

AN OVERVIEW ON FOREST INDUSTRY SECTOR IN TURKEY: CONSTRAINTS, PROBLEMS AND SOLUTIONS

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Abstract- In this study, the effects on forest industry sector, price determination policies and past and present conditions of wood raw materials supplied from national forest resources to forest industry sector were examined in Turkey. The data which is obtained from literature review, legislation and applications are analysed using data analysis method, and then the subject is evaluated. With the establishment of the Republic of Turkey, it is accepted that the principle of operation and management of national forests is given to General Directorate of Forestry (GDF) which is state institution. Until the privatization of state-owned enterprises, Forest Products Industry Corporation (ORUS) and Turkey Pulp and Paper Factories (SEKA), a large part of the wood raw material produced from national forest resources supplied subsidy to these institutions by the GDF. At the end of the 20th century, forest industry sector in Turkey began to be represented by factories, plant and businesses established by private sector entrepreneurs. The GDF has lagged behind in new forest industry structure composed of private sector entrepreneurs; it reduced the cost of wood raw material production and prevented the real price from being produced in the wood raw material market, since GDF is a monopoly. Due to both the growth of the sector and the high prices of wood raw materials produced by the GDF, companies had to import wood raw materials. The GDF is the monopoly of wood raw materials; it is still on the market to present to estimated price with high costs of the wood raw material for buyers that have to buy. The GDF, which accepts high costs on the formation of wood raw material prices, declared that due to both high labor costs of production of the wood raw material and supporting the development of the forest village. But this high costs is still paid by forest industry firms who still receive wood raw materials from GDF. It is understood that raw material supply and pricing policies implemented by GDF constitute a major obstacle to the development of the sector. Nowadays, Turkey is structurally developed positively; both the sector and rural areas have been affected positively by this development. The change in the size and scope of rural development altered the concept of poor and poor forest villagers. The Law design to ensure the real prices of wood raw materials produced by GDF were accepted the Grand National Assembly of Turkey (TBMM) on April 19, 2018. This draft law introduces changes in 30 and 40 articles of the Forest Law 6831. With the amendment of this legislation, it is believed that GDF will eliminate unnecessary burden on wood raw materials costs and contribute to the development of private sector businesses operating in the forest industry sector. Thus, after privatization of ORUS, OGM will establish positive relationships with the forest industry sector in Turkey.

Key Words- Forest resources, Forestry, Forest products industry, Marketing, Turkey.

1. INTRODUCTION

Forestry can be defined as planned, biological, technical, economic activities aimed at protecting forests, enlarging them, transforming them into qualified ones, making efforts to operate them with scientific principles while providing adequate forest products with collective continuity and services for the benefit of society [1].

In a narrow sense, forestry is made up entirely of forests in a continuous, planned, and rational manner, such as forestry, rehabilitation, maintenance and conservation, the acquisition of forest products, the submission of these products to the buyer, and the utilization of other services and products of the forests. Forestry in the narrow sense is also called "forest management".

In a broad sense forestry covers the whole of the work done inside and outside the forest until the crops are consumed by cultivating the forest and obtaining various products from it. In other words, the various wood raw materials of the forest products that are made entirely in forests, which constitute the narrow sense of forests such as the rearing, maintenance and repair of forests, preservation, various products from forests, offering these products to buyers and benefiting the community from other services and products of forests, it is possible to describe the whole of the activities inside and outside the forest as a result of the addition of the forest products and the commodities trade [1].

2. HISTORICAL DEVELOPMENT OF FORESTRY IN TURKEY

The developments in human-forest relations in Anatolia are similar to the developments in the other countries of the world. Civilizations that grew on the Anatolian lands used the country's forests for various purposes for many years. These uses are usually in the form of free and indiscriminate use. As a result of these injuries, forests decreased and agriculture has started to be done where forests were destroyed [2].

As in many civilizations, excessive and irregular utilization of forests continued during the Ottoman Empire. It has emerged to ensure that the state's interest in forests is met by the needs of institutions such as shipyards, munitions and mints, as well as the palace and other public buildings. Thus, irregular tree cutting from some forests is forbidden by the people. The use of forests outside the areas restricted by the State has been liberated [3].

Efforts to prevent irregular use of forests during the Ottoman Empire period began in 1839. With this arrangement, the first forestry organization affiliated to the Trade Ministry was established [4].

In 1870, the first written forestry legislation "Forest Regulations" entered into force. This law is an important law with the features of being the first written forestry legislation called "Cibali Mubaha Forests", which everyone made use of the forests [5].

