



## MINING

## OPPORTUNITIES

**OPPORTUNITIES:** Turkey is among the richest countries in the world for many mineral and metal products. Turkey has a near monopoly of boron and important deposits of bauxite, chrome, copper, iron, manganese, sulphur, marble, zinc and thorium. There are also exploitable quantities of antimony, lead, molybdenum, mercury and tungsten. The country, however, lacks up-to-date technology and the financial capability to exploit these resources. Turkey has been basically operating its mines through state-owned enterprises, with only a few exceptions of private operations in coal mining and quarrying. However, during the last decade, new legislation allowed private enterprises, including foreign investors, to take an active part in the sector. The legislation has had a significant impact on the number of foreign companies operating in Turkey, as well as on the amount of investment in the mining sector.

Turkey has made necessary changes in the legislation and launched an ambitious privatization program of Etibank, which controls almost 60% of domestic mineral production. Also, various state-owned mines and metallurgical plants are on the privatization list. Turkey also has precious mineral deposits — mainly gold — available for development. Canadian companies have obtained permission to explore for gold, silver and copper from the Turkish Ministry of Energy and Natural Resources. However, pressures from environmental groups are a challenge, and foreign mining companies need to spend time and money on public relations before actually starting their operations.

Major opportunities in the Turkish mining sector exist in upgrading facilities for coal mining and preparation, as well as for lead and zinc mining and sintering, copper mining, and gold and silver mining and refining. Other opportunities include the modernization of steel mills and sintering plants, geological surveys, mine exploration and engineering services, crushers and grinding mills, coal-washing equipment, flotation equipment and electro-chemical systems. Turkish companies are actively seeking joint ventures with foreign firms to supply technology and equipment. These include: TKI, the Turkish Coal

Board, which estimates that it will spend about US\$40 million for its investments, half of which will be spent on procuring machinery and equipment; and Etibank, the state-owned mining conglomerate, which is currently seeking joint ventures for: the modernization and expansion of the Seydisehir aluminum plant; the establishment of a new Bandirma hydrogen peroxide plant; the construction of a chromium ore-concentrator plant, which will require gravity-concentration equipment such as shaking tables, Reichert cone and magnetic separators; the delivery of rare earth extraction and processing equipment and technology for the development of a one million ton bastnasite reserve that also contains 11.4 million tons of fluorite and 9.4 million tons of baryte; the expansion of the Kirka Tinkal concentrator plant, which requires crystallizers; and the establishment of a sulphuric acid plant in Bandirma.

## MARKET CONSIDERATIONS

**MARKET CONSIDERATIONS:** Mining equipment imports comprise approximately 75% of total market demand. Germany is the leading supplier (39%), followed by the United States (12%), Sweden (10%) and France (6%). Price and quality are generally the most important factors in purchasing decisions. Credit terms and the length of the repayment period are also considered. Most private firms are willing to use letters of credit but will increase purchases with more liberal credit terms. For the government, major sales are often not realized, unless there is an attractive package attached. Other factors that affect sourcing decisions are the suppliers' reputation, the reputation of their products for quality and reliability, and previous experience in dealing with suppliers. Service is extremely important to Turkish end-users in terms of the provision of spare parts and repairs.

Canadian companies are advised to employ agents in Turkey who are well-informed about upcoming projects and experienced in Turkey's procurement practices.

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