

South of the border deals - are they worth it?

One cross-border purchase that has been getting a lot of press recently is automobiles.

A report by Scotia Economics earlier this week indicated that Canadians imported a record-breaking 24,873 vehicles from the U.S. in October - double the number from the same month in 2006, and 68 per cent more than in September of this year, when the dollar first hit parity.

Alvin Derksen of Hometown Service in Winkler says he and the other dealers in town have noticed that some car buyers are heading south to pick up a vehicle, but he's not so sure it's something to be too worried about or surprised at.

"It's to be expected when our currency does this," he said. "I don't blame people for looking over there."

That said, Derksen questions whether the deals are really as sweet as the gossip mill has them to be.

"There's a lot of people batting numbers around," he said. "I question whether there's much of a savings in used (cars), because our market follows their (the U.S.) market."

New vehicles, on the other hand, may be a different story. In some cases, the price differences between high-end vehicles here and there have been shown to be in the tens of thousands of dollars.

But many automobile manufacturers - including Ford and Honda - have tried to slam the door shut on cross-border shopping by forbidding U.S. dealers from selling new vehicles to Canadians.

Although some American dealers and Canadian buyers may find ways around those decrees, Derksen notes the financial

difference between most vehicles likely isn't all that great when you factor in all the rebates - some up to \$10,000 - financing incentives, and other perks manufacturers have been coming out with recently in a bid to entice Canadian buyers.

"These incentives, they've been sweetening them," he said. "It narrows the gap considerably."

New or used, Derksen urges vehicle buyers to shop wisely and do their research before taking the plunge down south - there are many factors to take into consideration.

One is the fact that Canadians don't qualify for financing in the U.S., which means you'll have to pay cash for that fancy new (or new-to-you) car.

Another concern is whether Canadian dealers will (or can) honour the warranty on your American-bought vehicle.

Derksen notes that while simple fixes aren't a big deal, if a vehicle has a major problem it generally needs to be taken back to the dealer who sold it to you.

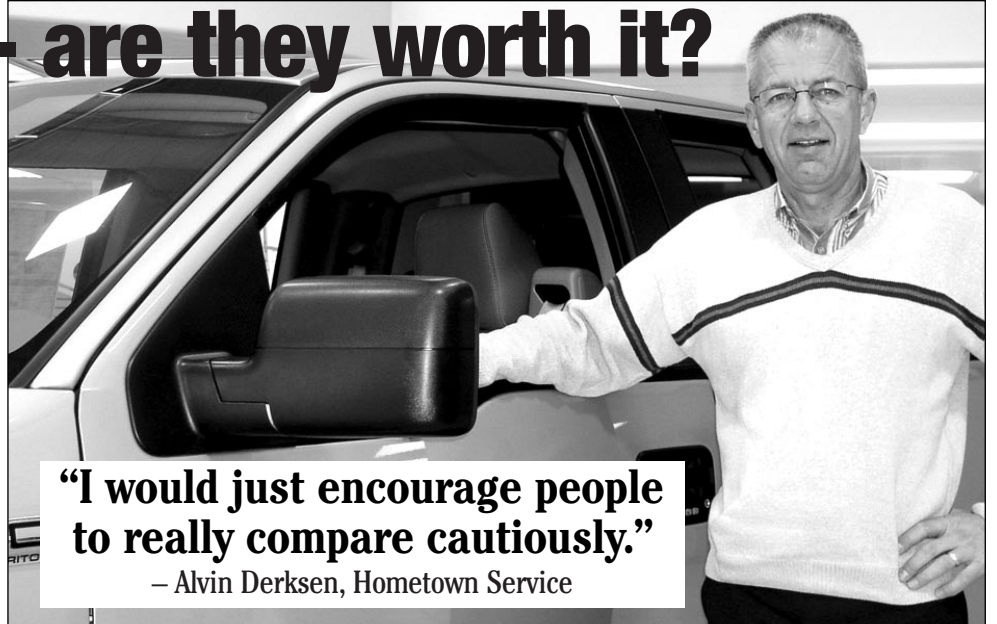
"In cases like that, really, the customer should go back to the selling dealer," he said.

