

# The Saga of the Turkish State Owned Lottery

*Article by Rob van der Gaast*

On June 9, 2008, LotteryInsider published the following information on the privatization of the Milli Piyango, the Turkish national lottery: “The method of giving a ten-year license will be used in the privatization of the Turkey’s state-owned National Lottery ([Milli Piyango](#)) in line with „sharing of revenues,“ a statement issued in its official website said.□

English speaking website ‘Hürriyet’ reports that according to the privatization ruling, 20 percent of total revenues will be given to the National Lottery Authority, while the remaining 80 percent will be handed over to the operating enterprise. The company securing the operating license will be responsible for distributing funds from the National Lottery revenue, from its 80 percent earnings, to institutions as defined by the law.

□Preparatory efforts have been almost completed in the privatization process. Works on the administrative specifications have still been continuing while works on technical specifications were finalized. A timetable for the privatization will be issued in the coming days.”□□On 30 June, 2008, Metin Kilci, the head of the Privatization Administration (ÖİB) was interviewed by Anka news agency. The ÖİB President Metin Kilci, said the ÖİB was waiting for the relevant bills to pass in Parliament for the launch of the privatization processes for Milli Piyango.□□“Milli Piyango’s privatization – a process long seen as stagnant after deferral due to early elections and a subsequent presidential vote last year – was postponed from May until June. The bill enacted to open tenders for the privatization of Milli Piyango was

recently approved by a parliamentary subcommittee." Kilci stated the privatization processes for Milli Piyango would be launched one week after the relevant bills are published in the Official Gazette. The government expects to gain \$ 5 billion in revenue from the privatization of the lottery and sugar factories.

*„The operating rights for Milli Piyango will most probably be transferred to private enterprises for 10 years. Twenty percent of Milli Piyango's proceeds are transferred directly to the operating enterprise. After the privatization process, 3 percent of these proceeds will be transferred to the Milli Piyango Administration and the remaining 17 percent will be transferred to the company that becomes the preferred bidder in the privatization process. However the whole of this 17 percent is not profit; it includes operating costs as well. Milli Piyango's proceeds in 2007 were around YTL1.5 billion. Seventeen percent of this sum is equal to YTL 255 million. If we take the fact that the Milli Piyango operating rights will be transferred to bidder enterprises for 10 years into consideration, we can conclude that these companies will compete during the privatization process for revenue of YTL 2.5 billion for 10 years,“* stated Kilci.

He also noted the ÖİB would require enterprises to compete in Milli Piyango's privatization to fulfill a series of prerequisites. *„Bidding companies will have to pledge that they will have the technical proficiency to exploit Milli Piyango. We need to take bidder companies' technical proficiency into consideration for Milli Piyango's effective exploitation. We can't expect the companies to have the required technical proficiency at the moment, but they have to pledge that they will have it in a certain period of time,“* remarked Kilci.

(In response to a question over whether he was tired by five years at the helm of the ÖİB, Kilci said: *„Well, we should come up with a correct term. 'Tired' would not be the accurate*

*way of expressing my condition, but since I cannot seem to find a better alternative, I can say I'm tired. I'm really tired, and I don't mean a physical tiredness. We have had to hold tenders more than once in the privatization of some gigantic enterprises, such as the Turkish Petroleum Refineries Corporation (TÜPRAŞ), Turk Telekom, and Turkey's alcohol and tobacco monopoly (Tekel).,,)*

On July 1, 2008, Bloomberg known for "its accessing of business information, reporting it, analyzing it and distributing it, faster and more accurately than any other organization", published the following message: Dogan Yayin Holdings AS, Turkey's biggest media group, said Turkey's government is expected to invite bids for a license to run national lottery on July 21. Dogan Yayin plans to bid for Turkish sports-betting game Iddaa with its partner Lottomatica SpA, according to a filing with the Istanbul Stock Exchange on June 30, 2008.□

GamblingAnalyst.eu would be really surprised when the tender will be held before August/September, 2008.