TURKEY

MARKET PROFILE

FOREST PRODUCTS SOUTH CAROLINA

South Carolina Forestry Commission

CONTENTS

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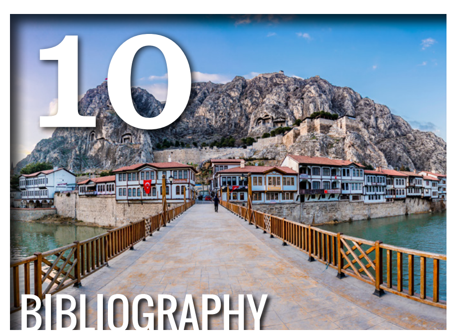
Prepared by
John Barlow
Marketing Specialist
Forest Products South Carolina
South Carolina Forestry Commission

This report summarizes a study conducted by the South Carolina Forestry Commission on this market during the second half of 2024, and it is intended to help the U.S. Southern states' forest products sector (producers, manufacturers, traders and policy-makers) in examining and preparing for the opportunities this market may offer, by providing them with detailed information on Turkey's economics, wood fiber network, trade flows and international contacts. This document should be used as a reference, and in conjunction with primary market information from key forestry organizations, to help formulate strategies to participate in the Turkish market. The Forestry Commission will not be held liable for misuse or misinterpretation of information within this document.







INTRODUCTION

Turkey has been a key forest product trading partner for the U.S. for many years. Since 2017, the U.S. has ranked consistently in the top five countries exporting forest products into Turkey, ranking No. 1 in 2018. The countries have good business relations, and trade flows freely between the two.

Most forest product exports from the U.S. into Turkey are in the pulp & paper sector. However, Turkey has two forest product classes that are growing rapidly and require the raw materials South Carolina regularly produces. These two forest products are medium-density fiberboard (MDF) and particle board. In 2017 Turkey overtook Germany as the largest MDF producer in Europe and became the second-largest MDF producer in the world behind China. In that same year, Turkey became Europe's third-largest particle board manufacturer behind Russia and Germany and became the fifth-largest manufacturer in the world (Gungor, 2018).

A good trading relationship, along with growing industries in need of the raw materials South Carolina produces, creates an opportunity to increase our market share in these product classes.

Village in Edremit, Turkey.

COUNTRY STATISTICS

Background

Modern Turkey was founded in 1923. Turkey joined the United Nations in 1945 and NATO in 1952 and became an associate member of the European Union in 1963. Turkey began accession talks with the EU in 2005 with the desire to become a full member; however, because Turkey is more closely associated with the Middle East region than with the EU, the talks did not proceed (Central Intelligence Agency, 2024).

Geography

Turkey has an area of 302,455 square miles, with 97% of this area located in Asia and the remaining 3% in Europe. The European part of Turkey is rolling hills, but the western, larger portion of Turkey (Anatolia) is an elevated central plateau surrounded by high, rugged mountains. It borders the Black Sea, the Aegean Sea and the Mediterranean Sea. For a size comparison, Turkey is slightly larger than the state of Texas (World Atlas, 2021).

Forests

Forests cover 56.8 million acres of Turkey's 192 million acres, which is approximately 30%. Almost all forests are state-owned and managed by the General Directorate of Forestry. By focusing on sustainable forestry practices and encouraging planting trees, Turkey has increased its forested area from 50 million acres in 1973 to 57.3 million acres in 2022. This land base produced 25.5 million cubic meters of industrial round wood in 2022. However, with a roundwood usage of 35 million cubic meters, Turkey cannot produce the roundwood volume required to meet demand (General Directorate of Forestry, Ankara Turkiye, 2023).

The major tree species used in Turkey for roundwood production are Calabrian pine (*Pinus brutia*), Crimean pine (*Pinus nigra*), Scots pine (*Pinus silvestris*), beech (*Fagus orientalis*), fir (*Abies bornmulleriana/alba/nordmaniana*), spruce (*Picea orientalis*), cedar (*Cedrous libani*) and oak (*Quercus*) (Directorate General of Exports for Turkey, 2020).

Industry

According to World Atlas, the three largest industries in Turkey are agriculture, tourism and manufacturing (Shaw, 2019).

