

Eye on Turkey

CGS®
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SPECIAL POINTS OF INTEREST:

- Turkish family owned companies engaged in gold business
- * Altınbaş Holding
- * Karakaş Atlantis A.Ş
- * Erbil Family in London
- * Jewellery Clusters in Turkey



In this issue you will have an idea about gold history and trade in Turkey.



History of Turkish Gold:

Gold has captivated the imagination and passions of civilizations for thousands of years, forming the basis of early currency and trade all over the world.

Turkish Gold Today: The major gold deposits of Turkey run across the following three regions...

Turkish Gold Companies: The jewellery industry in Turkey mostly consist of the family owned companies that provides them the opportunity to adapt to changes more quickly.

Secured Gold Accounts: Gold accounts gained popularity in recent years, sign of attraction among the Turkish citizens...

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Do you know this?

Gold exists in nearly all natural substances, even though in small amounts. In fact it will not be wrong to say that human body is a small gold mine. In our body, 100 parts in one billion in weight is gold. In other words, this means that in a person weighing 70kgs, the total amount of gold in different parts of the body is 7 mg.

The history of Turkish Gold

Gold has captivated the imagination and passions of civilizations for thousands of years, forming the basis of early currency and trade all over the world. It is surprising how the earliest Anatolian civilizations demonstrated advanced knowledge of metal ores and mining practices dating back to the Neolithic period ca. 9,000 BC.

The earliest Anatolian gold artefacts were discovered at Alacahöyük (modern Çorum), which dates to the early Bronze Age, ca. 3,000 BC. By this time, the inhabitants of Anatolia (modern Turkey) had developed sophisticated technology for manufacturing metals.

In Turkey fine native gold is often found in quartz veins in hydrothermally altered volcanic rocks. Early civilizations lacking knowledge of extraction techniques, and an understanding of geology, sourced gold from placer deposits in streams or rivers.



One such river, rich in alluvial gold, is the Gediz (River Hermus of antiquity) which drains the region of the Boz Sira Mountains to the east of Izmir. As the second largest river draining the Anatolian plateau into the Aegean, the Gediz is steeped in legend from King Midas through to the great riches of King Croesus and the earliest minted gold coins of Lydia (ca.650 BC).



As the alluvial deposits in Anatolia were exhausted of their gold, oxidized zones of gold-quartz and sulphide deposits began to be exploited. Where bedrock quartz deposits were used, the separation of native gold from quartz, was accomplished by hand picking, crushing, milling and finally washing of the residues.

The major gold deposits of Turkey run across the following **three regions**;

- * Western Anatolia Volcanic and Extensional Province in western Turkey.
- * Pontide Metatogenic Province in northeastern Turkey.
- * Bitlis Metatogenic Belt in southeastern Turkey.

Turkish Gold Today



“Today, gold is being extracted once more and Turkey is now the leader in European gold production.”

In the 1980s, there was renewed interest in Turkish gold deposits, as both geologists and archaeologists began significant research into the location of gold sources from over 2,000 years ago. The gold hoards of Galatia, Phrygia, Lydia and Troy stood as testament to the rich geology that lay beneath western Turkey.

Today, gold is being extracted once more and Turkey is now the leader in European gold production. It is notable that the focal point for exploration and mining has been the provinces of western Turkey, where many of these great archaeological finds were made.

The first modern gold mine is **Ovacık** (1 Moz), which lies 100 km north of Izmir and just kilometres from modern day Bergama (ancient Pergamon). The second mine is Kışladağ (5.5 Moz), located 180 kilometres east of Izmir, near the town of Uşak.

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Reference: Turkish Gold Miners Association

<http://turkishgoldminersassociation.com/turkish-gold/turkish-gold-history>

Turkish Gold Companies

The jewellery industry in Turkey mostly consists of the family owned companies which provides them the opportunity to adapt more quickly to changes. One of the strengths of jewellery sector in Turkey, is cultural heritage. Because of the entrepreneurial spirit embedded in the sector, the economic and social damage is less during downturn times.

One of the most important problems in jewellery sector is the **lack of well established managerial structure and good governance**. In addition to this, they have problems also to assign jewellery industry spokesperson and planner on the half of complex structure on this issue.

Altınbaş Holding



The foundations of Altınbaş Holding were laid the 1950s by their late father Mehmet Altınbaş. They constructed this structure on the profound basis he has established. As six brothers they have put their efforts developing the investments they inherited from their father in the best manner.

Reference: Altınbaş Holding

<http://www.altinbasholding.com/Default.aspx>

Karakaş Atlantis A.Ş



Karakaş Kuyumculuk was founded by Yaşar Karakaş in 1968 as a jewellery company.

In 1985, the company whose principal activity was then focused on jewellery founded its first factory in İzmir and later became the leading jewellery wholesaler in the Aegean Region. They are trying to sustain their fathers' success with **better governance**.

Reference: Karakaş Atlantis A.Ş.

Erbil Family in London

In recent years, in London, especially with the intensity of the Turkish speaking community in the regions in which they live, a lot of jewellery shops opened. A considerable part of jewelers is managed by Erbil family which is from Kahramanmaraş, a city in the South of Turkey. The father Ismail Erbil says that: "I did not do it alone. We engaged as a whole family and we became successful."

Reference: <http://www.londragazete.com/?p=3861>



Secured Gold Accounts

Gold accounts gain popularity in recent days which is attracting the Turkish citizens. But most of the complaints stem from the fact that, the actual value of the gold price is not quoted properly and there is a big difference between sales - purchases prices. Turkish jewellers react bankers targeting "under pillow" gold that are kept by Turkish citizens. They are saying that the bankers should not deal with gold trade in banks. The most profitable way to invest in gold is to do transactions in the forex market.



There are some advantages like having a control market with lowest price differences. Instead of opening gold accounts, traders can perform more profitable and safe transactions through forex companies with the advantage of having free trainings. Risk is limited and there is a positive effect of leverage ratio, and forex market is more secure than making trade by own for the traders.

The safety of investor capital is also secured, because forex markets are controlled markets. In Turkey, the forex market and companies are under the control of Capital Markets Boards (CMB) and legal documentation is requested from the brokerage firms. The investment transactions through legal forex companies are safe because these companies have to keep investors capitals on behalf of Settlement and Custody Bank according to a related communiqué that is enforced by CMB.

Peyman YÜKSEL



Jewellery Clusters in Turkey

As a tradition in Turkey, there are city centers which most of the jewelers are usually located together in.



Like some known jewellery clusters around the world; such as, Los Angeles Jewellery Cluster, Bangkok Jewellery Cluster, Italian Jewellery Clusters (Arezzo, Valenza, Vicenza), Birmingham Jewellery Cluster (Birmingham Jewellery Quarter), Johannesburg Jewellery Cluster, Indian Jewellery Clusters, there are some jewellery clusters in Turkey also.

Especially Kapalıçarşı (Grand Bazaar) in Istanbul can be defined as one of the world's oldest and largest jewellery agglomeration, being the centre of craft and trade activity for more than five centuries. Most of the jewellery companies moved to Jewellery City.

In addition to Istanbul, Big Bazaar and Anafartalar Çarşısı in Ankara are among the such large clusters. Some other new cluster practices, like the one in Trabzon, a city on the Blacksea region, are underway.



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