

Island car dealers are back in business

Walter Cordery

Daily News

Friday, September 18, 2009

Business is picking up for new car dealers across Vancouver Island.

New car sales plunged last fall as consumers feared the recession may cost them their jobs, said Blair Qualey, president and CEO of the New Car Dealers Association of B.C. But he says reports the nation is slowly pulling out of the grips of the recession has restored consumer confidence. Qualey, 48, was touring the Island on Thursday and stopped to talk to reporters at Christensen Mazda in Nanaimo. He became president of the association last October, just as consumer confidence collapsed.

"Something just happened inside here that I've repeatedly heard as I talk with employees of new car dealers across the province," Qualey said pointing to Christensen's showroom. "One of the receptionists was telling me that customers are coming in saying 'now that the recession is over, I can buy a new car.'"

Dealers and auto manufacturers are offering big incentives to try to attract customers back into their showrooms.

"Many are offering zero per cent loans," said Qualey.

"I was just talking to a domestic manufacturer dealer in Nanaimo who told me that a certain truck on his lot has about \$9,000 worth of incentives for the buyer."

A former member of the Vancouver Board of Trade, he said he had no idea how important car dealers were to the economy of the province before being named association president.

"This is a \$10-billion-a-year industry across the country and members of our association paid about \$1.5 billion in various types of taxes to all levels of government last year," he said. "One in seven jobs in Canada is tied to the automobile sector."

The introduction of the HST next summer should help new car dealers, he said.

"New-car buyers are already paying the full 12% (GST and PST) but it will reduce some costs for our members and once it (HST) is introduced, the province will remove the luxury sales tax on all vehicles that cost more than \$55,000."