Relation of Market Where Gold Supply And Demand is Intensive With Finance Sector and Analyze Of Present Market Structure in Terms Of Socio-Economic: A Study Based On Survey in Şanlıurfa and in the Region

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Perception manner of gold both in the world and our country is generally different. Especially in eastern geography where our county is located, the demand to gold is bigger than many region of the world. This density makes compulsory to examine jewelry sector which gold is purchased and sold in terms of our country. It is real that the most reliable investment vehicle in the trouble periods experienced in the world is gold. Gold was used as Money in Ottoman period in Turkey. Although it has lost the character of being Money in the start and later of Republic period, it has been continued to be accepted both one of the most reliable investment vehicle and a knickknack in the eye of public. Before 1980’s, not purchasing and selling of foreign Exchange freely caused serious problems in jewelry sector based on import. In 1990’s, an export boom was experienced in jewelry sector and the growing rate of the sector increased depending on that. As a result of that, technological innovations have been made at the sector and training institutions have been opened, giving importance to jewellery design to have a voice in foreign and domestic markets. It has been tried to minimize price and foreign Exchange risks restricting competition power of the sector by establishing Futures and Option Market in 1997.

It has been seen that gold especially in last 10-15 years have been subjected to extensive purchase and sale. The great part of demand is provided by import because of high cost of mining of gold ore in our country. There is 40.000 enterprises approximately processing gold and around 250.000 persons are employed in these enterprises. Around 300.000 exporter enterprises exist in the sector.

One of the provinces where gold is purchased and sold mostly in Turkey is Şanlıurfa. Nearly 1.5- 2 ton gold is purchased and sold in Şanlıurfa being renowned with gold jewelleries in South Eastern Anatolia Region. 272 jeweller registered to jeweller chamber exist in Şanlıurfa and his figure is around 350 together with towns. The existence of such high number jeweller is undoubtedly the result of extensive interest of region public. Considering the inevitability of emergence of a number of
problems in a region where such extensive purchase and sale are made; the problems seen mostly have been determined and made solution recommendations to them. In addition it has also been aimed to observe perception manner of gold and its contribution to region economy as an investment vehicle in the region. Especially the damage of misleading of credit card in sector has been tried to determine and made solution recommendations to the problem. It has been pointed out on the benefits in case the gold called mattress and considered its effect to economy is little is gained to Şanlıurfa economy.

In the study, the situation of gold and jewelry sector in Şanlıurfa region has been examined in terms of socioeconomic aspect but while examining the economic contributions of gold and jewelry sector to the region it has been tired to stress its socioeconomic aspect.

With respect to obtaining information from primary source in line with the objective of research, questionnaire method has been used as data collection method. The owners and managers of jewelry enterprises in operation actually in Şanlıurfa and its towns have been selected as universe. Research was started on November 2008. It has been planned to make questionnaire with 150 of 350 jewelry enterprises located in province and towns and these questionnaires have been transmitted to these enterprises. However some enterprise owners and managers wanted to not reply our questionnaire stating an apology arbitrarily. In the end, 86 of the universe we have selected have replied our questionnaire. Our questionnaire has comprised of the questions to evaluate the status of gold and jewelry in the province in terms of socio-economic aspect. The results of the questionnaire we made have been analyzed by SPSS 10.0 Statistics Program.

One of the most interesting results of our questionnaire is that all of the participants to our questionnaire on search of gold and jewelry sector in Şanlıurfa region is man. The other interest grabbing point is that 71% of jeweller has high school and university degree. When it is taken into consideration that the age of 60.4% of respondents is 40 or over, we should accept that this ratio is quite high considering literacy rate of Şanlıurfa province. Another remarkable point is that nearly all jewellers have a background to be accepted as experienced and over 80% of respondents have explained that they are in operation in this profession over 10 years. The percentage of the ones who selects the profession for its prestige and found it profitable is 25%. Possibly the most interesting reply in this questionnaire that the ratio of the ones who find profession easy is around 50%. When it is considered that Şanlıurfa public is contend and has desire to appear strong against outside, it is apparent that the replies taken is not surprising. The results taken explaining that the contribution of jewelry sector to province economy is medium level is not very conclusive.

