



REPUBLIC OF TURKEY
MINISTRY OF ECONOMY



INDUSTRY



GOLD JEWELLERY



TURKEY

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GOLD JEWELLERY

AN ANCIENT, GREAT TRADITION

Turkish Gold Jewellery, now ranks second in the world trade

Turkey has a great jewellery tradition. Anatolia is a place where jewellery has been produced for 5000 years. In fact, gold was refined first in Anatolia and the first coins were minted again in Anatolia.

All of the civilizations which have inhabited Anatolia have produced numerous objects for both religious and artistic purposes. People worked with metals, sometimes including precious and semi-precious stones. The Hittites, Urartians, Phrygians, Ionians, Lydians, Romans, Byzantines, Seljuks and Ottomans all established their rule in Anatolia and created their own jewellery styles.

The most significant style among the different types of jewellery was brought to Anatolia by the Seljuks. Their great influence on the Turkish jewellery tradition is demonstrated by Turkoman jewels which originated in Central Asia. These are still produced and worn in Turkoman tribes. Although they are produced with the simple tools of traditional technology, these objects display exquisite craftsmanship which challenges contemporary technology.

In Istanbul the jeweller's art gained importance with the growth and prosperity of the Ottoman Empire. During and after the reign of Suleiman the Magnificent, Istanbul became one of the world's most prominent centres for jewellery. Historical sources state that jewellery fairs were held in Istanbul during the reign of Suleiman the Magnificent.

Today, the Turkish gold jewellery industry reflects this rich cultural heritage combined with latest technology, outstanding craftsmanship and modern designs. The unique heritage and level of proficiency in the Turkish jewellery sector allow any design to be created and produced at any amount with supreme craftsmanship, excellent finishing, flexible production and immense variety. Turkey today is fast becoming one of the preferred suppliers for international buyers of gold jewellery.

Traditional Turkish jewellery making techniques include filigree (telkari), niello (savat) and wickerwork (hasir). Filigree is a technique in which the artist creates motifs by soldering together fine silver or gold wires. Since the wire used is often extremely delicate, this technique requires an almost infinite degree of patience. The niello technique is based on tiny, delicately-worked pieces of hand-painted enamel which are partitioned by precious metals. In wickerwork, another technique used by Turkish jewellers, delicate wires are woven together.

PRODUCTION

Today, Turkey is one of the global leaders in gold jewellery production, ranking among the top three countries in the world in this aspect

Turkey has the total capacity of producing 400 tons of gold annually. The industry is a significant one amongst the Turkish manufacturing industries and employs about 250 thousand people currently. There were only one or two workshops with 100-200 people

working in the '90s whereas now, there are many huge factories employing a thousand workers or more. The machine park of the industry has been upgraded and a high level of technology has been reached.

In the mid 90's, firms started to employ designers and now most of the world's largest design teams work in Turkey. The World Gold Council's Office in Turkey organized yearly design competitions between 1994 and 2010 in the industry in which hundreds of designs and products were displayed. There are several design departments in the universities and vocational high schools in which designers and qualified employees are trained for the industry.

Currently, the major firms can produce 10 new models per day and taking into account the variations of these models, 70-80 new products can roll out every day in the sector. Hence, the sector has a great level of production flexibility and this is a great advantage for supplying the special design demands of importers.

At present, there are about 5 000 producers and 35 000 retail outlets in the industry. The centre for gold jewellery production is Istanbul, however production in Ankara and Izmir is extensive, as well. In some cities in East and South East Anatolia gold jewellery is also produced to some extent.

Approximately 250-300 tons of jewellery is produced every year in Turkey. Turkey is among the three biggest gold jewellery producers in the world together with Italy and India.

Turkey annually imports an amount of gold varying in between 100-200 tons in recent years. However, the imports were approximately 80 thousand tons 2011, probably due to the ongoing effects of economic crisis of 2008. Only the Central Bank of Turkey and members of the Istanbul Gold Exchange who have the relevant certificate can import gold into Turkey.

Domestic demand for gold jewellery is high because most Turkish people buy it both for adornment and as a means of saving. In the 90's some 4 -5 thousand tons of gold was believed to be kept in homes in Turkey. In this respect, Turkey ranked second in the world following India in personal gold investment.

Istanbul Gold Exchange - IGE was established in 1995 at Istanbul with the objectives of liberalising the Turkish gold sector and integrating with international markets. There are 91 authorised members of the Istanbul Gold Exchange (www.iab.gov.tr) which consists of commercial banks, precious metals companies and currency offices that obtained their membership certificate from the Undersecretariat of Turkish Treasury. Only these members are eligible to import and trade gold and other precious metals on the market.

