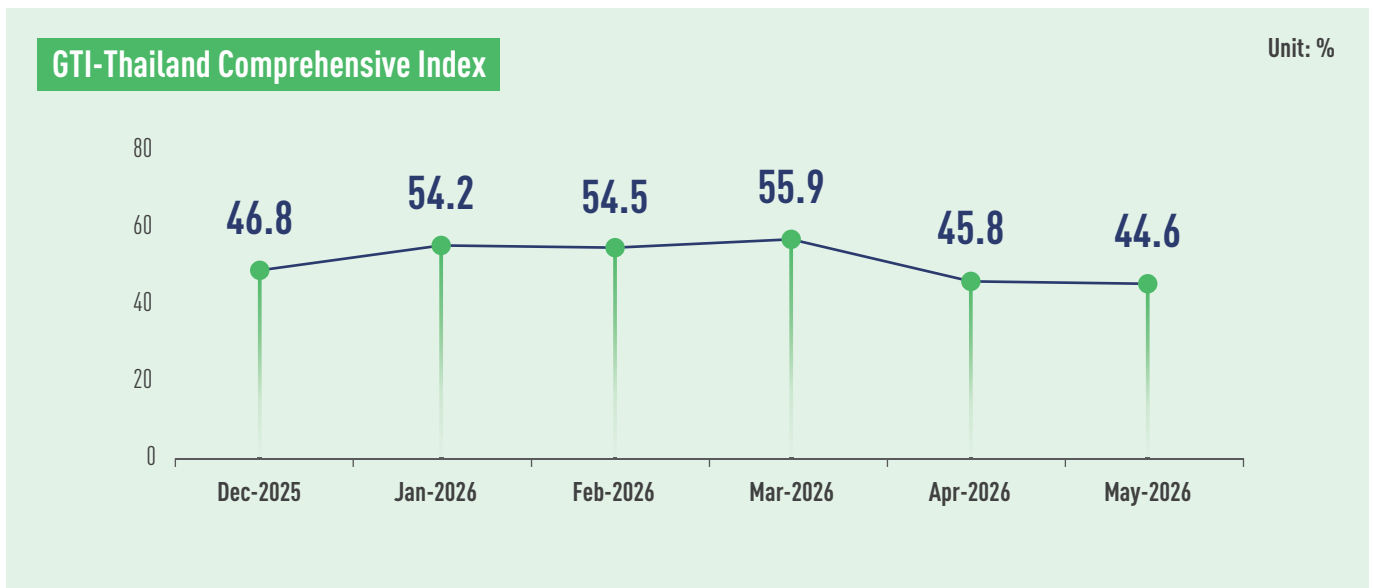


Main Suggestions from GTI-Malaysia Enterprises

- Wait for the global economic recovery.
- Need the government to intervene to increase container and vessel capacity.
- Need the government to introduce stimulus policies to increase building and construction projects.
- Adjust production plans, strengthen cost control, enhance coordination to ensure a stable supply of raw materials, closely monitor the global situation, and explore alternative markets.
- Appropriately slow down production in line with market demand, strengthen cost control, reduce unnecessary operating expenses, maintain healthy inventory and cash flow, and improve operational efficiency.



GTI-Thailand Index in May 2026



In April 2026, Thailand's exports of timber and wood products declined by 6.7% year-on-year, however, the Chinese, U.S., and Malaysian markets expanded. The Middle East—particularly the UAE and Saudi Arabia—is an important export market for Thailand's timber industry, but exports to the region had been constrained due to the regional conflicts. On May 22, the Director-General of the Trade Policy and Strategy Office under Thailand's Ministry of Commerce stated that the Middle East situation had driven up oil and other energy prices, affecting building material production and logistics chains and causing price increases across nearly all categories. In the wood products sector, prices for formwork timber, framing lumber, doors, and windows had risen due to higher raw material and transportation costs. In other news, according to the Thai Meteorological Department, the country's rainy season this year officially began on May 15 and may last until mid-October, which would impact logging operations and raw material supply. Regarding sustainable forest management, the Thai government emphasized cooperation mechanisms with local communities. The Royal Forest Department stated its plan to accelerate community forest development, with plans to increase the number of community forests nationwide from over 12,000 to 15,000. It also intended to revise relevant regulations to ensure communities receive 100% of benefits through carbon credit sharing.

In May 2026, the GTI-Thailand index registered 44.6%, a decrease of 1.2 percentage points from the previous month and below the critical value (50%) for two consecutive months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Thailand index shrank from the previous month.

Regarding the twelve sub-indices, two indexes (new orders, and purchase price) were above the critical value of 50%, another two indexes (inventory of main raw materials, and market expectation) were at the value, while the remaining eight indexes (harvesting, production, export orders, existing orders, inventory of finished products, purchase quantity, employees and delivery time) were below the value. Compared to the previous month, the indexes for new orders, purchase quantity, purchase price, inventory of main raw materials, and market expectation increased by 0.2 to 19.4 percentage point(s), whereas the indexes for harvesting, production, export orders, existing orders, inventory of finished products, employees, and delivery time declined by 0.3 to 27.8 percentage point(s).

Brief on Thai Timber Industry

Thailand's timber market in May 2026 reported to be slow but stable. Many companies reported that production and new orders were either unchanged or slightly lower than previous months. While some domestic demand continued, businesses did not see strong growth in new projects. This reflects Thailand's broader economic situation, where consumer spending remained weak due to slowdown in spending. Many businesses were cautious about making new investments despite government efforts to support economic growth.

Companies also faced higher operating costs and uncertain demand. Prices of raw materials, fuel, and transportation found to be relatively high. Many businesses reduced their purchasing of raw timber and other inputs to control costs. Inventories generally stayed at normal levels, showing that companies preferred to manage stock carefully rather than expand production. These conditions were influenced by both domestic economic challenges and uncertainty in global markets, which affected business confidence.

Looking ahead, most timber businesses expected the market to remain stable rather than grow rapidly. Most companies maintained their workforce while waiting for stronger market signals. Key concerns included rising costs, limited demand from the construction sector, labor shortages, and competition for raw materials. Overall, the timber industry in Thailand was taking a cautious approach, closely monitoring government economic policies and political developments while waiting for stronger economic recovery in the second half of 2026.