Agriculture

In 2016, Turkey was the largest producer in the world of agricultural commodities such as cherries, hazelnuts, apricots, figs and pomegranates. They were also the second-largest producer of watermelons and quinces and the third-largest producer of pistachios, green peppers, cucumber and lentils. Turkey has been self-sufficient in food production since the 1980s (Shaw, 2019).

Tourism

The highest volume of tourists visiting Turkey annually are from Russia and Germany. Turkey is home to 17 sites listed by UNESCO as World Heritage sites. They also have two of the Seven Wonders of the Ancient World (Shaw, 2019).

Manufacturing

According to World Factbook, the largest manufacturing industries in Turkey are textiles, food processing, automobiles, electronics, mining (coal, chromate, copper, boron), steel, petroleum, construction, lumber and paper (Central Intelligence Agency, 2024).

Economy

According to the International Monetary Fund (IMF), Turkey is the 17th-largest economy in the world, with a GDP of $1.024 trillion in 2023. GDP growth averaged 5.4% annually between 2002 and 2022. Poverty in the country was reduced by 20% from 2007 to 2021 (World Bank in Turkiye, 2024).

Turkey is in an inflation crisis that emerged, as in many other parts of the world, after the COVID-19 pandemic. Instead of following the more orthodox economic practice of tightening interest rates to make money more difficult to obtain, the Turkish president dropped interest rates with the intention of making it easier for people to borrow money. The Turkish government maintained that this policy would generate additional spending capacity, thereby lowering inflation. To the contrary, inflation skyrocketed. In 2023, Turkey reversed course, yet even after increasing interest rates to 50% and holding them there since March, inflation still soared to 75% in May of 2024 (Turak, 2024), increasing consumer prices most dramatically in education, housing and tourism.

The inflation crisis has critically devalued Turkey's currency, the lira, which makes exporting products from the U.S. to Turkey much more expensive. The current conversion rate from lira to the U.S. dollar is approximately 33:1. This conversion rate was in the 8.5 range in 2021, signifying the intensity of inflation in Turkey. This issue should begin to correct itself as the lira strengthens with an expected decrease in inflation in 2025, but it does inhibit more productive trade between the two countries at this time.

MAJOR MARKETS

Pulp & Paper

Turkey has a growing paper market, especially in tissue. "In developing economies, tissue consumption usually grows faster than the whole economy when income levels rise and consumption patterns change," says Kustaa Laine, Vice President of Sales at Metsa Fiber (Metsa Fiber, 2022). Turkey's consumption of tissue has been growing for the past several years, and producers have increased output to meet demand.

Turkey has the capacity to produce 1.3 million metric tons of tissue annually. The pulp used to make the tissue is imported from other countries.

Turkey currently has capacity to produce 1.3 million metric tons of tissue annually. The paper mills in Turkey do not produce pulp, so the pulp used to make this volume of tissue is all imported from other countries with no new pulp production facilities scheduled to be built in Turkey. The market for pulp exports to Turkey is stable and growing.

Turkey also produces other paper products like packaging and cardboard, all of which require pulp to be imported. According to Tehnavio, paper manufacturing is estimated to grow by USD $476.4 million from 2024 to 2028 (Technavio, 2024).

MDF & OSB (panels)

As previously mentioned, Turkey overtook Germany as Europe's largest producer of MDF in 2017. Some of the larger producers in Turkey are Kastamonu, Starwood and Camsan Ordu. The MDF and Chipboard Manufacturers Association has 21 member companies representing a production value of $10 billion annually. This is a large industry which purchases roundwood and chips, both of which can be sourced from South Carolina.

Furniture

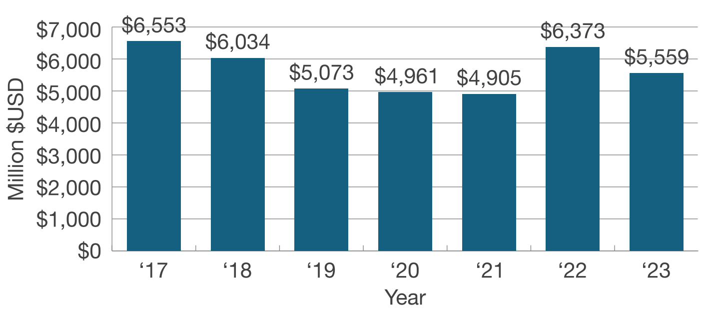
The Turkey furniture industry dates to the 19th century. In the past furniture producers were small and scattered but produced high-quality products. The industry has grown and now includes both smaller, high-end shops along with large conglomerates like Ikea, which shifted more of its production to Turkey after the pandemic to decrease shipping costs to Europe and Middle Eastern countries (Caglayan, 2021).