While official data explains that 1.5 ton gold consumption annually exists in Şanlıurfa and its region, questionnaire findings points out that the consumption is over 1.5 ton according to 72% of replies. We think that the difference between official data and the findings is arisen from unrecorded transactions. 72% of jewellers in Şanlıurfa region think that consumer use credit card extensively in purchase of gold.

Region jewellers are not interested both in domestic and foreign fairs. The reason for it is that either they are contended or find domestic consumption sufficient.
When socio-cultural characteristics are looked at, it is observed that the demand is concentrated on June-July-August months. It is possible to explain this situation by that the marriages are made generally in summer months in Şanlıurfa having a economy based on agriculture.

If a general ranking is to be made, the liveliest place for gold market is Şanlıurfa centre and follows Harran, Siverek, Suruç, Birecik, Bozova, Viranşehir, Akçakale, Ceylanpinar, Halfeti and Hilvan respectively. When Harran is examined the most gold demand is seen here following the centre. On the contrary here is the second town having less population. We think to depend this situation to settled culture is a realistic approach.

Convention comes forward for the reasons among the extensive demand especially among women, a view having similar ratio is that it is purchased fro prestige. It is seen that the rate of jewellers saying that the gold purchased in marriages is between 1-3 kg. is over 50%. There are some jewellers saying that this figure even rises over 7 kg at some esteemed families.

One of the important elements for excessive demand to gold is that public sees more the profit of gold than other investment vehicles. In addition, it is pointed out that region public is religious and avoids from interest because of that. Extensive demand to participation banks explaining they make interest free banking is shown as an indicator at the demand to gold.

The biggest cost elements in the sector are explained in tax. But when we asked to whether they have made insurance to their workplaces, 98,8% of them replied no. The contrast of this reply has not been understood with the reply stating the biggest cost element is workplace insurance but it is deemed that it can be revealed with the concern that workplace value can be learned and informed to tax administration by insurance agencies. The view regarding the lack of government support in the sector is prevalent in the region. The inadequacy of qualified personnel, marketing and publicity problems, accuracy problems and technological insufficiencies follows the problems of jewellers explaining the insufficiency of fiscal legislation as their most important problems while stating their main problems. Since one year the international financial crisis taken place, around 20 jewellers had to close their workplace in Şanlıurfa. In similar way, nearly all of the craftsmen have stated that they have been affected negatively and serious way from the crisis.

In recent periods, a recorded type of usury is in agenda in Turkey. Usurer use POS equipment while making this transaction and make virtual sale showing as if it sells product to the ones who request Money. In this sale, the Money requested is given to client by applying delay interest and person is charged by credit card, applying delay interest on. In this way, workplace owner making this transaction load the great part of credit risk to bank. Considering the volume of the Money requested is taken into consideration, the most suitable sector fort his job is jewelry sector. In this illegal process, the weakness of public authority is talked about frequently. However, how is such high gold entrance receipt provided?. It is clear that it is either provided by virtual imaginary receipt or transfer pricing is made. Its beneficial sides are big as much as worth not even to be discussed. In terms of public, high debts of credit card is closed cheaper by this system. Nearly 100% of the reply to the question that we have asked for this reason is that this transaction is carried out extensively in Şanlıurfa. The view that
such transactions benefits not only to Şanlıurfa economy but also to external economies is shared by all jewellers replying this questionnaire.

Jewelry package insurance which put into practice widely in the places where gold is processed like especially İstanbul in the sector in recent periods is not known well in the region and this insurance is not credited at the same time.

If we summarize the main results of the research it provides us, gold in the region is a convention, prestige element and life insurance for women. Its short term profit is ignored. Is is an alternative to foreign Exchange and interest. The expectations of the sector on legislation from government are seen. A serious black economy is observed. This is made both by means of Syria gold and by jewelers not having gold. It is strongly possible as a result of them, false official documents are issued. Usury has been officialized. The big roles of banks here can be eliminated by government in short time if it is desired. However the view of government authority is not efficient here is prevalent.

Although a number of incomplete replies of some jewelers participating to the questionnaire it should not be doubt of their good wills. Even replies given to us will give great contributions to literature with regard to attitude models and approaches of region public, jewelry sector in the region and will be able guide to further studies in later period.