GTI-WOODBASED PANEL (GTI-WBP) REPORT

MONTHLY

GGSC-No.06/2026

Tracking and monitoring the global woodbased panel market trend.

ITTO INTERNATIONAL TROPICAL TIMBER ORGANIZATION

GGSC 全球林产品绿色供应链倡议 GLOBAL GREEN SUPPLY CHAINS INITIATIVE

The pilot countries for the GTI-WBP index include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico, Ecuador, and China. In 2024, the total production of woodbased panel in the ten countries mentioned above was 218 million cubic meters, accounting for **52.3%** of the total global production volume of woodbased panel.

Introduction to the GTI-Woodbased Panel

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

Calculation Method

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

GTI-WBP index contains diffusion index and comprehensive index.

1. GTI-WBP diffusion index. There are 11 diffusion indices (or called sub-indices) based on the data from 11 objective questions which covers production, new orders, new export orders, existing orders, inventory of products, purchasing quantity, purchasing prices of main raw materials, inventory of raw materials, employees, 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. GTI-WBP comprehensive index. GTI-WBP comprehensive index (GTI-WBP index for short) is calculated based on five diffusion indexes with different weights: production, new orders, inventory of raw material, employees, delivery time. The five diffusion indexes and their weights are determined according to their influence on the industrial economy.

Interpretation

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

Survey Method

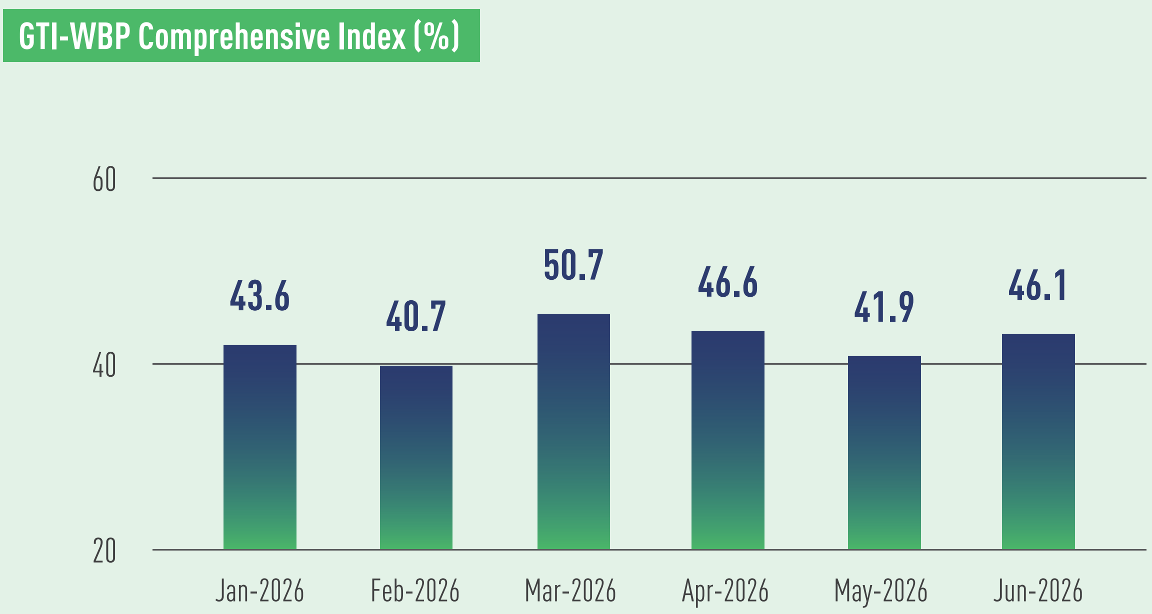
With the support of The International Tropical Timber Organization (ITTO), the GTI platform has set up focal points in pilot countries, including timber producing and consuming countries.

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

Index Representativeness

The pilot countries for the GTI-WBP index include Indonesia, Malaysia, Thailand, Gabon, Republic of the Congo, Ghana, Brazil, Mexico, Ecuador and China. In 2024, the total production of woodbased panel in the ten countries mentioned above was 218 million cubic meters, accounting for 52.3% of the total global production volume of woodbased panel.

GTI-Woodbased Panel Index in June 2026



In June 2026, the GTI-Woodbased Panel (GTI-WBP) Index registered 46.1%, an increase of 4.2 percentage points from the previous month and below the critical value (50%) for three consecutive months, indicating that in the pilot countries, the overall business prosperity of wood-based panel industry represented by the index shrank from the previous month.