IMPORTS

From the world

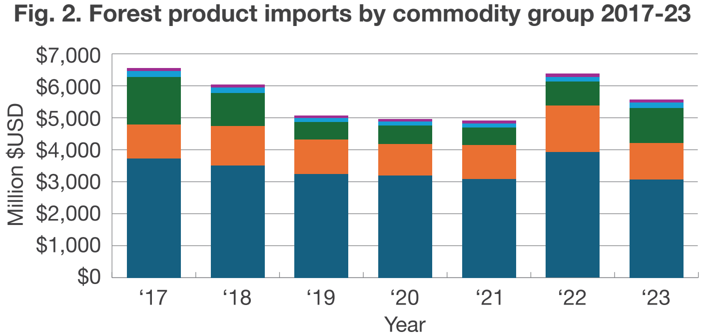
The value in U.S. dollars of Turkey's 2023 forest product imports was $5.5 billion and, since 2017, has ranged from $4.9-$6.5 billion. While dipping significantly during the pandemic, imports have regained some of their former value since 2021 (Fig. 1).

Fig. 1. Total forest product imports 2017-23



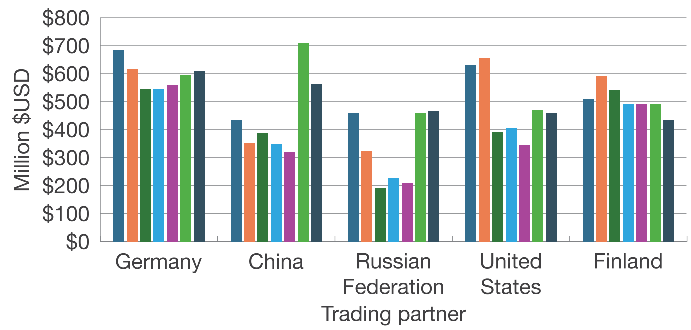
The product commodity group imported most heavily by Turkey is paper & paperboard with a value of $3 billion in 2023. The next highest valued commodity groups are wood pulp and solid wood with values of $1.1 billion and $1 billion respectively. The solid wood commodity group includes wood chips, both pine and hardwood, which are produced in large quantities in South Carolina (Fig. 2).

Fig. 2. Forest product imports by commodity group 2017-23



The five largest trading partners by value for Turkey imports in 2023 were Germany, China, Russian Federation, United States and Finland. China and Russian Federation were not in the top five countries until after the start of the war in Ukraine. Turkey is not participating in the sanctions placed on Russia by the U.S. and European Union and are trading heavily with both Russia and China to circumvent the sanctions (Fig. 3).

Fig. 3. Imports of forest products from largest partners

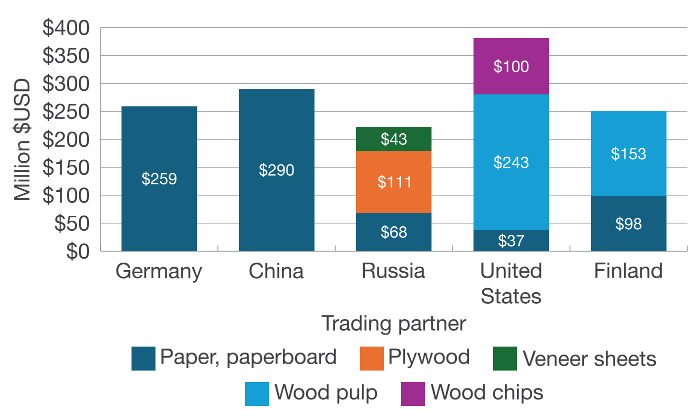


The products imported most in 2023 are paper & paperboard, in several different forms, with a value of $2 billion, chemical wood, with a value of $1.1 billion, plywood with a value of $167 million, pine lumber with a value of $148 million, and wood chips with a value of $110 million.