Information provided by GTI-Thailand Focal Point

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

	2025.12	2026.01	2026.02	2026.03	2026.04	2026.05	MoM	Performance
Comprehensive Index	46.8	54.2	54.5	55.9	45.8	44.6	-1.2 ↓	Contract
Harvesting Index	33.3	41.7	40.9	54.2	42.3	36.4	-5.9 ↓	Contract
Production Index	42.9	58.8	60.0	56.3	50.0	34.4	-15.6 ↓	Contract
New Orders Index	50.0	61.1	62.5	64.7	47.4	52.8	5.4 ↑	Expand
Export Orders Index	66.7	50.0	40.0	75.0	61.1	33.3	-27.8 ↓	Contract
Existing Orders Index	46.9	50.0	31.3	41.2	31.6	30.6	-1.0 ↓	Contract
Inventory Index of Finished Products	43.8	47.2	40.6	41.2	47.4	44.4	-3.0 ↓	Contract
Purchase Quantity Index	42.3	44.1	43.3	56.7	34.4	34.6	0.2 ↑	Contract
Purchase Price Index	57.1	52.9	43.3	61.8	64.7	65.6	0.9 ↑	Expand
Inventory Index of Main Raw Materials	46.4	50.0	46.4	40.6	30.6	50.0	19.4 ↑	Stable
Employees Index	46.9	47.2	40.6	50.0	44.7	44.4	-0.3 ↓	Contract
Delivery Time Index	46.9	44.4	53.1	55.9	47.4	41.7	-5.7 ↓	Contract
Market Expectation Index	40.6	36.1	31.3	58.8	31.6	50.0	18.4 ↑	Stable



Main Challenges Reported by GTI-Thailand Enterprises

- Market demand was insufficient.
- Logistics costs rose.
- Competition for domestic raw timber supplies was fierce.
- Customers were still postponing investment in residential construction projects.
- Newly recruited workers lacked skills and required further training.
- Rising fuel prices and port congestion affected transport.
- Production costs had risen across the board due to fuel price increases.

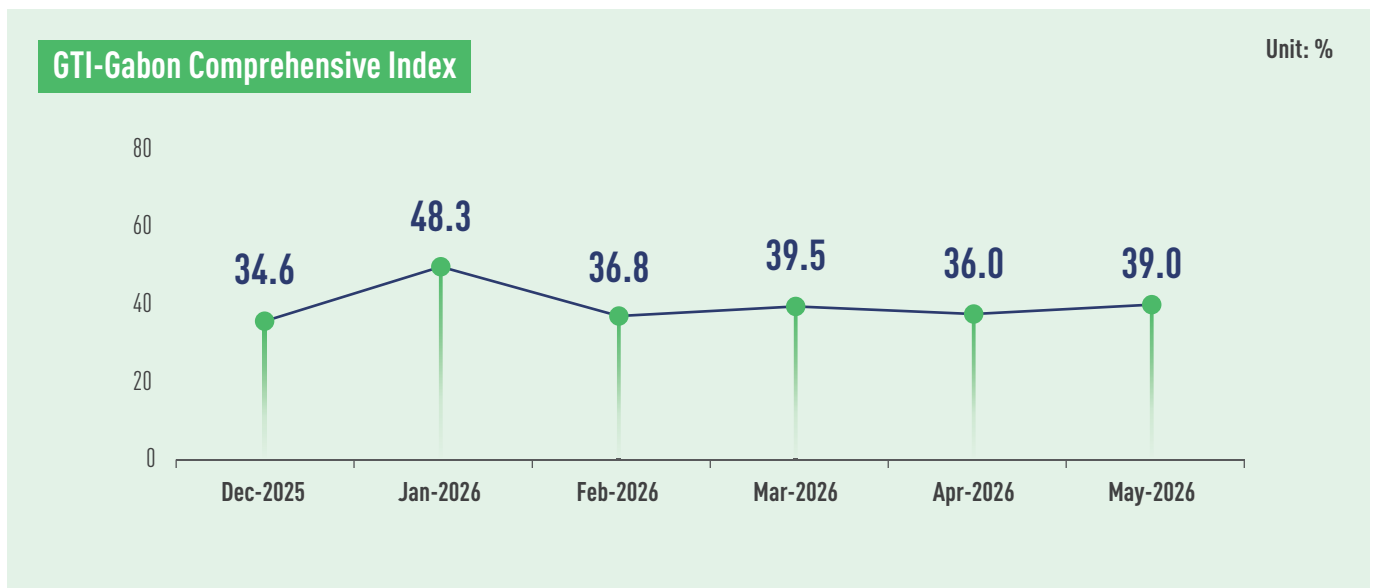


Main Suggestions from GTI-Thailand Enterprises

- Need the government to adjust timber market prices.
- Promotes the planting of fast-growing tree species.
- Need the government to stable fuel prices to reduce volatility.
- Boost consumer confidence in the use of timber.
- Develop precise and flexible work plans and strategies.
- Businesses should improve cost-effectiveness, strengthen customer relationships, and negotiate price adjustments to maintain operational performance.



GTI-Gabon Index in May 2026



The Managing Director of Gabon’s National Timber Company (SNBG) recently noted that prior to the 2010 log export ban, locally processed wood accounted for less than 20% of the country’s timber output. By 2026, however, that share had risen to over 60%, marking a profound transformation in Gabon’s timber industry. Despite this progress, the sector had recently struggled with weak performance, partly due to insufficient international demand. On May 22, the Gabonese Council of Ministers adopted an amendment to the 2026 finance law, revising the economic growth forecast downward from an initial 6.5% to 4%, mainly reflecting weaker-than-expected performance in the non-oil sectors. As part of that revision, the 2026 output forecast for sawnwood was slashed by 36.2%, from 1.551 million cubic meters to just 0.989 million cubic meters. In advancing the sustainable management of forest resources, on May 26, the Gabonese government awarded several major timber companies the Forest Concession for Sustainable Management (CFAD). The concessions impose binding limits on harvesting volumes and rotation cycles for logging, ensuring that concession holders develop and utilize forest resources responsibly.

In May 2026, the GTI-Gabon index registered 39.0%, an increase of 3.0 percentage points from the previous month and below the critical value (50%) for several 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 (export orders) was above the critical value of 50%, another one index (delivery time) was at the value, while the remaining ten indexes were all below the value. Compared to the previous month, the indexes for harvesting, new orders, export orders, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, delivery time, and market expectation increased by 4.2 to 36.9 percentage points, whereas the indexes for production, purchase price, and employees declined by 2.0 to 47.6 percentage points.



