**Leading Turkish Anti-Riot Gear Maker Eyes Military Armor Market**

By: Burak Ege Bekdil, September 6, 2016 (Photo Credit: Lam Yik Fei/Getty Images)

ANKARA, Turkey — A local company that holds a near-monopoly in water cannons and anti-riot vehicles in Turkey is now entering the country's armored-vehicles market, hoping to capture a good share in this lucrative Turkish industry.

Katmerciler Ekipman, established in 1985, rose to fame when the Turkish police extensively used its TOMA anti-riot vehicles during countrywide anti-government protests in 2013.

In 2015, the company posted record profits and revenue. In that year its income rose by 83 percent to 310 million Turkish liras (approximately $110 million) up from a mere 26 million liras ($8 million). Its real operating profit increased by 153 percent to 45.7 million liras (approximately $15 million) in 2015.

The company said that images broadcast worldwide of Turkish protesters fleeing the company's anti-riot water cannon trucks helped generate business for the Izmir-based company in nations from Brazil to Libya that face social unrest. Katmerciler exports its vehicles to 49 countries.

In May, the Ankara government ordered 30 TOMAs, and it plans another tender soon for 43 more. Katmerciler's founder, Ismail Katmerci, is a former lawmaker in President Recep Tayyip Erdogan's ruling Justice and Development Party.

In 2015, Katmerciler signed a memorandum of understanding with U.S.-based Oshkosh to explore joint business opportunities.

Most recently, Katmerciler made its debut in Turkey's armored-vehicles market when it launched its Khan.D and Kangal mine-resistant armored models in addition to a number of armored drillers, heavy construction machinery for military use and armored protection shields.

Both vehicles comply with NATO standards and provide protection against mines and bombs. The Khan.D can carry up to eight personnel and has a maximum speed of 130 kilometers per hour and a 286 hp engine. The Kangal can carry up to 10 personnel and has a maximum speed of 100 kilometers per hour. It can drive through water with a maximum depth of 1.5 meters.

Katmerciler says it now plans to produce 1,500 armored personnel carriers and 500 armored weapon carriers annually at its production unit in Izmir. It also has just started another production unit in Ankara that will produce 1,000 armored vehicles annually.

The company said at the end of August that it already won a start-up contract from the government for armored vehicles, worth 10.5 million liras (approximately $3.5 million).

Katmerciler's entry into the armor market increases the number of top players to four. The others are BMC, FNSS and Otokar, all privately owned.

"Katmerciler has excellent connections with the top ranks of the government, but so do BMC," opined one industry source. "It will be interesting to see how the government will split contracts between these two government-friendly companies."

He said that Katmerciler and BMC may also rival in some of the foreign markets that traditionally buy Turkish armored vehicles.

"Both companies will have the Turkish government's [political] support for their foreign sales, especially in Gulf and Asian markets," the source said.

There are already signs for local and foreign competition between BMC and Katmerciler.

At the beginning of August, BMC, Germany's Rheinmetall AG and Malaysia-based Etika Strategi announced that they launched a Turkey-based joint venture with a view to cooperation in armored solutions. The companies said that the joint venture would focus on wheeled and tracked armored vehicles.

BMC also will be one of the bidders in a deal for the serial production of the Altay, Turkey's first indigenous battle tank. The multibillion-dollar program will involve the production of 1,000 tanks with an initial batch of 250.

The Altay was developed by BMC rival Otokar. The Turkish government commissioned Otokar to build four Altay prototypes under a $500 million program. The tanks are now undergoing field tests.

Like Katmerciler's Ismail Katmerci, BMC's owner, businessman Ethem Sancak, is known to be a close friend of Turkish President Erdogan. Earlier this year, BMC was given land to relocate its plant. The government decided to allocate 222 hectares to the company in support of its expansion plans. BMC will relocate from Izmir on Turkey's western coast to Sakarya.