Most of the value of forest products imports into Turkey is in the pulp & paper sector, but there is substantial value in the solid wood sector also. South Carolina produces many of the products imported by Turkey in each sector, which means there is opportunity for trade in these product sectors.

The chart below shows the top three products by value imported from each of the five major trading partners (Fig. 4).

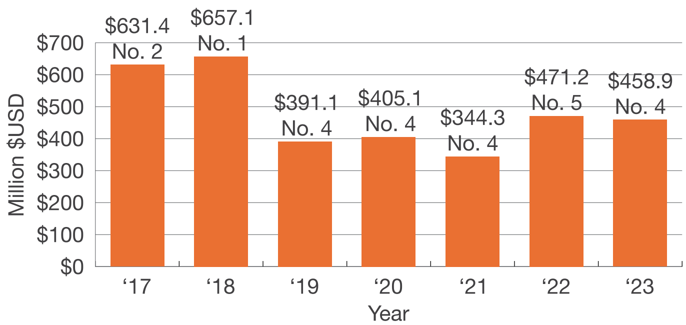
Fig. 4. Turkey's 2023 imports by top three products from top five trading partners



From the U.S.

The total value of Turkey's forest product imports from the U.S. in 2023 was $458.8 million, which ranks fourth-largest. The U.S. has been a strong trading partner with Turkey for several years, not being ranked lower than the fifth-largest import partner since 2017 (Fig. 5).

Fig. 5. Turkey imports of all forest products from US by value in million $USD and world ranking



The products Turkey imports from the U.S. most heavily are chemical wood pulp, wood chips, and kraft paper & paperboard. The import value of these three products in 2023 was $243.2 million for chemical wood pulp, $100.3 million for wood chips, and $37 million for kraft paper & paperboard. The total of these three products is $380.6 million of the $458.8 million of all forest products, or 83% of the total imports of forest products from the U.S.

The wood chips value mentioned above is composed of 92% pine (conifer) chips. The three states with the highest values from which these chips originate, in order, are Florida, Alabama and North Carolina. South Carolina is not included in this list because there is no port facility actively loading bulk shipments of cargo for export.

From South Carolina

In 2023, South Carolina was the seventh-largest U.S. state in export value to Turkey (Table 1).

Table 1. 2023 exports to Turkey by state

State	Million $USD
Georgia	$100.6
Florida	$49.9
Arkansas	$49.2
North Carolina	$38.3
Alabama	$32.8
Mississippi	$11.0
South Carolina	$8.7

The product exported to Turkey from South Carolina in the largest volume is chemical wood pulp. In 2023, South Carolina exported $7.3 million of this product to Turkey, accounting for 84% of its total exports to the country.

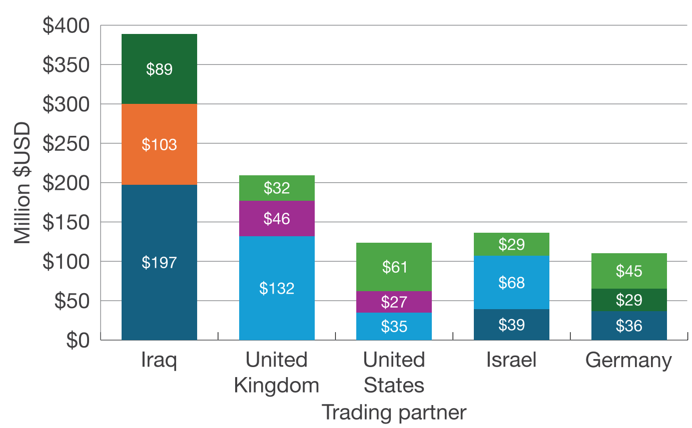
EXPORTS

In 2023, Turkey exported $6.6 billion in forest products to the world, which gives it a trade surplus of $1.1 billion. This surplus is the result of Turkey's ability to purchase lesser-valued forest products and manufacture them into more expensive products to be exported.

By value, the products Turkey exported the most in 2023 were wooden bedroom furniture at $726 million, other wooden furniture at $665 million, MDF at $650 million, tissue/towel/napkin at $517 million, and seats with wooden frames at $493 million. These five products make up almost 50% of its total export value.