Timber production, Gabon. © Precious Wood

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

	2025.12	2026.01	2026.02	2026.03	2026.04	2026.05	MoM	Performance
Comprehensive Index	34.6	48.3	36.8	39.5	36.0	39.0	3.0 ↑	Contract
Harvesting Index	27.8	50.0	25.0	35.7	33.3	37.5	4.2 ↑	Contract
Production Index	42.9	50.0	50.0	35.7	58.3	41.7	-16.6 ↓	Contract
New Orders Index	27.8	50.0	28.6	35.7	22.2	37.5	15.3 ↑	Contract
Export Orders Index	60.0	50.0	37.5	37.5	21.4	58.3	36.9 ↑	Expand
Existing Orders Index	27.8	41.7	28.6	35.7	16.7	37.5	20.8 ↑	Contract
Inventory Index of Finished Products	27.8	41.7	28.6	28.6	33.3	37.5	4.2 ↑	Contract
Purchase Quantity Index	33.3	37.5	50.0	25.0	25.0	35.7	10.7 ↑	Contract
Purchase Price Index	58.3	50.0	37.5	37.5	83.3	35.7	-47.6 ↓	Contract
Inventory Index of Main Raw Materials	25.0	50.0	50.0	37.5	16.7	35.7	19.0 ↑	Contract
Employees Index	27.8	41.7	28.6	42.9	33.3	31.3	-2.0 ↓	Contract
Delivery Time Index	50.0	50.0	33.3	50.0	42.9	50.0	7.1 ↑	Stable
Market Expectation Index	33.3	50.0	21.4	42.9	33.3	37.5	4.2 ↑	Contract



Main Challenges Reported by GTI-Gabon Enterprises

- Logistics and procurement costs were high.
- Poor road conditions hindered product transportation.
- Fuel prices rose, and export tariffs on wood products increased.

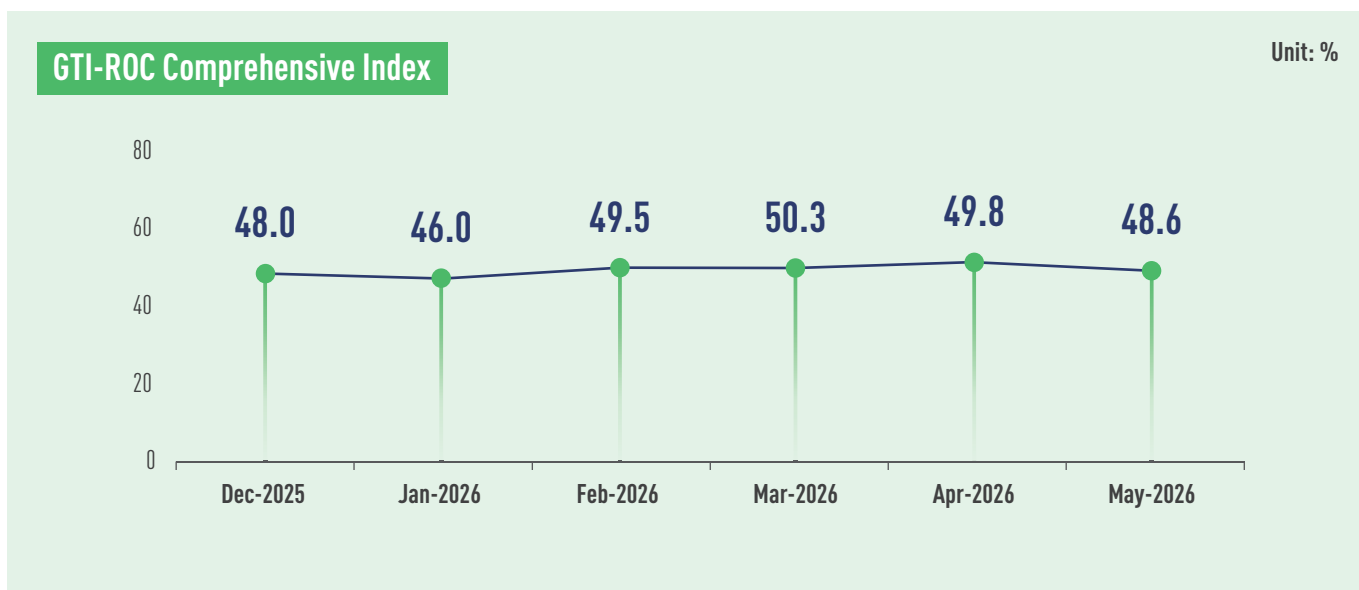


Main Suggestions from GTI-Gabon Enterprises

- Reduce energy costs.
- Improve road and railway conditions.
- Adjust market prices of wood products.



GTI-ROC Index in May 2026



On May 19, the 2025 Joint Annual Report of the Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA) between the Republic of the Congo and the European Union was officially released. The report notes that the Republic of the Congo (ROC) remains a High Forest Cover / Low Deforestation country, with forests covering around 23.5 million hectares, or 69% of the national territory, and an annual deforestation rate estimated at only 0.03%. To date, 9.79 million hectares of concessions are covered by approved forest management plans, significant advances have been recorded in the deployment of the Computerized Legality Verification System (SIVL), and several companies have already initiated legality certification procedures under the FLEGT licensing framework. To prepare the sector for compliance with the EU Deforestation Regulation (EUDR), continuous efforts are being made by various parties, particularly in improving traceability and geolocation systems. From May 25 to 29, the 61st Annual Meeting of African Development Bank was held in Brazzaville, the capital of ROC. During the meeting, the President of ROC called for accelerating the free movement of people and goods across the African continent and announced that, effective January 1, 2027, nationals of all African countries will no longer need a visa to come to Congo.

In May 2026, the GTI-ROC index registered 48.6%, a decrease of 1.2 percentage points 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, one index (purchase price) was above the critical value of 50%, six indexes (export orders, existing orders, inventory of finished products, inventory of main raw materials, employees, and market expectation) were at the value, while the remaining five indexes (harvesting, production, new orders, purchase quantity, and delivery time) were below the critical value. Compared to the previous month, the indexes for purchase price, and inventory of main raw materials increased by 2.2 to 4.4 percentage points; the indexes for export orders, existing orders, inventory of finished products, purchase quantity, employees, and market expectation were unchanged from the previous month; and the indexes for harvesting, production, new orders, and delivery time declined by 1.8 to 2.1 percentage points.

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

	2025.12	2026.01	2026.02	2026.03	2026.04	2026.05	MoM	Performance
Comprehensive Index	48.0	46.0	49.5	50.3	49.8	48.6	-1.2 ↓	Contract
Harvesting Index	46.0	50.0	52.1	50.0	47.8	46.0	-1.8 ↓	Contract
Production Index	48.0	50.0	47.9	50.0	50.0	47.9	-2.1 ↓	Contract
New Orders Index	46.2	47.7	50.0	50.0	50.0	48.0	-2.0 ↓	Contract
Export Orders Index	50.0	50.0	50.0	50.0	50.0	50.0	0.0	Stable
Existing Orders Index	46.2	47.7	48.0	50.0	50.0	50.0	0.0	Stable
Inventory Index of Finished Products	46.2	50.0	48.0	47.7	50.0	50.0	0.0	Stable
Purchase Quantity Index	50.0	16.7	50.0	54.2	47.8	47.8	0.0	Contract
Purchase Price Index	50.0	16.7	50.0	54.2	47.8	52.2	4.4 ↑	Expand
Inventory Index of Main Raw Materials	50.0	16.7	50.0	52.0	47.8	50.0	2.2 ↑	Stable
Employees Index	48.1	50.0	50.0	45.5	50.0	50.0	0.0	Stable
Delivery Time Index	50.0	50.0	50.0	56.8	50.0	48.0	-2.0 ↓	Contract
Market Expectation Index	48.1	50.0	46.0	50.0	50.0	50.0	0.0	Stable



