

LOCAL BUSINESS

Car dealers advocate cheerful about Kootenays

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The folks who run car dealerships are a pretty optimistic bunch, their chief advocate declared, proving himself no slouch on that front either.

"It's been an interesting year to come into this sector," mused Blair Qualey. The relatively new CEO of the New Car Dealers Association is fresh from a visit to the West Kootenay last week to take the temperature of local members.

"The sense that I got was that the economy there kind of motors along; there's not a lot of ups and downs. But it was really remarkable and palpable (the improvement in) the tone since my last visit in March."

Car dealers from Trail, Castlegar and Nelson meet with the provincial association once a year. It's an opportunity to assess issues and pitch the advocacy group on items that need to be raised with senior governments. With the annual provincial budget consultation just getting underway, Qualey said there's clear direction from his members to push for a renewal of the Scrap-It incentive program.

The provincial program provides a rebate of up to \$1,250 for consumers who trade in a gas-guzzler for a more efficient 2004 model or newer. Qualey said the \$15 million initially provided for the program is nearly spent, and the dealers would like to see it renewed.

"It's one of our big items with government right now. It was incredibly successful. The cupboard's about to be empty," he said, arguing that the program helped to pay for itself through the taxes paid on the approximately 12,000 vehicles sold with the rebate.

"We're hearing everywhere about stimulus. This is stimulating the economy."

Though he noted that rural areas generally benefit less from the incentive — being more reliant on trucks and other larger vehicles due to harsher terrain and winter conditions — he heard support from local dealers for continuing the program.

But single issues paled in comparison to the big topic of conversation in the sector: the technical end of the recession, and what that's going to look like on the ground.

"The big cloud that's been hanging over the industry is the economy. I think it's confusing for everybody. . . . It became very challenging (in the past year); consumers stopped buying cars and everything else."

But now things are looking up for folks like Marc Cabana, who co-owns Champion Chevrolet. Cabana said his dealership has had three great months in a row, and that on the back of a scare in May when the business escaped sweeping closures by parent company General Motors.

GM closed 245 dealerships across Canada, but B.C. ended up only losing about six.

"Now people are starting to buy vehicles again — with the economy stimulating back up," Cabana said, noting that supply decreased with the closure of many parts manufacturers and the scaling back at production facilities. But he also feels quality has increased and prices are down significantly.

"It's kind of a unique time to buy a vehicle."

One of the things that Qualey said struck him about the industry was its fortitude in the face of adversity. Long-time dealers reminded him that they went through a recession in the '80s and another in the '90s, and offered up a "this too shall pass" outlook.

"They worked really hard to make sure that they hung onto their employees, and worked really hard to keep their commitments in their communities, even though it was a hell of a year for them. You don't see that, quite frankly, in many other sectors."