By value, the largest trading partners in 2023 for Turkey's forest product exports were Iraq at $750 million, United Kingdom at $372 million, United States at $302 million, Israel at $301 million, and Germany at $259 million. The chart below shows the main products each of these five largest trading partners purchased (Fig. 6).

Fig. 6. Turkey's 2023 exports by top three products to top five trading partners



MARKET OPPORTUNITIES

Turkey has a strong forest products industry that requires an abundance of forest resources; however, Turkey's natural resources aren't sufficient to meet that demand. This deficit creates opportunities for South Carolina producers of the needed materials.

Wood pulp

As mentioned in the Major Markets segment, Turkey is a growing tissue producer, primarily in toilet tissue, napkins and paper towels. According to Statista, the Turkey tissue market is projected to grow 9.2% annually from 2024 to 2029. The reasons this market is projected to grow so rapidly are not only Turkey's growing population, but also an increasing emphasis on and awareness of the importance of hygienic practices (Statista, 2024).

The general paper market is also growing in Turkey. In 2022, a new paper mill, the Bati Kipas paper mill, was opened in the province of Aydn. It was dubbed the "biggest production facility in Turkey and Europe" by President Recep Tayyip Erdogan (Daily Sabah, 2022).

Wood pulp is a product South Carolina produces and sells. SC producers have been selling wood pulp to Turkey for several years. SC exports of wood pulp to Turkey had a value of $7.3 million in 2023. However, this was down from a high of $17.1 million in 2019. Turkey receives most of its wood pulp from Brazil, but the U.S. is second in most years. The top five are listed below (Table 2).

Table 2. Top five wood pulp producers in 2023

Country	Million $USD
Brazil	$286.56
United States	$243.24
Finland	$152.64
Sweden	$99.71
Uruguay	$90.61

There is opportunity for increased exports of wood pulp for SC producers. The business relationships are already there, the market is growing, and Turkey does not produce any wood pulp. Wood pulp does not require any fumigation and is shipped in containers, so shipping through the Port of Charleston is a viable option for SC producers.

Wood based panels - MDF and OSB

Wood-based panels represent the best opportunity for solid wood exports from South Carolina. Turkey ranks No. 2 globally in MDF production and No. 4 globally in that of particleboard. "This sector has produced an average annual growth rate of 10% during the past two decades, almost double the world average annual growth rate of 5.5% during the same period" (Gungor, Rapid Growth of Turkish MDF and PB industry continues with new investments, 2023).

The large and growing panel industry in Turkey requires chips to produce their products. The U.S. is already the largest supplier of wood chips to Turkey with a value of $100 million in 2023. The second largest supplier is Canada with a value of $7.8 million. The wood chips from the U.S. are exported from Florida (37%), Alabama (35%), and North Carolina (28%).


The United States is the largest supplier of wood chips to Turkey, with a value of $100 million in 2023.

This is a market in which South Carolina can become a participant, but producers will need to either load chips into containers or ship them to Wilmington, N.C., or Savannah/Brunswick, Ga., to be bulk-loaded and shipped to Turkey.

Plywood

Turkey plywood imports had a value of $166 million in 2023. Most of this value was imported from Russia ($110.7 million). Russia has only become the largest supplier since the beginning of the Ukraine war. Prior to 2022, the largest supplier was typically Latvia, a small country northwest of Turkey that borders Russia. Both countries have the advantage of shorter shipping distance than the U.S., but the market is growing so there may be opportunities once the Ukraine war is over and the Russian sanctions have been lifted. As with wood pulp, plywood is shipped in containers, so shipping from the Port of Charleston is not problematic.

Pine lumber

Turkey's pine lumber imports had a value of $147.7 million in 2023. Most of this value was imported from Ukraine ($75 million). Ukraine has been a consistent partner with Turkey for pine lumber, and it typically represents the largest value among its imports. The U.S. exports a small portion of pine lumber each year to Turkey. The value in 2023 was $995 thousand. The largest value of pine lumber was exported to Turkey from the states of Georgia ($464 thousand), Louisiana ($373 thousand) and Alabama ($103 thousand).