Main Challenges Reported by GTI-ROC Enterprises

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

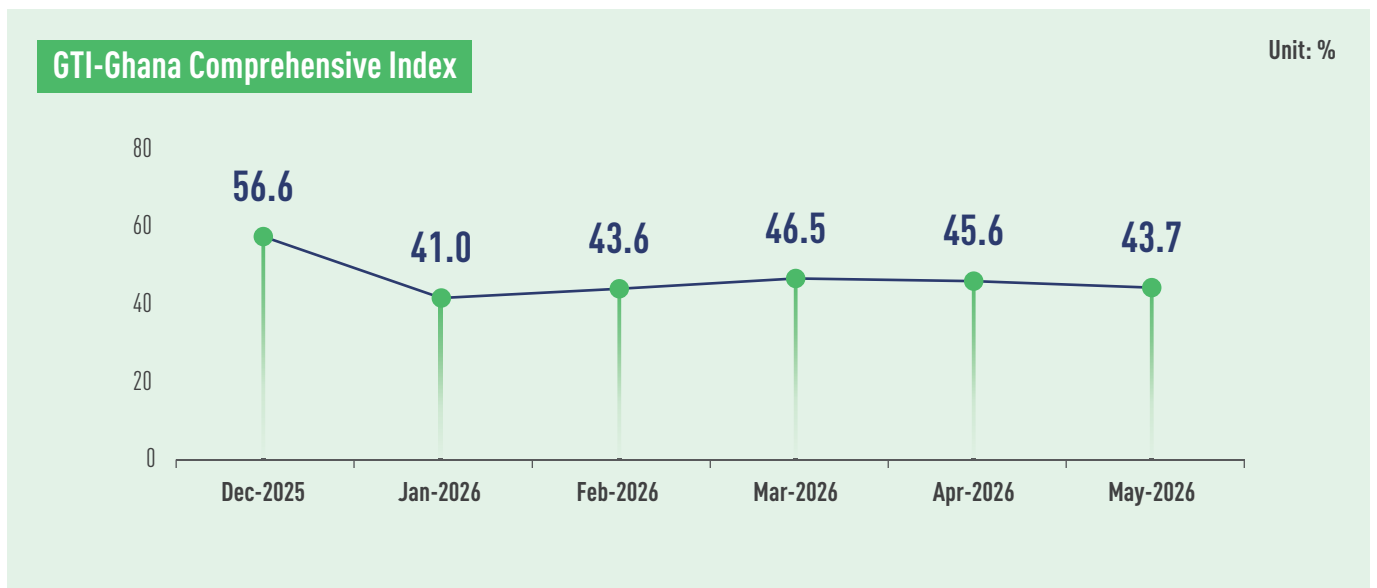


Main Suggestions from GTI-ROC Enterprises

- Improve logistics efficiency.
- Increase diesel supply and stabilize the prices.
- Suggest that relevant authorities adjust forestry administration models.
- Suggest that the government provide tax incentives for enterprises.
- The government should enhance road maintenance efforts to improve road infrastructure.



GTI-Ghana Index in May 2026



Recently, the Ghana Shippers Authority (GSA) announced a postponement of the revised Container Administrative Charge (CAC) implementation date from May 1 to July 1, 2026, while imposing a temporary cap of 720 Ghanaian cedis per twenty-foot equivalent unit (TEU), so as to address concerns from the shipping and logistics industries over rising port costs. In the first quarter of 2026, Ghana's timber exports fell 20% year-on-year to €21.96 million, however, plywood exports surged 119% to €3.498 million. Currently, Ghana is ramping up efforts to ensure industry compliance through Forest Law Enforcement, Governance and Trade (FLEGT) licensing system. The Executive Director of the Timber Industry Development Division (TIDD) of the Forestry Commission of Ghana disclosed that the country had issued approximately 500 FLEGT licenses, covering timber exports valued at around €14.3 million (equivalent to roughly 22,500 cubic meters). As of May 2026, Ghana has 447 active Social Responsibility Agreements (SRAs) in the timber sector, valued at 4.52 million cedis nationwide. As a key compliance requirement for obtaining a FLEGT license, The SRA mandates that timber companies allocate 5% of stumpage fees to forest fringe communities.

In May 2026, the GTI-Ghana index registered 43.7%, a decrease of 1.9 percentage points from the previous month and below the 50% critical value for five 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 index for 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 export orders, purchase price, and market expectation increased by 1.7 to 9.8 percentage points; the index for purchase quantity was unchanged from the previous month; and the indexes for harvesting, production, new orders, existing orders, inventory of finished products, inventory of main raw materials, employees, and delivery time declined by 0.1 to 9.4 percentage point(s).



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

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

	2025.12	2026.01	2026.02	2026.03	2026.04	2026.05	MoM	Performance
Comprehensive Index	56.6	41.0	43.6	46.5	45.6	43.7	-1.9 ↓	Contract
Harvesting Index	52.9	38.2	44.7	37.5	45.0	40.0	-5.0 ↓	Contract
Production Index	59.5	38.1	43.5	47.8	40.9	40.5	-0.4 ↓	Contract
New Orders Index	40.5	33.3	37.0	39.1	36.4	35.7	-0.7 ↓	Contract
Export Orders Index	39.5	34.6	34.4	23.3	23.5	33.3	9.8 ↑	Contract
Existing Orders Index	45.2	35.7	50.0	37.0	47.7	47.6	-0.1 ↓	Contract
Inventory Index of Finished Products	73.8	50.0	56.5	32.6	52.3	42.9	-9.4 ↓	Contract
Purchase Quantity Index	38.5	34.4	47.4	30.8	44.4	44.4	0.0	Contract
Purchase Price Index	76.9	56.3	55.3	67.9	57.1	58.8	1.7 ↑	Expand
Inventory Index of Main Raw Materials	50.0	38.1	34.8	45.7	44.4	42.9	-1.5 ↓	Contract
Employees Index	52.4	45.2	45.7	45.7	50.0	47.6	-2.4 ↓	Contract
Delivery Time Index	53.8	46.2	50.0	41.2	40.0	36.1	-3.9 ↓	Contract
Market Expectation Index	35.7	39.5	39.1	45.2	43.2	45.2	2.0 ↑	Contract



Main Challenges Reported by GTI-Ghana Enterprises

- Production costs were high.
- Road conditions were poor.
- The company's orders were insufficient.
- Electricity costs were high.
- Export orders were not enough.
- Power supply was unstable, and there were heavy rains.
- The procurement costs of raw materials such as logs were high.
- Fuel costs and the maintenance costs of vehicles and machinery were high.



