

Sylvie et Serge Bergeron

From: "Sylvie et Serge Bergeron" <Sylvie@bergeron.ca>
To: <serge@bergeron.ca>
Sent: Friday, January 18, 2008 6:23 PM
Subject: Fw: Your Car from Europe - website post

To: "Sylvie et Serge Bergeron" <sylvie@bergeron.ca>
Sent: Friday, January 18, 2008 2:16 PM
FROM NAME PROTECTED
Subject: RE: Your Car from Europe - website post

Hello,

here's the letter, as promised. However, I started to write this about two weeks ago and when I got back to it I found out that some cars got cheaper in the meantime. That's good news, isn't it? :-)) But I cannot use some of the examples. Perhaps the new version is not that mindblowing, but at least it's more accurate. And it still shows some ridiculous disparities.

I hope that in future you'll be able to enjoy free trade that NAFTA was supposed to introduce. Free trade is about free movement of goods and services. If I find a great deal for a car in Germany or Sweden I can simply buy it and register it in Slovakia. My guarantee checks can be done by dealer in Poland or Britain, guarantee will be honored across whole Europe. I just don't understand that it often is not the case across US/Canada boorder. EU is not perfect thing but it's unbelievable what it's done for consumers. And Europeans don't realize that until they crash into free trade a la NAFTA.

Please, do not publish my name and occupation, I still have to file a visa application :-))) Just say "a petrol head from Slovakia".

Anyway, see you in Canada:-)

NAME REMOVED

P.S. Feel free to contact me if you have any questions. By the way, I have interesting story about some funny things with driving licence recognition:-) Plus, writing helps me to practice my English and learn American versions of the British English words. But I guess I'll be rather busy with getting all the documents and permits and arranging all the stuff so let's leave that for some other time.

I'm being relocated to Canada and I thought I'd bring my Mazda 3 with me. It's officially a non-confmorming car, because it was manufactured for European market (bought in Slovakia), but still, it can be imported for personal use for up to one year; it must be exported after that.

I gave up because I can't get insurance for North America in Europe and insurers in Canada would not insure my car until it's registered. And since it's a non-conforming vehicle... I got a great quote from Clemens, worldwide cover. Providing I'm either a relief organization or have US license plates....

As a result, I spent a while researching new and used cars in Canada, because I probably will need and want one. What struck me first, were the prices of new cars.

I realized two rather shocking facts.

1. Some cars in Canada are unbelievably expensive (not only compared to the US, compared to EU too)
2. Cars in Canada are rather poorly equipped.

Price.

Consider this. If I buy a car in the US, ship it to Slovakia across the Atlantic and half a Europe, pay taxes, duties and have it turned into a conforming vehicle, it would be only slightly more expensive as the same car bought in Ontario. And that's only because the prices were slashed in recent days.

Here's an example.

Truck of the Year, Mazda CX-9. The car is not officially sold in Slovakia. US price 41,000 USD without tax - fully loaded with some optional extras like Bose audio, reversing cameras, tow...

I'm going to work here with mix of Canadian dollars (CAD), US dollars (USD) and Slovak Koruna (SKK).

41,000 USD = 948,300 SKK

I'd have to pay the VAT of 19 percent of the car and then 10 percent customs duties.

That's

$948,300 + 19\% (180,177) = 1,128,477$ SKK

$1,128,477 + 10\% (112,847) = 1,241,325$ SKK

Changes to the car (brake lights, rear fog lamps, indicators) and emission testing and certification process cost about 100,000 SKK (can be more with US cars, can be less with European and Japanese cars.)

And so we arrive at 1,341,325 SKK or 59,600 CAD.

The price of the same car with the equipment in Canada is about 58,000 CAD (incl. delivery, taxes).

Shipping from the States to Europe can be arranged for as little as 1000 USD (per car if you ship two cars, or 1800 if you ship one).

The importer (grey import) sells CX-9 for 1,667,000 SKK or 74,000 CAD - that includes shipping, insurance, importer's profit and 3yr or 60,000 km

guarantee.

But if you do it on your own.... it's on par with Canadian pricing. And that's crazy considering that you had to ship a car literally across half of the world and pay all those charges. Still, the paperwork is less complicated compared to importing a car from the US to Canada...

Trivia - not so long ago it was cheaper to buy a car in Canada and have it shipped to Slovakia than to buy the same car in Slovakia... Not anymore.

2. Equipment

I realized that, in terms of safety, cars in North America are rather poorly equipped. I was shocked when I found out that ABS is neither standard nor available on most of entry level models.

It's not just comparison with Europe, where ABS is compulsory from 2003 and most cars had it as standard since late 90's. Generally speaking, European models are better equipped and have more standard features than their Canadian model counterparts.

But also, I got an impression that some Canadian models are worse off compared to US models.

As Mazda fan I was really surprised that you get DSC and TCS as standard on mid-level trim of a US Mazda 3. According to the mazda.ca website, it's not even an option. Why? Not only a US car is cheaper, it is also better equipped. If that's just an omission on the website, I do apologize.

But the truth is - small and midsize cars don't have ABS as standard and stability programs are often only available as part of expensive packages. ABS and DSC in my Mazda saved my life (not my mistake) and I just don't buy a car without them.

I think it's necessary to press manufacturers and importers into offering modern safety equipment as standard across the board. I think you deserve it - partially to compensate for ridiculously high prices.