While the national liberation struggle was given in 1920, there was also interest in the forestry issue with the Law No. 39 in order to regulate the use of forests by the people [1].

After the declaration of the Republic, legal regulations in the field of forestry continued. The state has aimed to operate its own forests in accordance with the requirements of its technique and on the other hand has introduced rules for regulating the utilization of forests owned by someone other than the state [4].

1937 is a year in which important regulatory and organizational arrangements were made in forestry. These regulations consist of "Forest Law No. 3116" and "Organization Law on General Directorate of Forestry (GDF) No. 3204." With the Forest Law No. 3116, forests are considered as one of the important sources of the national economy and the state forests will be operated by the state for the benefit of the whole society. it is aimed to provide state supervision and control over forests belonging to someone else [6].

In 1956, the "Forest Law No. 6831" entered into force. The Forest Law No. 6831 adopts the forestry policy principles introduced by the Forest Law No. 3116 and the Forest Law No. 5653 prepared in addition to this law [1].

1969, Turkey's Forestry had a year of important developments from the organizational point of view. At that time, problems of the country's forestry and forestry organizations in Turkey has started to become clear which tasks to be undertaken. It also emerged that forestry activities could not be done with an organization at the level of General Directorate. For this reason, in 1969, together with the Ministry of Forestry, "General Directorate of Afforestation and Erosion Control (AGM)" was established. In 1970, organizations under the roof of the Ministry continued with the establishment of "General Directorate of Forestry Village Associations (ORKÖY)" and "General Directorate of Forest Products Industry Institution (ORÜS)". In the following years, the organization of the "National Parks and Hunting General Directorate (MPG)" and the ministry organization were completed.

In 1981 the Ministry of Forest was closed and the forestry activities were carried out by the General Directorate of Forestry.

In 1991, the Ministry of Forestry was established for the second time. General Directorate of Afforestation and Erosion Control (AGM), General Directorate of Forestry Village Affairs (ORKÖY), General Directorate of National Parks and Hunting and Wildlife (MPAG); As a subsidiary organization GDF and related organization General Directorate of Forest Products Industry (ORÜS) took place.

3. BACKGROUND OF FOREST INDUSTRY SECTOR IN TURKEY

The first factory belonging to the forest industry in Turkey was founded in Istanbul in the late 19th century. With the beginning of the planned period in 1963, a rapid development in the forest products industry was experienced.

In the last days of the Ottoman Empire and in the first years of the Republic, state forests were allowed to be operated by private and legal persons. As a result of this practice, domestic and foreign individuals and organizations have obtained permission to operate forests and have established forest industry factories [7].

The Forest Law No. 3116, which entered into force in 1937, was accepted as the principle of state management of forests. Business permits of private and legal entities operating in State Forests were revoked in Article 5 of this Law. In addition, these institutions and individuals were granted a period of 10 years to terminate their activities. On the other hand, some of these facilities belonging to the private sector were purchased by the General Directorate of Forestry. In these years, Ayancık, Bafra, Bolu, Pazarköy and Ulupınar Operations Departments affiliated to various private companies were bought from the private sector and nationalized [1].

State owned management in the forest products industry in Turkey began in 1944. In 1967, General Directorate of Forestry, Forest Products Department was established. However, the General Directorate of Forestry didn't shown enough interest in the management of the forest industry. For this reason, Forest Products Industry Association (ORÜS) was established in 1970. Thus, the forest industry operations (Akkuş, Ardeşen, Borçka, Cide, Devrek, Dursunbey, Düzce, Eskipazar and Yenice) operating in the General Directorate of Forestry were organized by ORÜS. ORÜS, after being organized as the General Directorate in 1970, realized its real development and fulfilled its pioneering role in the forest products industry.

In 1980, the state implemented privatization of public enterprises. In 1993, the ORÜS was included in the scope of the institutions to be privatized. Over time, the state realized the sale of private factories of the factories and enterprises of ORÜS. Thus, the activities of the state in the forest industry sector ended [4].

4. TURKISH FOREST INDUSTRY AFTER ORÜS

In this period GDF was the only vendor producing raw materials in the sector. After privatization of the ORUS, GDF directed its raw material sales to the forest industry enterprises operating as a private sector.

The forest products sector developed and increased in number in Turkey in 2000s. Considering the general manufacturing industry and forest products industry data for 2004 under the general manufacturing industry in Turkey 211 046 Total business presence, this business of 24% of the forest products industry is creating (50 773 enterprises), 4% segment of the paper and paper products (8 917 enterprises) formed by the industry. In other words, 28% of the manufacturing industry (59 690 enterprises) belongs to the forest products industry structure on the basis of the number of establishments of the manufacturing industry [8].