Main Suggestions from GTI-Ghana Enterprises

- Need Government support such as tax incentives.
- Increase investment in energy.
- Promote trade and investment in the timber industry.
- Suggest that the government increase investment in road infrastructure.
- Suggest that the government provide subsidies for fuel and machinery.



GTI-Brazil Index in May 2026



In April, Brazil's total exports of wood products (excluding paper and pulp) reached approximately US\$312 million, reflecting a month-on-month increase of 38.12%. Orders from North America were a clear driver of this growth, yet significant uncertainty still looms over the North American market due to the potential imposition of a 25% tariff on Brazilian wood products by the U.S. government. Data released by Brazilian data platform Datamar shows that sawnwood was Brazil's top wood export category from January to April 2026, accounting for 32.5% of the total, followed by plywood, veneer, and laminated boards at 23.4%, and wood fiberboards and logs made up 9.8% and 9.1%, respectively. In other news, the United Nations' Global Forest Goals Report 2026 notes that Brazil has made notable progress in sustainable forest management. Between 2020 and 2025, Brazil increased areas under federal forest concessions from 1.05 million hectares to 1.59 million hectares, and significantly expanded the area of forests under long term sustainable management plans. Recently, the Articulation of Indigenous Peoples of Brazil (APIB) issued a statement regarding the EU Deforestation Regulation (EUDR), reaffirming its support for the implementation of the EUDR and pointing out that agribusiness remains the primary driver of invasions of Indigenous lands in Brazil.

In May 2026, the GTI-Brazil index registered 51.7%, an increase of 5.6 percentage points from the previous month and above the critical value (50%) again after six months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Brazil index expanded from the previous month.

Regarding the twelve sub-indexes, four indexes (new orders, export orders, purchase price, and market expectation) were above the critical value of 50%, one index (employees) was at the critical value, while the remaining seven indexes (harvesting, production, existing orders, inventory of finished products, purchase quantity, inventory of main raw materials, and delivery time) were below the critical value. Compared to the previous month, the indexes for new orders, export orders, and delivery time increased by 7.7 to 20.0 percentage points; the index for employees was unchanged from the previous month; and the indexes for harvesting, production, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, and market expectation declined by 1.4 to 31.7 percentage points.

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



	2025.12	2026.01	2026.02	2026.03	2026.04	2026.05	MoM	Performance
Comprehensive Index	47.9	47.2	49.2	47.7	46.1	51.7	5.6 ↑	Expand
Harvesting Index	50.0	44.4	50.0	50.0	50.0	43.8	-6.2 ↓	Contract
Production Index	50.0	45.8	46.4	50.0	46.4	45.0	-1.4 ↓	Contract
New Orders Index	46.7	50.0	53.3	46.4	50.0	70.0	20.0 ↑	Expand
Export Orders Index	53.6	54.2	57.1	53.8	57.1	72.2	15.1 ↑	Expand
Existing Orders Index	43.3	42.3	46.7	50.0	56.7	45.0	-11.7 ↓	Contract
Inventory Index of Finished Products	53.3	61.5	56.7	53.6	56.7	25.0	-31.7 ↓	Contract
Purchase Quantity Index	50.0	45.0	37.5	45.5	41.7	27.8	-13.9 ↓	Contract
Purchase Price Index	65.4	59.1	73.1	75.0	80.8	72.2	-8.6 ↓	Expand
Inventory Index of Main Raw Materials	50.0	53.8	46.7	46.4	40.0	27.8	-12.2 ↓	Contract
Employees Index	50.0	42.3	50.0	53.6	50.0	50.0	0.0	Stable
Delivery Time Index	42.9	45.8	46.2	39.3	36.7	44.4	7.7 ↑	Contract
Market Expectation Index	53.3	53.8	67.9	71.4	60.0	55.0	-5.0 ↓	Expand



Dryer in Belém, Brazil. © Fernanda Tocantins



Cumarú Production in Belém, Brazil. © Fernanda Tocantins



Brief on Brazilian Timber Industry



- In Southern Brazil, particularly in the states of Santa Catarina (SC), Paraná (PR), and Rio Grande do Sul (RS), the pine log market continues to show signs of weakness, reflected in low profitability and limited ability to pass higher costs on to customers. Companies located in the municipalities of Rio Negrinho and Caçador (SC), Tibagi (PR), and Santa Vitória do Palmar (RS) report that demand for pine logs remains subdued, while operating costs continue to rise. This imbalance between revenues and costs has compressed margins across the sector, reducing incentives for new investments and limiting the expansion of pine-based industrial activities.
- The eucalyptus log market remains under pressure across several regions of Brazil, characterized by limited price movement and reduced profitability for both producers and manufacturers. Companies located in the states of Bahia (Alagoinhas and Eunápolis), Paraná (Ponta Grossa), Minas Gerais (Itabira), and Rio Grande do Sul (Caxias do Sul) report weak demand and difficulties in implementing price adjustments sufficient to offset rising operating costs. In some regions, reductions in log purchase prices have even been observed, further increasing pressure on producers, who continue to face higher harvesting, transportation, and forest management costs without corresponding gains in market prices.
- International market conditions continue to exert a strong influence on the performance of Brazil's forest sector, particularly among export-oriented companies. Producers and manufacturers in the states of Santa Catarina and Rio Grande do Sul report a loss of competitiveness resulting from a combination of weaker external demand, exchange-rate volatility, rising international logistics costs, and uncertainty surrounding potential changes (new tariffs) in U.S. trade policies. In addition, geopolitical conflicts in various regions of the world have contributed to higher transportation costs, reducing profit margins on forest product exports and increasing market uncertainty in the short term.
- Performance within the wood-processing industry remains mixed across regions and product segments, highlighting the absence of a uniform trend for the sector. Plywood manufacturers in the states of São Paulo and Mato Grosso do Sul report relatively stable sales and generally favorable market conditions. In contrast, companies producing plywood, veneers, and sawnwood in the states of Paraná (Curitiba and São José dos Pinhais) and Goiás (Goiânia) report weaker demand and a greater need for commercial and promotional efforts to sustain sales. Meanwhile, production hubs such as Canela (RS) and certain regions of Paraná state continue to benefit from construction activity and local consumption, which have helped support demand for pine sawnwood. Overall, the sector remains characterized by significant regional differences and cautious expectations regarding a broader market recovery.

