



Big wheel: OKA works director Arthur Gold said the Caterpillar deal meant "owning an OKA will be like owning a Ford".

Caterpillar deal lifts OKA hopes

■ By Michael Weir

AILING Perth-based 4WD builder OKA Motor Company is hoping to be relisted on the Australian Stock Exchange after joining forces with international earthmoving equipment group Caterpillar.

OKA said Caterpillar had signed a memorandum of understanding to supply engines, gearboxes and drive train components for the new model OKA, due for release next March.

OKA works director Arthur Gold said yesterday a key part of the deal was the international warranty and service support that would be available through Caterpillar's dealer network.

"The impact of this is quite huge, it puts the company in a different league," Mr Gold said.

"Owning an OKA will be like owning a Ford, you can get it serviced around the world."

OKA, suspended from trading since December 1995 and now controlled by Malaysian interests, has not produced a vehicle since February.

The company hopes to produce 250 of the redesigned Series II vehicles a year to help put the company on track to be relisted, a process that could still take 12 months.

OKA reported an operating loss of \$1.4 million for the half year to December 31, taking its accumulated losses to more than \$15 million.

OKA vice-chairman Paari Vell said Caterpillar was a big supplier to

the world's mining industry, which was also a key market for OKA's light trucks.

"As a result, mining companies will be able to source and service all vehicles from one Caterpillar dealer which is clearly a very convenient match for our company, while OKA will be able to cut a large number of component suppliers down to one," he said.

"Caterpillar will take responsibility for component procurement, integration, design, technical support and service.

"Equally important Caterpillar's relationship with OKA carries the potential for OKA to develop a marketing and sales relationship with independent Caterpillar dealers anywhere in the world — normally vehicle manufacturers would spend hundreds of millions of dollars establishing a strong dealer network like Caterpillar's."

Mr Vell said the new Caterpillar-driven vehicles would have 30 per cent more power and torque. A lack of power had been one of the criticisms of the early model trucks.

Caterpillar Asia-Pacific manager James Hopkins said the memorandum of understanding included milestone review points, and each party had the ability to stop the program at any point.

"The goal (is) to simplify the manufacturing process by supplying and warranting complete power trains, providing a brand identity supported by Caterpillar's dealer network throughout the world," he said.