MEMO
" TURKISH FIRE PUMP MARKET SURVEY - 2000"

Subject	:	Fire Pump Market in Turkey - 2000
Memo Date	:	Feb. 9th, 2001
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1- Purpose

The purpose of this memo is to provide an overview of the Fire Pump Market in Turkey, in year 2000. This memo is aimed both for local and foreign companies, who are manufacturers, representatives, investors, contractors, insurance companies, material suppliers, consultants, etc.

Due to the fact that Turkey does not have reliable and official data on market situation, besides attempting to convey certain information about the Fire Pump market, this memo also aims to create a discussion and confirmation environment, by uncovering and bringing certain substantial data into under daylight. Hence, any confirming or non-confirming feedback or opinion is most welcomed, since the certainty of the information presented here is subjective and discussable.

However, against all these uncertainties, the attempt with this memo has to be considered as a good willed attempt to arrive reliable information at least in the future.

2- Scope

The scope of this memo is the technical, commercial and organisational aspects of the market. A benchmarking approach to the representative or manufacturing companies involved in Fire Pump market has not been attempted.

Since there are no set rules in Turkey for product approval, all the pumps presenting themselves as "fire pumps" are considered, but making the necessary discrimination.

The information sources, on which this report is based on, are

- promotional information supplied by the companies (i.e. reference lists, advertisements, public announcements, web sites, etc.)
- confidential information supplied by companies, specific for this memo,
- the first hand sources, such as documentation, quotation, etc. supplied specifically to our company, for the jobs where our company is the independent fire consultant

However, this study is not based on,

- confirmed market figures supplied explicitly by all the companies
- statistical figures supplied by the official authorities

The figures are taken as "demand" values that are the business potential created in 2000, not the orders placed, nor the invoices. Taking into consideration of the long delivery times and delayed orders, another unavoidable uncertainty becomes obvious due to the convention problem and definition of year 2000.

The information is up-to-date by end 2000, within a consideration of present and last 2 years of performance of the parties.

3- Overview

An overview of Turkish Fire Pump Market in 2000 is as follows :

a) the number of fire pump (excluding jockey pumps) demand, in 2000 is estimated as ;
   - approved electrical fire pumps : 75+ units
   - approved diesel fire pumps : 50+ units
   - non-approved electrical fire pumps : 500+ units
   - non-approved diesel fire pumps : 150+ units

b) the market potential for fire pumps (including jockey pumps and controllers) is estimated as ;
   - imported fire pumps, USD 2 Million
   - locally manufactured/assembled fire pumps, USD 5 Million

c) customer is no more determined to buy the fire pump from the sprinkler or water-based extinguishing system supplier; it is becoming more common to split the orders and place the sprinkler/hose to one and fire pump to another company, since the disjunction has been understood by the customer,

d) the list of local manufacturers and local assemblers are as follows, together with the product ranges are,

Local Manufacturer's	Vertical Multi Stage	Vertical In-Line	End-suction	Hor.Split Case
DAF	●			
STANDART	●		●	
KSB	●		●	
MAS		●	●	●
SUPERMATIK	●			
TURBOSAN			●	●
WILO	●		●	

e) The list of representative companies or suppliers is as follows, together with the principal manufacturers,

Supplier	Principle Manufacturer(s)
ARASTA	Peerless
DOĞAN	SPP
D&K	Patterson – Nijhuis
EKİP	Patterson
EKUR	Patterson
EMO	Peerless
FOKUS	Patterson – Nijhuis
KORUN	Patterson
KSB	KSB
NORM TEKNİK	ITT A-C
ODES	Patterson
PALMET	Pentair (Aurora – Fairbanks Morse - Layne Bowler)
TEKNO	Reddy-Buffaloes
TRANSANKA	Patterson
UMTAŞ	?
YANMAR	Patterson

f) customer is still determined to buy the controller together with the fire pump, from the fire pump supplier, there are very negligible examples providing the controller separately,

g) long delivery times (8-12 weeks), especially form USA is still a major disadvantage,

h) general fire pump set configuration is jockey+electrical+diesel, either all being non-approved or approved, where mix&match is not seen frequently,

i) packaged, skid mounted units are preferred by petrochemical and power generation sector, otherwise they are not proffered in the imported products; whereas in locally manufactured products, main demand is on the packaged, assembled products,

j) Caterpillar and Cummins have an explicit interest, to get their engines specified in fire pumps, whereas Clarke and Iveco are negligent for the engines which they do not sell directly,

k) Iveco's FM approved NFPA 20 diesel engines are preferred by local assemblers/manufacturers when approved diesel engine is required, due to the marketing availability, low-cost and delivery advantages of Iveco,

l) due to the availability, low-cost and delivery advantages, Hatz for small capacities and Iveco's non-approved engines for higher capacities are preferred by local assemblers/manufacturers when non-approved diesel engine is required,

m) Caterpillar diesel engine is preferred in an increasing manner, due to the local after-sales support, although Caterpillar staff is not trained enough to known the specialties of a fire pump, fire pump diesel drive and controller,

o) after so many years of poor and unsatisfactory commissioning and after sales service of the representative companies, Patterson has introduced an appreciable commissioning and after-sales service support, by giving a default, free of charge, countrywide commissioning service, independent of the marketing companies, through a specialized company (i.e. EKİP Müh.),

p) similar to Patterson, Firetrol has initiated a similar venture for controllers, where upon application, free of charge, countrywide commissioning service, independent of the marketing companies, through a specialized company (i.e. EMS Müh.) has been provided for Firetrol controllers,