Information provided by GTI-Brazil Focal Point



Factory Interior in Belém, Brazil. © Fernanda Tocantins



External Yard in Belém, Brazil. © Fernanda Tocantins



Main Challenges Reported by GTI-Brazil Enterprises

- Raw materials were in short supply.
- Resin rationing posed challenges.
- Product prices fell in the international market.
- Due to the conflicts in the Middle East, international logistics still faced significant uncertainty.
- Exchange rates were unfavorable, and inland transportation costs from forest areas to export ports continued to rise.
- The Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) delayed the issuance of LPCO documents (Licenses, Permits, Certificates, and Other documents), which caused delays in export shipments.



Main Suggestions from GTI-Brazil Enterprises

- Increase the level of industrialization in the production chain.
- Continue to implement market diversification strategies for sawnwood.
- Adopt more technological solutions to accelerate the digitalization of administrative and regulatory processes.
- Suggest that IBAMA expedite its approval processes, thereby helping exporters improve efficiency and ensure predictability.
- Suggest that the government reduce intervention in the logistics sector, allowing market mechanisms to function in order to enhance efficiency and balance supply and demand.



GTI-Mexico Report



GTI-Mexico Index in May 2026



On May 18, the Mexican government officially released the National Forestry Program (PNF) 2026-2030. With 5 objectives, 21 strategies and 146 action lines, the PNF seeks to increase sustainable forest productivity, strengthen conservation of forest ecosystems and environmental services, restore degraded forest areas and combat deforestation, while improving governance, financing access, technological development and monitoring systems. Data from Mexico’s National Forest Monitoring System reveals that between 2001 and 2024, 21.99% of the country’s forest ecosystem loss was attributed to the conversion of forestland for agricultural uses. On May 27, the Mexican government officially launched the Deforestation Free Certificate for Forest Ecosystems and Their Resources, along with supporting measures. The certificate is issued by Semarnat’s General Directorate of Forest Management, Soil, and Ecological Planning, which will verify whether agricultural activities involve the illegal conversion of forest land use, thereby preventing biodiversity loss driven by unauthorized agricultural expansion into forest areas. At present, Mexico’s timber industry still faces pressure from low cost imported wood, thus domestic producers are calling on the federal government to impose tariffs to counter the competition. In addition, regions such as Durango are struggling with a widespread bark beetle infestation, which has made timber harvesting difficult. Meanwhile, the local furniture industry is grappling with rising costs for paints, solvents, and transportation—further squeezing profit margins. In response, furniture manufacturers

are seeking growth by developing new markets and projects, and are increasingly using the method of consolidated delivery to reduce logistics expenses.

In May 2026, the GTI-Mexico index registered 49.6%, a decrease of 2.4 percentage points from the previous month, fell below the critical value (50%) again, indicating that the business prosperity of the superior timber enterprises represented by the GTI-Mexico index shrank from the previous month.

Regarding the twelve sub-indexes, five indexes (harvesting, inventory of finished products, purchase price, inventory of raw materials, and market expectation) were above the critical value of 50%, three indexes (production, export orders, and employees) were at the value, while the remaining four indexes (new orders, existing orders, purchase quantity, and delivery time) were below the value. Compared to the previous month, the indexes for production, export orders, existing orders, inventory of finished products, purchase price, inventory of raw materials, and market expectation increased by 0.7 to 16.7 percentage point(s), whereas the indexes for harvesting, new orders, purchase quantity, employees, and delivery time declined by 2.5 to 14.2 percentage points.

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



	2025.12	2026.01	2026.02	2026.03	2026.04	2026.05	MoM	Performance
Comprehensive Index	48.0	39.8	41.3	46.4	52.0	49.6	-2.4 ↓	Contract
Harvesting Index	43.8	32.4	53.6	47.7	62.5	52.6	-9.9 ↓	Expand
Production Index	46.7	41.2	50.0	44.7	46.4	50.0	3.6 ↑	Stable
New Orders Index	52.9	38.9	40.0	43.2	55.9	47.5	-8.4 ↓	Contract
Export Orders Index	50.0	75.0	50.0	75.0	33.3	50.0	16.7 ↑	Stable
Existing Orders Index	44.1	33.3	33.3	38.6	41.2	47.5	6.3 ↑	Contract
Inventory Index of Finished Products	47.1	44.4	46.7	45.5	44.1	57.5	13.4 ↑	Expand
Purchase Quantity Index	50.0	25.0	37.5	42.3	60.0	45.8	-14.2 ↓	Contract
Purchase Price Index	65.0	70.8	54.2	60.7	62.5	69.2	6.7 ↑	Expand
Inventory Index of Main Raw Materials	45.5	30.8	34.6	50.0	50.0	57.7	7.7 ↑	Expand
Employees Index	44.1	44.4	36.7	52.3	55.9	50.0	-5.9 ↓	Stable
Delivery Time Index	47.1	38.9	40.0	45.5	50.0	47.5	-2.5 ↓	Contract
Market Expectation Index	70.6	75.0	63.3	63.6	61.8	62.5	0.7 ↑	Expand



Wood Veneer Drying, Mexico. © Forestal Xochiapa



Wood Dragging, Mexico. © Forestal Xochiapa



Brief on Mexican Timber Industry



From 2021 to 2024, Mexico witnessed a significant increase in the consumption of tropical timber products. Consumption rose from approximately 370,000 cubic meters of roundwood equivalent in 2021 to 1.42 million cubic meters in 2024, representing a cumulative increase of nearly 287%.

However, the growth in consumption volume did not move in step with the increase in market value. Although consumption nearly quadrupled, the market value only grew from US\$105.43 million in 2021 to US\$228.14 million in 2024, an increase of about 116% (US\$122.7 million).

This discrepancy indicates that market expansion was primarily driven by increased consumption of relatively low-priced basic timber products, with growth concentrated in low-value-added categories. The share of finished products and high-end specialty timber (such as doors, moldings, construction lumber, and high-quality panels) remained low, and the market expansion was mainly fueled by primary raw materials and semi-finished products.

Mexico's Tropical Timber Market Size by Volume (2021-2024)

Indicator	2021	2022	2023	2024
Apparent consumption (million m ³)	0.37	0.92	1.07	1.42
Annual variation (%)	-	152%*	16%	33%

*Recovery after the COVID-19 pandemic

Mexico's Tropical Timber Market Size by Value (2021-2024)

Indicator	2021	2022	2023	2024
Apparent consumption (millions of dollars)	105.43	197.70	217.51	228.14
Annual variation (%)	26%	85%	12%	5%

Data Source: The Forest Production Statistical Yearbooks (SEMARNAT) and the Mexico's Merchandise Trade Balance (INEGI)

Information provided by GTI-Mexico Focal Point



Main Challenges Reported by GTI-Mexico Enterprises

- There was a decline in product sales.
- Logistics and distribution efficiency was low.
- There was price pressure from competitors.
- Market demand was unstable and difficult to predict.
- Enterprises had limited sales channels or insufficient channel development.
- There were international trade barriers or tariff issues.



