

Local dealerships weathering storm

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Prince George auto dealers have been resilient in the face of a sharp drop in vehicle sales, according to New Car Dealers Association of B.C. president **Blair Qualey**.

Statistics Canada reports new vehicle sales were down 24.5 per cent in B.C. at the end of July. Vehicle sales for the province were at 88,254 at the end of July - down from 116,969 at the same time last year.

"There is no question it's been a challenging year," Qualey said. "Up in Prince George you've got a group of dealers that have weathered a tough time, but they're alive and well. It's going to take awhile for the economy to right itself, but it's getting better now."

New vehicle sales in B.C. were up 1.5 per cent in August, compared to July, he said.

"We're seeing a slow, almost inch-by-inch, improvement. (But) we're encouraged that it's coming out slow and steady," Qualey said.

During the recovery from a recession it's not uncommon to see sales fluctuate up and down, he said.

"Dealers are finding the tone has changed with people. We've been seeing people sounding more positive," Qualey said. "And with the lowest prices in a generation, it's an incredible opportunity for people. What you can get now, compared to even two years ago, is amazing."

Manufacturers and dealers have been offering a suite of incentives to lure buyers onto their lots, he said.

Government has played a part by offering to back warranties on vehicles made by financially-struggling Chrysler and General Motors, he said. The restructured companies will be leaner and more competitive, he said.

"Now we're faced with a much stronger set of manufacturers. What really stemmed the tide there is the governments on both sides of the (Canada-U.S.) border have stepped up and taken the bull by the horns," he said. "Dealers have been telling them to build small vehicles for a long, long time. Now maybe they will."

The \$3 billion federal scrap-it program in the U.S. which offers cash for people to trade in their older-model vehicles for a new vehicle contributed to 700,000 new vehicles sales in the U.S., he said.

"On the national front, yeah, we were disappointed the federal government didn't follow Washington on this," Qualey said.

"(But) the B.C. program has been incredibly successful and we hope it'll continue."

B.C. has allocated \$15 million for its provincial Scrap It program. New car dealers have helped take nearly 12,000 older cars off the road through the program, he said.

"The province gave \$15 million for the program, and \$11 million came back in PST on the new vehicles," he added.

The program is nearly self-funding, helps consumers, boosts the economy and takes older, polluting vehicles off the road, he said.

"It's a win for everybody. Some of those vehicles had 60 per cent higher emissions than the new vehicle which replaced it."

The coming year should bring technologies and choices to local dealers, he said.

Chevrolet is slated to launch the Chevy Volt plug-in hybrid next year, and electric car maker Tesla Motors is scheduled to open its first Canadian dealership in Toronto.

"We're starting to get into some pretty Star Trekkie kind of technology. They've got cars that can park themselves. Next year is going to be an exciting time."

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