Pine lumber is heat-treated and shipped in containers. South Carolina mills produce large amounts of this product, so this market represents an immediate opportunity for producers.

MARKET OBSTACLES

There are several obstacles affecting this market. These obstacles are temporary and can/will be overcome in the coming months or years.

1. Economic conditions in Turkey – Extremely high inflation has now created extremely high interest rates and a currency that is falling in value. These issues make borrowing money difficult and products very expensive. Now that President Erdogan has revised monetary policy and increased interest rates, the Turkish economy should move back to normal over the next few years. This might be a slow process, but it should correct itself in time.
2. Bulk-loading port access – Currently, there is no port facility actively bulk-loading ships with agricultural or forestry products in the state of South Carolina. There is a private port that has indicated a willingness to bulk load ships with wood chips. Some options for overcoming this obstacle:
    a. Engage the private port facility about the possibility of bulk-loading ships
    b. Ship chips to Wilmington or Savannah/Brunswick, where bulk shipments are handled daily
    c. Load chips into containers and ship through the Port of Charleston.
3. Tariff on pine chips exported to Turkey – The U.S. put a tariff on Turkish rebar, and Turkey retaliated with a tariff on pine chips. This makes pine chips from the U.S. very expensive in Turkey.

RESOURCES FOR EXPORTERS

Trade shows

- WOODTECH – International Wood Processing Machines, Cutting Tools, Hand Tools Fair. www.woodtechistanbul.com. October 12-16, 2024. TUYAP Fair and Congress Center, Istanbul, Turkey. Annual Fair.
- International Istanbul Furniture Fair – January 21-25, 2025. TUYAP Istanbul Fair and Congress Center & Istanbul Expo Center, Istanbul, Turkey. Annual Fair.
- TURKEYBUILD Istanbul – Building, construction materials, and technologies exhibition. April 16-19, 2025. TUYAP Fair and Congress Center, Istanbul, Turkey. Website: https://yapifuari.com.tr/en/main. Annual fair.


Rumeli Fortress in Istanbul.

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SCFC MARKETING PROGRAM

Expanded market opportunities encourage non-industrial forest landowners to exercise sound management practices on their land. Thanks to healthy markets and a favorable return on their timber investments, landowners will reinvest in establishing quality, well-stocked stands for future timber resources. New markets created through industrial and export development improve financial returns to landowners, retain working forests, enhance forest health, better protect water quality, and increase wood supply to retain and grow the forest industry and its job numbers. The goal of the SCFC's marketing program is to develop current and new markets for the state's forest resources and to increase export volume. We do this by offering research of marketing intelligence, targeted advertisement and promotion, market entry and expansion assistance, and education.

Objectives

- Assess market needs/barriers
- Develop marketing information and trade contacts to improve demand for SC forest products
- Provide company-specific assistance for locating sources of raw materials or manufactured products from SC producers
- Disseminate database on primary and secondary processors market and promote South Carolina forest product commodities for international trade

Elements of our marketing program

- Monitoring the health of the state's forest products industry
- Conducting research on current and new markets
- Promotion and sales assistance:

- Brand and logo
- Marketing materials
  - Reports
  - Brochures
  - Translation
- Trade missions
  - Inbound
  - Outbound
- Trade fairs
  - Domestic
  - International
  - Email
  - Webpage
  - Social media
- New communication channels
  - Export conference
  - Workshops
  - Training materials

Other services and resources

Assistance is provided for forest/wood products and related business development. In addition, trade development activities are carried out to increase markets for South Carolina wood products.

- Forest products mill directory and maps
- Wood product business location or expansion assistance
- International trade information and assistance
- Forest Inventory & Analysis (FIA) reports, statewide and customized
- Timber Products Output (TPO) reports
- Sources of supply

FOREST PRODUCTS
SOUTH CAROLINA

Tim Adams
Resource Development Director
P.O. Box 21707
Columbia, SC 29221
Office: (803) 896-8802
Fax: (803) 798-8097
Email: tadams@scfc.gov
Web: scfc.gov

John Barlow
Forest Products Marketing Specialist
P.O. Box 21707
Columbia, SC 29221
Office: (803) 896-8833
Fax: (803) 798-8097
Email: jbarlow@scfc.gov
Web: scfc.gov