Main Suggestions from GTI-Mexico Enterprises

- Improve the level of wood processing.
- Improve road conditions to enhance transport efficiency.
- Adjust policies to reduce imports of certain products.
- Ensure adequate product sales and distribution channels.
- Secure government subsidies to lower production costs.
- Apply for grants to purchase equipment, machinery, and infrastructure.
- Carry out marketing campaigns and increase the added value of domestic products.



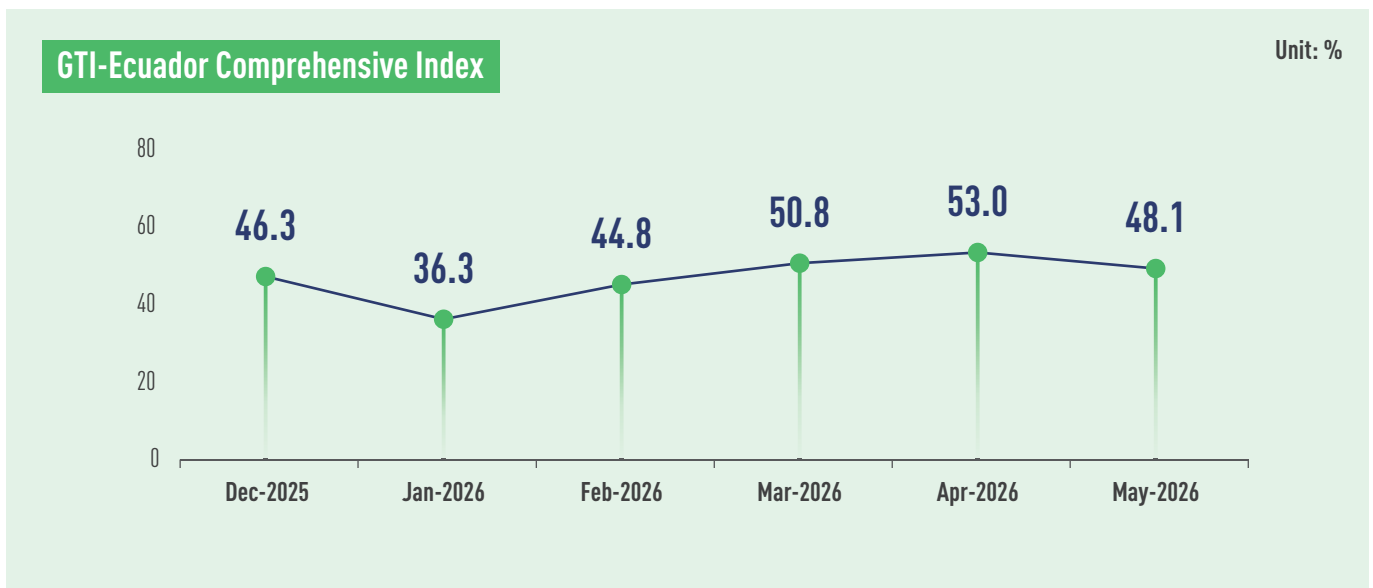
Open air drying of wood, Mexico. @ Industria Forestal Pueblos Mancomunados



Wooden piles, Mexico. @ Industria Forestal Pueblos Mancomunados



GTI-Ecuador Index in May 2026



Recently, external challenges, including regional conflicts and the trade friction with Colombia, had placed considerable pressure on Ecuador’s timber exports. The Middle East is a main export destination for Ecuador’s furniture industry, however, the regional conflicts disrupted furniture shipments, driven up logistics costs, and intensified operational pressures on businesses. Trade friction with Colombia weighed on Ecuador’s timber export performance in the first five months of this year, but at the end of May, there were signs that the tariff standoff between the two countries may end, and exports to Colombia—particularly wood panels—may gradually recover. Ecuadorian Wood Industries Association (AIMA) said that the annual export target had been revised downward from the previous figure of over US\$700 million to a more conservative level. On a positive note, growth in the downstream construction and real estate sectors provided some support to domestic timber demand. Data from Ecuador’s Internal Revenue Service (SRI) show that nationwide sales recorded through electronic receipts reached US\$24.27 billion in May 2026, a year-on-year increase of 10.1%. Among all sectors, construction posted the strongest growth, up 24.5% from a year earlier, while the real estate sector saw a 10.8% year-on-year rise.

In May 2026, the GTI-Ecuador index registered 48.1%, a decrease of 4.9 percentage points from the previous month and below the critical value (50%) again after two 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, six indexes (production, export orders, existing orders, inventory of finished products, purchase quantity, and purchase price) were above the critical value of 50%, three indexes (harvesting, inventory of main raw materials, and employees) were at the critical value, while the remaining three indexes (new orders, delivery time, and market expectation) were below the critical value. Compared to the previous month, the indexes for harvesting, inventory of finished products, and purchase price increased by 6.2 to 25.0 percentage points; the index for employees was unchanged from the previous month; and the indexes for production, new orders, export orders, existing orders, purchase quantity, inventory of main raw materials, delivery time, and market expectation declined by 2.5 to 19.4 percentage points.

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

	2025.12	2026.01	2026.02	2026.03	2026.04	2026.05	MoM	Performance
Comprehensive Index	46.3	36.3	44.8	50.8	53.0	48.1	-4.9 ↓	Contract
Production Index	41.7	28.6	50.0	62.5	43.8	50.0	6.2 ↑	Stable
New Orders Index	50.0	35.7	33.3	75.0	56.3	53.8	-2.5 ↓	Expand
Export Orders Index	41.7	42.9	64.3	37.5	56.3	46.9	-9.4 ↓	Contract
Existing Orders Index	40.0	50.0	70.0	33.3	75.0	55.6	-19.4 ↓	Expand
Inventory Index of Finished Products	33.3	50.0	50.0	50.0	56.3	53.1	-3.2 ↓	Expand
Purchase Quantity Index	33.3	28.6	28.6	62.5	31.3	56.3	25.0 ↑	Expand
Purchase Price Index	58.3	21.4	50.0	75.0	62.5	53.1	-9.4 ↓	Expand
Import Index	58.3	71.4	50.0	75.0	62.5	68.8	6.3 ↑	Expand
Inventory Index of Main Raw Materials	50.0	21.4	28.6	75.0	56.3	50.0	-6.3 ↓	Stable
Employees Index	50.0	42.9	50.0	37.5	50.0	50.0	0.0	Stable
Delivery Time Index	41.7	25.0	28.6	25.0	42.9	37.5	-5.4 ↓	Contract
Market Expectation Index	58.3	57.1	35.7	62.5	50.0	34.4	-15.6 ↓	Contract



Main Challenges Reported by GTI-Ecuador Enterprises

- There was a lack of timber suppliers.
- Raw material prices rose.
- High diesel prices pushed up transportation costs.
- Labor costs remained high.
- There was a shortage of timber raw materials.
- Timber prices showed an upward trend due to fuel prices.
- Raw material delivery was slow.
- Despite having paid advance payments, the supplier failed to deliver as required.
- Rainfall led to reduced income and safety issues.

