



Canadian Off-Highway Vehicle Distributors Council  
Conseil Canadien des Distributeurs de Véhicules Hors Route

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By Jo-Anne Farquhar

Canada's economy, though weighed down partly by its southern neighbor's weakness, is recovering more robustly than most countries. The rising value of the Canadian dollar is certainly an indicator, which has presented some Canadians with a new-found clout that has them traveling south of the border to shop and vacation.

While concerns around cross-border shopping aren't new, Canada's business community will tell you that the rise of the loonie is not without its problems. And as fellow Canadians, the motorcycle, off-road motorcycle and ATV manufacturers, distributors and their dealerships admit that they face their fair share of challenges as they adapt to a fluctuating market and the rapid appreciation of the Canadian dollar against numerous other currencies.

In fact, the major manufacturers and distributors who are members of the Motorcycle & Moped Industry Council (MMIC) and the Canadian Off-Highway Vehicle Distributors Council (COHV) acknowledge that the fluctuating dollar can be confusing for customer expectations in today's market.

But, consumers need to realize that there are many elements that are factored into the equation when determining the cost of doing business in Canada or for that matter, any other country. Customers might believe that the only real difference between Canadian and U.S. vehicles relates to vehicle gauges (which are metric in Canada and imperial in the United States). But it isn't that simple.

The difference in actual pricing takes into account, the greater economic forces of transportation, employee wages, market size economy, taxes, French translation of labels and manuals etc. between Canada and the U.S. Motorcycle, ATV and off-road motorcycle units are purchased four to six months prior to the vehicle being brought into the country. The exchange rate is locked-in at that time, whether it's in U.S. dollars, the Chinese Yen or any other currency. But even faced with this challenge, Canadian pricing is still competitive within the Canadian market place.

We have to remember as well that the U.S. sells approximately eight to ten times more units than Canadian dealerships and they have more buying power due to

unit volume discounts. So here are some facts Canadian consumers need to be aware of when they are considering the purchase of their next bike or ATV:

- Select models have made-for-Canada only specifications for engine, suspension settings, and parts to meet the unique demands of the Canadian market, and select parts may only be available at Canadian dealers.
- Customers have the support of your local dealer for service, accessory and parts.
- Financing options offered in the U.S. will not be available to a Canadian citizen.
- Warranty is based on the unit's original country of intended purpose, but not Canada.
- Exchanging Canadian Dollars to U.S Dollars at most financial institutions will add a 2% - 3% exchange rate fee.
- Canadian duties and/or U.S State taxes paid at time of importation or sale.
- Any unit modification's required of instrumentation, safety, and or labeling to meet Canadian regulations will be the responsibility of the buyer.
- Custom costs (RIV) for Canadian registration at time of importation.
- Full Canadian GST and Provincial taxes paid at time of importation.
- When it comes time to sell your unit, selling into the Canadian market could be more difficult with buyers not wanting a non-Canadian based unit.
- MSRP often does not represent the actual selling price (Cdn rebates, sale programs etc.)
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MMIC & COHV member manufacturers recognize and welcome the loyalty of their Canadian customers and are committed to building and engineering made-for-Canada products that exceed customer expectations. So remember to weight the risks before committing to a major purchase at a non- authorized dealership or from another country.

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