



## EXPORT

**Wood and Forestry**  
Products Sector's export increased by 13% and reached to \$4.45 billion in 2013

*Stylish and Sustainable:*

# TURKISH WOOD PRODUCTS

Turkey's success in adapting into the development of consumer profile and and the fashion-oriented consumer preferences helped Turkish furniture brands to be one of the top exporters in the world.

BY BERKAN KIŞIN

**The world furniture** manufacturing industry has reached to a total worth \$437 billion by the end of 2014. This figure indicates an outstanding growth since the industry's total worth was some \$94 billion in 2009 and an annual increase rate exceeding 35% in last five years. In the context of this big leap forward, the rising performance of Turkey is highlighted with the fact that, in average, one of each

hundred furniture sold in the world is a Turkish product.

Furniture and wood products industry of Turkey has finished its industrialization in the 1970s. Starting from the 1980s Turkey's success in adapting into the development of consumer profile and the improvement of quality perception and the fashion-oriented consumer preferences due to globalization, helped Turkish brands to have

strong competitive grounds in international markets. Another indication of a robust growth is the fact that the sector employs approximately 400,000 people directly, whereas the total employment including the supply chain exceeds 1 million.

Turkey, inhabiting in a geography of biodiversity, possesses rich and unique resources in terms of forestry. Thanks to its forest area of 21.7 million hectares, timber

deposit of 1.5 billion cubic meters in which 42.2 million cubic meters of annual increase is observed, Turkey presents a sustainable raw material infrastructure for the sector. The equilibrium maintained, based on elaborate evaluation of both the needs of the sector for further growth and the principles of sustainable forestry, has a crucial role in preserving the nature and establishing a stimulative environment for the sector. Thus, the industrial timber deposit has increased to 15 million cubic meters from 7.3 million cubic meters in the last decade. Therewithal, 29.1 million cubic meters of timber raw material is used by the sector of which 19.7 million cubic meters used for industrial purposes and 9.4 million cubic meters used as firewood. Sector demonstrates a self-sufficient profile, in the light of 85% of raw materials used are domestic products.

The investments and developments are paying off well as the figures show Wood and Forestry Products Sector's export increased by 13% and reached to \$4.45 billion in 2013 and despite the global fluctuations and political turmoil in neighboring regions the sector managed to sustain its export performance and its export amount raised by \$51 million and reached to \$4.51 billion in 2014. The furniture industry is especially had the lion's share in this success. With its excellent performance the furniture sector has altered the name of the exporter union that it partakes from Wood and Forestry Products Exporters Union to Furniture, Paper and Forestry Products Exporters Union.

#### EIGHT-FOLD IN ELEVEN YEARS

One of the long-established sectors, furniture manufacturing is rising



**HALUK YILDIZ**

President, Kastamonu Integrated Forest Industry and Trade Inc.

The Wood and Forestry Products sector has managed to grow 8% to 10% over the last decade. The sector has a capacity of employing about 1 million people. In parallel with Turkey's 2023 goals, we will fulfil our part and target a 100% increase. The Wood and Forestry Products sector can be conferred as the highest value-added sector in Turkey. The demand from the neighbouring countries are always stable due to their lack of forestry resources so that we have ongoing export of tables and furniture products. Regions as Gulf, Near East, the Middle East and North Africa are the potential markets our sector have competitive advantage in, hence will reach its targets.



*The sector is keeping its profile as an industry generating trade surplus.*



Furniture industry's export volume increased to \$2.4 billion by the end of 2014.

with strong a trend in last fifteen years. The sector has developed its position in various aspects, standardization, design, production quality and ergonomics in particular. The production culture in furniture manufacturing is also a matter of significance. The awareness on environment, occupational health&safety and efficiency are adopted as a pillar principle by the all components of the industry.

Ahmet Güleç, President of Furniture, Paper and Forestry Products Exporters Union, put emphasis on the sector's export performance as "Furniture industry is ranking amongst the top export industries of Turkey. Speaking with figures furniture sector's export volume which was \$340 million in 2003 reached to \$2.4 billion by the end of 2014. It means an eight-fold growth in last eleven years. Furthermore the data collected in 2014 underlines another success in which the sector is keeping its profile as an industry generating trade surplus. And the amount of trade surplus raised incrementally with the exception of 2009, the year of the financial global crisis' outbreak."