It is impossible to say that the number of industrial wood processing enterprises, and in particular the capacity of this type of development, has been planned and programmed. These institutions have faced increasingly raw material bottlenecks as the industry organization that is treated like this and the forests that are the source of raw materials have opened up the woodworking afterwards without regard to the efficiency.

5. A NEW LEGISLATION AND A NEW ERA

In Turkey, 99% of forests belong to the state. The task of managing and operating state forests was given to the GDF. The GDF takes into account the Forest Law No. 6831 in the management, management and management of state forests. The Forestry Law No. 6831 legally defines the 30, 34 and 40 items to be applied to the forestry work (forestation, maintenance, reconstruction, road construction, cutting, collecting, transportation, manufacturing) According to these items, the forestry work to be done in the state forests is primarily given to the forest villagers and the cooperatives established by these villagers. Private sector firms operating in the forest industry cannot receive the contracts they have made, although they can express that they can undertake these tasks. Forest villagers use labor-intensive technology in their forestry work. For this reason, Harvesting has done at high cost. High costs are reflected in wood product prices. In addition, subsidy payments made to the villagers further increase the price of wood. Private sector firms operating in the forest industry import high cost wood products from abroad rather than from the domestic market. For example, the domestic price of 90 euros can be purchased from abroad for 30 euros.

The GDF was made fundamental legal amendments in 30 and 40 items of Forest Law No. 6831 in 2018. These changes are given below.

The change in Article 30 of the Forest Law No. 6831 is as follows. With the amendment made in Article 30, the provision of the sale of standing trees was stipulated.

Before 2018 ARTICLE 30	New status of the ARTICLE 30
<p>It is auctioning activity in market sales of products obtained from state forests. It is obligatory that the forest products to be supplied to the auction are adjusted in the quantity and qualification according to local needs and sales requisites.</p> <p>In cases where the necessity of public institutions and organizations is necessary and useful, or where it is necessary to make sales in a hurry, all kinds of forest products can be sold at the market price.</p> <p>The procedures and principles of written sales on this item shall be determined by the Council of Ministers.</p>	<p>Auction is auction sale in the market sales of forest products, including standing trees obtained from state forests.</p> <p>In cases where the necessity of public institutions and organizations is necessary and useful, or where it is necessary to make sales in a hurry, all kinds of forest products can be sold at the market price.</p> <p>Sales of forest products, including standing trees, in accordance with the plans of the management plan, can be done for years, not exceeding five years. "</p>

The change in the 40th Article of the Forest Law No. 6831 is as follows. With the amendment made in article 40, entrepreneurs operating in the forest industry sector were given the opportunity to participate in tenders related to forestry activities in state forests.

Before 2018 ARTICLE 40	New status of the ARTICLE 40
<p>Forest works such as forestation, maintenance, reconstruction, road construction, cutting, collecting, transportation, manufacturing in state forests; irrespective of which property border and forest organization boundaries they will work in the workplace and in the workplace, they are firstly taken into consideration by the cooperatives for the development of forest villages in and around the workplace and the distances to the villagers or work places in the workplace.</p>	<p>Forestry works such as afforestation, maintenance, reconstruction, cutting, collection, transportation, manufacture, which are made in state forests; irrespective of which property boundaries and forest organization boundaries they will work in the workplace and in the workplace, they are made primarily by taking into account the distances to and from the villagers, the workplace, and the labor force working in the forestry work cooperatives and the villagers in the workplace or in the forests around the workplace. But; the provisions of this paragraph shall not be applied in cases where the preparation of land preparations for afforestation activities is to be carried out by machine power.</p>

4. CONCLUSIONS

The forest industry industrial sector, which started to take place in the industrial structure of the 1870s in our country, continued its development with the establishment of the first timber factory in Istanbul in 1892 and the increase of 33 timber factories in our country in 1938 and entered a rapid development process with the start of planned development periods in 1963. The establishment of Forest Products Industry Association (ORÜS), an affiliated budget organization of the Ministry of Forestry in 1970, and the establishment of this state in 1983 as an economic state organization, the forest products industry sector, which is an important development stage, the process of restructuring has entered into the process of restructuring. As a result of the privatization made between 1996 and 2000, the legal personality has gone to a structure in which the private sector dominates with the enduring ORUS.

However, the GDF has not adequately supported the private forest industry sector, which has begun to develop. This difference should be supported and implemented in 2018 and the changes made in Forest Law No. 6831 should be implemented.

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