The Istanbul Gold Refinery - IGR (www.iar.com.tr) started production in 2002. The refinery has the technology to produce 999,9/1000 purity gold and has the capability to convert scrap or doré gold bars into 995/1000 purity bullions. IGR operates in the Jeweller's City (Kuyumcukent) and a Display Center for its products in Istanbul's famous Grand Bazaar (also known as the Covered Bazaar) which for centuries has been the heart of the Gold Trade and jewellery production in Turkey. IAR have services of precious metal sales, dore gold refining, supply of gold bullions and alloys.

JEWELLERS' CITY (KUYUMCUKENT)

The world's largest, integrated goldsmith centre is in Istanbul

A gold jewellery production and trade center, the so called "Kuyumcukent" in Turkish was inaugurated in 2006. It is a complex of 328 000 square meters on a plot of 186 000 square meters. Kuyumcukent has 2 500 production units and shops. The Istanbul Gold Refinery is also located in the complex. (<http://www.kuyumcukent.com.tr>)

EXPORTS

Today, Turkey is one of the global leaders in gold jewellery exports, ranking 2nd after Italy

The gold jewellery sector of Turkey has turned its attention to exporting over the last few decades. The saving habits of Turkish people have changed due to developments in the Turkish economy and they have started using other ways of investing besides buying gold jewellery. In addition, in 1993 the export and import restrictions on precious metals were abolished.

Although gold jewellery is relatively a new sector on Turkey's export scene, its performance has been outstanding and export value has increased significantly in the last twenty years. Exports totaled 1,847 million US Dollars in 2011, the major destinations were being the United Arab Emirates, Iraq, Kazakhstan, the Russian Federation, the USA, Lithuania, Germany, Italy, Israel and Hong Kong. Turkish gold jewellery was exported to more than 100 countries all over the world in 2011. The Turkish gold jewellery companies have started to establish their own distribution channels abroad.

The major companies in the industry have shops/corners in the USA, in Europe and in Dubai in the Middle East and in other countries in different regions of the world.

The Turkish gold jewellery industry also enjoys large sales to the foreigners visiting Turkey. The exports and sales made to the tourists in the domestic market altogether constitute 70 % of the industry's total output.

Turkish jewellery is recognized worldwide for its beauty, innovation and quality. There were more than 438 export companies by the end of 2011, some 50 of them being the major ones.

Turkish Gold Jewellery Exports by Year

HS Code: 711319000011

Value: US\$ million

Year	Exports
1999	287,7
2000	384,2
2001	431,1
2002	567,5
2003	707,8
2004	931,9
2005	1,128
2006	1,097
2007	1,490
2008	1,585
2009	1,086
2010	1,443
2011	1,847

Source: Republic of Turkey, Ministry of Economy

Turkish Gold Jewellery Exports by Destination

HS Code: 711319000011; Value: US\$ million

Countries	2009	2010	2011
UAE	348,9	552,1	695,7
Iraq	43,2	83,7	168,4
Kazakhstan	36,3	60,8	124,9
Russian Fed.	40,0	63,5	124,2
The USA	119,8	118,5	98,0
Lithuania	28,0	64,2	87,3
Germany	57,2	61,0	70,5
Italy	32,0	40,4	43,0
Israel	32,2	43,2	42,1
Hong-Kong	27,8	41,7	40,1
Ukraine	1,6	16,3	29,0
Azerbaijan-Naxcivan	31,4	13,2	22,6
India	0,6	1,4	16,2
Poland	23,2	14,1	14,6
Lebanon	10,9	15,7	14,5
Canada	10,9	13,1	14,2
Czech Republic	14,2	11,6	14,2
Spain	21,3	18,7	14,0
Singapore	2,2	4,4	12,8
Australia	8,7	10,2	12,7
Turkish Republic of Northern Cyprus	7,2	9,6	11,5
Great Britain	11,3	12,2	11,4
Belgium	9,9	14,2	11,2
France	10,1	7,9	10,8
The Netherlands	5,2	3,7	10,1
Total	1,086	1,443	1,847

Source: Republic of Turkey, Ministry Of Economy

TRADE FAIRS IN TURKEY

Five major jewellery fairs are held in Turkey

- The “Antalya Jewellery, Silver and and Watch Fair” takes places in Antalya in April
- The “Istanbul Int’l Watch, Clock, Jewellery, Machinery and Equipment Fair” takes place in February
- “İstanbul Jewellery Show – IJS” takes place in March, both in İstanbul
- “Izmir JEWEX” takes place in Izmir
- “Cukurova Gold and Jewellery Fair” takes place in Gaziantep in May

Useful Links

- Istanbul Minerals and Metals Exporters’ Associations (IMMIB)
www.immib.org.tr
- Turkish Jewellery Association
www.jtr.org.tr



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