r) specially foreign insurance inspectors are not satisfied with the overall installation, they are keener on correct and complete installation per standards, which create enforcement over the installer,

s) the imported fire pump market is dominated by NFPA 20 led US manufacturers, against the European market domination of the imported conventional pump market, which is totally as the result of NFPA standards, dominating Turkish water-based fire protection systems culture,

t) following Wilo's marketing concept success in the past years, KSB has introduced a new catalog on fire pumps with VdS approval, as well as non-approved units, exactly as Wilo had done; although a marginal success is achieved, it is not comparable with that of Wilo's,

u) KSB became the first company to introduce submerged fire pumps, with VdS approval, which attracted interest at least on the designer and consultant level, which eliminates the pump room installation difficulties,

v) KSB introducing new products and concepts, backed by Vds approvals, together with its new catalog, once more showed that, there not established technical solutions in Turkish fire protection community, where simply any product and any solution can be introduced without any limitation, which is an indication of a chaotic environment in terms of engineering,

y) MAS has introduced a catalog with full range of non-approved NFPA 20 fire pumps, including in-line, end-suction and horizontal split case, together with electrical and diesel engines, both approved and non-approved, as well as controllers; all being locally manufactured,

z) designers and consultants are still not technically competent to know the differences between the standards, approvals, hence becoming totally manipulated by the material suppliers and marketing techniques,

aa) due to the lack of shop drawings and availability of qualified installers, the quality of the fire pump installations and pump rooms is very poor, where most of the time, fuel supply, floor drains, fresh air feed, etc. are totally ignored,

ab) government has announced the future cuts in electricity due to electrical shortages in power generation, which in return created a considerable demand for diesel generators; all these developments created a rational basis for the unreliability of the electrical mains, hence a justification for diesel pump,

ac) high costs, customer dissatisfaction, poor engineering, erosion of confidence in imported products still makes the fire pumps a technically problematic item, which is balanced partially with commercial aspect, where still a comparably high turn-over and profit potential is offered in fire pumps,

4- Current Trends

By 2000 the main market trends can be summarized as follows,

a) the profit margins are in reducing trend, coming down below 20% level, due to high competition and manufacturer availability,

b) direct import by the customer, benefiting for the incentives is in a reducing trend; it is on the 10% level,

c) the in-line and end-suction pumps are getting an increasing share beside horizontal split-case pumps,

d) the locally assembled fire pump set concept (end-suction booster set, combining jockey, diesel and electrical on a common skid) continues to increase its market share,

e) the locally manufactured, NFPA 20 horizontal split case pumps will increase its market share and becoming a better known product,

f) there is an increasing trend getting away from Firetrol as pump controller, mainly due to low-cost product search, where low quality controllers like Hubbel, Metron are increasing their shares, since the customer is unable to admire, the supplier is unwilling to justify the quality issue in a controller,

g) jockey pumps and controllers are still considered to be fire service devices and supplied from foreign manufacturers, where Grundfoss and MTH lead in brand,

h) there is an increase in deceiving the customer by supplying non-approved or incomplete products (missing gauges, options, etc.), against what has been quoted,

i) compared with the past years, there is a reducing potential for re-export or sales to third countries, especially over Turkish contracting services,

j) although the post-earthquake rebuilt has created a considerable business potential, together with the fire protection sector, fire pump sector couldn't get a share from the billion USD investments either,

k) NFPA 20-1996 and 1999 revisions allowing end-suction pumps for up to 750gpm has created the necessary basis and rationale for the local manufacturers to take over a considerable share in the fire pump market, since the representatives had built their strategy on the pump type, rather than pump specifications and characteristics,

l) periodic maintenance has still been neglected; after the installation, no resource (money, time, man-power) has been allocated for maintenance of the pumps, to keep them operational for a long time, hence the life-time of the pumps are reducing considerably,

m) lack of proper and defined acceptance procedures allow and forgive bad engineering practices, installations,

n) over sizing and lack of optimization is still an engineering drawback to increase the fire pump costs,

5- Future Trends

It is expected that, in the coming years,

a) local manufacturers'/assemblers' interest will continue and seems to be increasing their market share,

b) the advantages of local technical support and services will be appreciated more by the customers,

c) NFPA 20 pump, UL and FM approval will be questioned more in the conventional applications,

d) jockey pumps will be procured separately, not from the fire protection suppliers,

e) importance of engineering will be more evident,

f) fire pump market is expected to grow, because

- proprietary capabilities are promoted, since there is no activity towards building municipal fire water mains
- the indoor/outdoor hose and automatic sprinkler market is growing
- there are studies for announcing the building standards, regulation, building codes, which promote fire pumps, against municipal mains and elevated tanks
- fire departments started to ask for proprietary fire fighting capabilities, including firewater reserve and pressurization means,
- electrical shortages announced by the government will cause a demand increase in diesel pumps, to such an extend to have both main and reserve as diesel pumps, instead of electrical and diesel configuration,

g) the currently poor status of technical aspects of the fire pump market are expected to be recovered, balancing the commercial aspect

6- Conclusion

This memo is intended to be revised according to the comments, which are expected to be received from different parties. The intention is to release this memo annually, hopefully with more substantial and confirmed data, received through participation of more parties involved in the fire pump market.

Karina is grateful and expresses his gratitude to the parties who have shared their sincere opinion and confidential data, with full confidence and commitment to Turkish Fire Protection Community, for the sake of gathering correct and unbiased information.

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