On the demand side: The wood-based panel market remained relatively sluggish this month. This month, the new orders index stood at 45.7%, up 5.1 percentage points from the previous month and remaining in contraction territory below 50%. The export orders index came in at 42.9%, an increase of 3.3 percentage points, while the existing orders index rose 2.5 percentage points month-over-month to 41.4%. Demand in the wood-based panel market had been sluggish due to factors such as the continued downturn in the construction and property sectors, international trade barriers and geopolitical conflicts. However, compared with May, all demand-side indicators grew this month, suggesting that downward pressure on the market had eased somewhat.

On the supply side: The production index registered 44.5%, remaining in contraction territory for three consecutive months, indicating continued declines in overall production capacity. Affected by weak demand and cost pressures, most companies continued to adopt a cautious production strategy. The inventory index of finished products rose to 51.7%, down 3.9 percentage points from the previous month and still above the 50% critical value, signaling that overall supply exceeded demand this month, with inventory once again on the rise.

From the price perspective: The purchase price index for raw materials recorded 56.5%, remaining above the 50% critical value for several consecutive months, indicating that prices for logs and other related raw materials continued to trend upward. As the GTI sample enterprises reported, wood-based panel manufacturers in Ghana, Brazil, Mexico and Ecuador had been under pressure from rising raw material prices for many consecutive months, indicating a heavy operation burden.

Main updates related to the wood-based panel market include: On 1 June 2026, the Chinese mandatory standard 'Limits on Formaldehyde Emissions from Wood-based Panels and Their Products Used in Interior Decoration and Renovation' officially took effect, adjusting the formaldehyde emission limit from 0.124 mg/m³ for E1 grade to 0.050 mg/m3 for E0 grade, which will promote the green transition of the wood-based panel industry and accelerate market reshuffling. Information from the GTI-Indonesia focal point reveals that, in June 2026, demand from Asian markets for Indonesia's plywood industry remained relatively stable, however, exports to the United States continued to face pressure due to anti-dumping (AD) and countervailing duty (CVD) investigations. In May, Brazil's exports of tropical plywood rose by 18.0% year-on-year to 3,300 cubic meters, whilst the export value increased by 12.0% to US$1.9 million.

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

	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	MoM	Performance
Comprehensive Index	43.6	40.7	50.7	46.6	41.9	46.1	4.2 ↑	Contract
Production Index	44.8	37.7	52.7	47.3	39.1	44.5	5.4 ↑	Contract
New Orders Index	43.8	39.1	53.5	49.2	40.6	45.7	5.1 ↑	Contract
Export Orders Index	38.6	35.6	44.7	45.5	39.6	42.9	3.3 ↑	Contract
Existing Orders Index	41.1	35.9	47.4	43.2	38.9	41.4	2.5 ↑	Contract
Inventory Index of Finished Products	52.5	46.1	41.2	45.8	55.6	51.7	-3.9 ↓	Expand
Purchase Quantity Index	45.1	36.4	49.0	46.3	43.5	42.7	-0.8 ↓	Contract
Purchase Price Index	56.3	51.7	64.4	70.2	62.1	56.5	-5.6 ↓	Expand
Inventory Index of Main Raw Materials	46.8	44.3	43.6	40.6	47.1	50.0	2.9 ↑	Stable
Employees Index	42.6	39.8	46.5	45.8	45.0	45.7	0.7 ↑	Contract
Delivery Time Index	40.7	47.6	51.9	45.6	41.6	47.3	5.7 ↑	Contract
Market Expectation Index	41.4	48.4	57.0	45.4	44.4	49.1	4.7 ↑	Contract

Main Challenges Reported by GTI-WBP Enterprises

- Enterprises faced heavy tax pressure. (Republic of the Congo)
- Product price competition was fierce. (China)
- Transportation costs were high and timber materials were in short supply. (Ecuador)
- Power supply was unstable and costly. (Ghana)
- The quality of some raw materials (logs) was unstable. (Brazil)
- Consumer awareness of wood products was low. (Mexico)
- Export tariff rates were raised (under the new Finance Act), and regional conflicts affected international trade. (Gabon)
- Most products were sold through offline channels, and online channel coverage was limited. (Thailand)
- There were too many imported plywood products in the Sarawak market, the global construction market stayed weak, and the Middle East situation led to tight vessel space availability. (Malaysia)

Main Suggestions from GTI-WBP Enterprises

- Increase energy supply. (Ghana)
- Increase the industrialization level of the production chain. (Brazil)
- Suggest that the government provide policy support for enterprises. (China)
- Suggest that the government offer tax incentives to enterprises. (Republic of the Congo)
- Strengthen marketing efforts and increase the added value of domestic products. (Mexico)
- Expand online sales channels to reach more customers and diversify revenue sources. (Thailand)
- Reduce diesel prices and tariffs on timber products, and take action against enterprises that do not comply with national laws. (Gabon)
- Strengthen market development, enhance supply chain stability, and improve operational efficiency and productivity. (Malaysia)

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.

Declaration

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

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