That could mean a long trip back to the States, or a hefty towing fee.

There's also the fact that Canadian standards for automobiles differ from American ones when it comes to speedometer and odometer markings, immobilizers, running lights, and other specifications, said Derksen.

These modifications will have to be made, and may cost you a bundle.

You also have to jump through all of the necessary hoops to bring your vehicle into



"I would just encourage people to really compare cautiously."

- Alvin Derksen, Hometown Service

Alvin Derksen of Hometown Service, Winkler's Ford dealer, isn't surprised customers are looking south for savings, but hopes they're doing their research first.

Canada, which includes dealing with both the U.S. and Canadian customs agencies as well as Canada's Registrar of Imported Vehicles, undergoing a vehicle inspection, getting proper clearance documentation, and paying a fee of around \$200 in addition to various taxes and possibly import duty if the vehicle was manufactured outside of North America.

When it comes to used vehicles, one other thing local dealers offer that American ones may not is a familiarity with the car you're buying, Derksen said.

In the U.S., used vehicles are much more likely to travel across state lines, which could put you at a higher risk for buying a lemon, he said.

"In a smaller community like ours, most

dealers prefer to sell a car with a story behind it," he said. "We like to know where it came from."

That means most used cars on local lots either come from Winkler or were brought in from a surrounding community, Derksen said. As a result, the local dealerships know a whole lot more about the history of their used vehicles.

Derksen hopes people looking for their newest set of wheels will keep all of these things in mind when making the choice to shop local or head south.

"I think it's important that people do their homework," he said. "I would just encourage people to really compare cautiously."

-Ashleigh Viveiros

Winkler's retail reputation steadily improving

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In addition to the basic bulk cost of goods, Canadian retailers also have to contend with import taxes that don't afflict their southern counterparts, said Dunseath.

"We have an import duty of at least 18 per cent that American businesses don't pay," he said. "So, right away, between the exact same product here and the exact same product in the States there could be an 18 per cent difference (in price). I have no control over that."

Despite that, retailers and manufacturers in all sectors have been trying to heed the cries of customers, and many have lowered prices accordingly.

Dunseath said he's been low-

ering prices on hundreds of items each week, as his product suppliers respond to the strong dollar and the threat of Canadian shoppers bringing their money across the border.

"Prices have gone down rapidly, they have ... but it does take a little while to get there," he said.

"It is something that doesn't happen overnight," said Thomas, adding those price slashes have made cross-border shopping less of a necessity for bargain-hunters. "Some of the benefits of cross-border shopping aren't as great as they were only three weeks ago."

Prices, selection steadily improving

While cross-border shopping

is a definite current concern for local retailers, the Winkler business community's biggest competitor has long been what most locals still call 'The City'.

All too many people who live here regularly head north to Winnipeg in search of bargains and selection, said Thomas.

"I think we have the perception here that everything is more expensive in Winkler and that we don't have the products and services to offer," he said. "In the past, that was true ... but that is changing."

As far as prices go, many local retailers will match lower prices found elsewhere, if they can, Thomas said, adding some local electronics stores have been trying

to set some of their prices to be comparable to Winnipeg electronics giants Best Buy and Future Shop.

"It all boils down to competitiveness," he said. "I think the local retail community here is starting to understand that they're not as competitive as they are in other places, and they're trying to change that."

In regards to selection, most stores can and will order in items they may not have on the shelves, said Thomas.

"The selection is there," he said. "Just because it's not on the shelf, doesn't mean that they won't get it for you."

"Our market is limited here," acknowledged Dunseath. "Our assortment won't be as diverse as it

will be in Winnipeg because they're serving 600,000 people and we're serving 40,000. (But) if people shop here and people continue to shop here, the assortment will grow ... (retailers) won't be afraid to bring in new things."

In the end, Thomas thinks what will really keep people shopping locally will be the customer service local retailers can offer their friends and neighbours.

"Our merchants are recognizing the value of customer service and being competitive," he said, adding the Chamber hosts workshops to help its members better serve customers. "I really believe in the end customer service will win out."



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