#### TURKEY EUROPE'S BIGGEST FIBREBOARD MANUFACTURER

Along with the developments in wood-based sectors such as timber, palette and packing, world-class manufacturing state-of-the-art facilities have also been establishing. Thanks to the recent ventures the sector is becoming one of the prominent sectors in the world when it comes to capacity and manufacturing technology. Fiberboard sector plays a significant role in the transformation from

a sole forest to the furniture; the sector indeed creates the highest added-value products. The fact that it's high value-added, Medium Density Fiberboard industry is one of the key sectors in accordance to reach Turkey's economic goals. The industry has managed to show major progress lately; it increased its manufacturing capacity by 620% between 2002-2014. While MDF industry hits the jackpot with 5.7 million cubic meters manufacturing, increasing 205%, chipboard industry has managed to make 5.5 million cubic meters manufacture. Hence, Turkey is the biggest MDF manufacturer in Europe, second biggest in the world. In chipboard industry on the other hand, Turkey is the third in Europe, and the fifth in the world. Regarding laminate flooring, it is the second biggest in Europe, and the third in the world.

#### TOWARDS 2023

Turkey increased its Wood and Forestry export eight times and become a country that exports to circa 200 countries. The sector's 2023 goal is to reach \$16 billion export. Export increase rate has been determined as 13% in order to reach the goal and when you look at the last year's export numbers, these targets can easily be accomplished. 2023 goal of the Paper Products sub-sector has been set as \$8 billion. Forestry and Non-Timber as well, is aiming to export \$2 billion. Iraq, Libya, Azerbaijan, Germany and close to these Russia, UAE, France and Saudi Arabia are the main export markets. Wood and Forestry sector aims to become in the top ten countries with producing \$25 billion worth of goods.



**AHMET GÜLEÇ**

Wood and Forestry Products  
Industry Councilman

## *“The Land of Furniture”*

### **What are the highlights of Turkish Furniture Industry's 2014 performance?**

Turkish Furniture Industry is one of those which have managed to detect and seize the global opportunities emerged. In an era of growth for global furniture industry, Turkey surpassed the global trend and experienced a growth double-fold of the world average. Nonetheless, regarding market diversification and depth, Turkey has highlighted its performance with its products reached to almost each and every country in the world. Our ever-improving sector now consists of 60 thousand furniture companies and the numbers is rising incrementally. In the light of all aforementioned developments, I'm proud to say that our sector has written a story of success. A story of success which will encourage and energize us towards 2023 goals.

### **What are your projections and expectations towards 2015?**

As Furniture, Paper and Forestry Products sector, we have a quite optimistic projection towards 2015. Albeit the unfavorable circumstances we experienced in 2014,

the fact that we managed to maintain our export performance indicates that 2015 will be year of success too. The expeditions, trade delegation meetings and visits of globally prestigious supplier firms regarding sectoral purchases will be highly beneficial in terms of our 2015 goals. Considering the \$500 million worth of business deals have been closed during various organizations in 2014, the importance of such events becomes crystallized.

Furthermore, the route to the 2023 goals of our sector passes through effectively utilizing these organizations and incentives. 2023 goal of our sector is \$16 billion export in which the furniture industry accounts for \$10 billion. The export target of furniture industry for 2015 is \$3 billion. Our main objectives are ensuring an increase in R&D investments, strengthening our firms' position in competitive markets and improving the production quality, marketing and branding exercises.

### **What are the main subjects regarding your sector's 2023 agenda?**

In terms of 2023 goals, R&D and innovation are of paramount significance

regarding our agenda. Our sector focused on increasing the export volume and diversifying the market portfolio until today. Now a new challenge lays ahead; increasing value-added manufacturing and branding. R&D and innovation investments are two key factors of besting this new challenge. In other words, our products should be customized in a way which appeals to the customers in both domestic and international niche markets. And in order to make the progress sustainable innovative approaches should be adopted. We, from our part, will work hard to determine the most effective strategies and organize various events to create awareness.

Our union has implemented a Turquality programme with the notion of promoting Turkish products in international markets. In this context we will carry out projects at Switzerland, Italy and China expos that will expound the Turkish furniture industry's progression, capabilities and production quality. We aim at diffusing the image of “Turkey, The Land of Furniture” through the world and extending the reach of our brands. Thanks to such efforts and their outcomes, our determination and faith in achieving our 2023 goals are becoming more and more absolute every year.