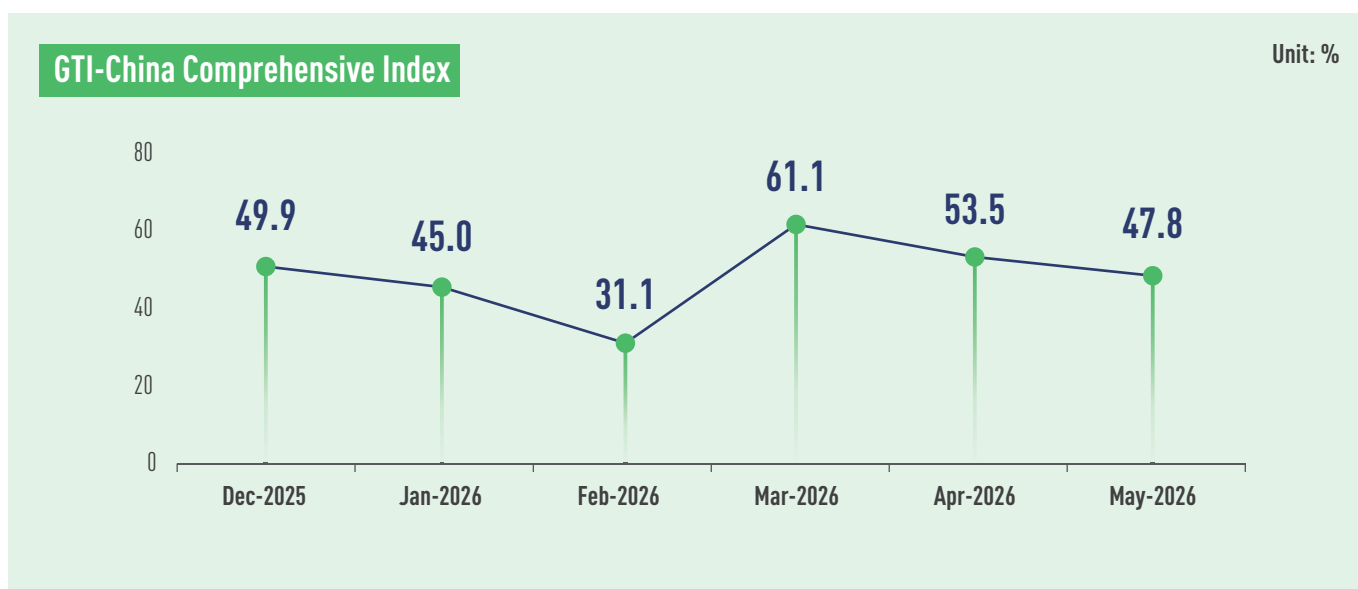


Main Suggestions from GTI-Ecuador Enterprises

- Stabilize fuel prices.
- Reduce production costs.
- Launch afforestation programs with incentive measures.
- Find suppliers with relevant environmental permits.
- Regulate timber flows and control suppliers' timber prices.



GTI-China Index in May 2026



Customs data shows that China's timber imports reached around 4.86 million cubic meters in April this year, up 4% month-on-month. Of this volume, log imports stood at approximately 2.98 million cubic meters, a 7.9% increase from the previous month, while sawnwood imports edged down 1.7% to about 1.88 million cubic meters. During the same month, China imported 185,000 cubic meters of timber from the United States, representing a year-on-year increase of 23.6% and a sharp 44.5% rise month-on-month, signaling tentative signs of recovery in bilateral timber trade. At present, China is actively promoting the development of plantation forests such as eucalyptus and teak, in an effort to achieve synergies between ecological preservation and economic returns. Latest data indicate that China's annual eucalyptus timber output exceeds 30 million cubic meters, significantly reducing the country's external dependence on timber and securing raw material supplies for industries such as construction, papermaking, furniture, and packaging. In other news, data from the National Bureau of Statistics of China shows that furniture manufacturers above the designated size nationwide recorded a total profit of 2.67 billion yuan in the January–April period. Currently, the furniture industry is showing a development structure characterized by "export recovery but manufacturing under pressure."

And the furniture enterprises are maintaining their order volumes through price adjustments and are in the "trading price for volume" stage.

In May 2026, the GTI-China index registered 47.8%, a decrease of 5.7 percentage points from the previous month and below the critical value (50%) again after two months, indicating that the business prosperity of the superior timber enterprises represented by the GTI-China index shrank from the previous month.

Regarding the twelve sub-indexes, five indexes (inventory of finished products, purchase quantity, import, inventory of main raw materials, and delivery time) were above the 50% critical value, while the remaining seven indexes (production, new orders, export orders, existing orders, purchase price, employees, and market expectation) were below the critical value. Compared to the previous month, the indexes for import and inventory of main raw materials increased by 1.8 to 4.9 percentage points; the index for delivery time was unchanged from the previous month; and the remaining nine indexes declined by 0.9 to 23.0 percentage point(s).

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

	2025.12	2026.01	2026.02	2026.03	2026.04	2026.05	MoM	Performance
Comprehensive Index	49.9	45.0	31.1	61.1	53.5	47.8	-5.7 ↓	Contract
Production Index	51.4	44.9	21.2	65.5	57.6	49.3	-8.3 ↓	Contract
New Orders Index	51.4	43.5	23.6	65.0	54.0	43.5	-10.5 ↓	Contract
Export Orders Index	48.6	44.9	40.1	54.9	53.1	49.3	-3.8 ↓	Contract
Existing Orders Index	48.6	47.8	30.2	62.1	52.2	46.4	-5.8 ↓	Contract
Inventory Index of Finished Products	47.6	48.2	40.6	54.9	52.7	51.8	-0.9 ↓	Expand
Purchase Quantity Index	53.8	52.9	37.7	67.0	56.7	52.9	-3.8 ↓	Expand
Purchase Price Index	44.3	56.2	52.4	73.8	70.1	47.1	-23.0 ↓	Contract
Import Index	60.4	48.2	43.4	53.4	49.1	54.0	4.9 ↑	Expand
Inventory Index of Main Raw Materials	49.1	49.6	48.1	55.8	49.6	51.4	1.8 ↑	Expand
Employees Index	45.3	45.3	39.2	56.8	50.9	47.5	-3.4 ↓	Contract
Delivery Time Index	50.9	44.9	40.6	55.3	51.8	51.8	0.0	Expand
Market Expectation Index	36.8	40.6	59.9	68.4	58.5	48.6	-9.9 ↓	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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