Suzuki Canada: 'Business As Usual' In Canada

Hugh McKenna, The Canadian Press

RICHMOND HILL, Ont. - It remains "business as usual" for Suzuki in Canada despite a decision by its counterpart in the United States to discontinue auto sales and seek court protection from its creditors while it focuses on other products.

"Suzuki Canada has no current plans to discontinue automobile sales in Canada nor are we contemplating any form of court-supervised restructuring as they have done in the United States," Suzuki Canada spokesman Bill Porter said in an interview Tuesday.

Porter said Suzuki Canada is emphazing the fact that the two companies are not connected and that the news in the United States is not expected to have any impact on Suzuki's Canadian operations.

"Our sales are up over last year so its business as usual in Canada, that's the message we've given to our dealers and certainly to our customers as well. No change at all."

American Suzuki Motor Corp. filed for protection under Chapter 11 of the U.S. bankruptcy law and said it will cease selling automobiles in the U.S. as part of a plan to restructure its business.

The company, based in Brea, Calif., is the sole distributor of Suzuki Motor Co. vehicles in the continental United States. It intends to concentrate on selling Suzuki motorcycles, all-terrain vehicles and marine outboard engines once it exits bankruptcy protection, it said.

In documents filed with the U.S. Bankruptcy Court in the Central District of California, the company estimated that its debts and liabilities range from at least $100 million to as much as $500 million.

It has enough cash to operate during the restructuring and intends to honour all car warranties and buyback agreements. Meanwhile, it will work with its car dealerships to help them transition into parts-and-service operations. In some cases, the dealerships will be shuttered, it said.

American Suzuki said it was exiting the car business because of slow sales, unfavourable foreign exchange rates and high costs due to U.S. regulatory requirements.

However, that has not been a problem in Canada, Porter said.

"We just had a dealer meeting in September and we're experiencing right now, the last five months, very successful sales," said Porter, senior vice-president, sales and

marketing.

The company's approximately 60 automobile dealerships across Canada are currently selling a little over 500 vehicles a month, up from around 400 a month last year.

"So last year we sold about 5,000 cars so we're on track to do more than that this year in Canada and, you know of course, . . . we are very prominent in the motorcycle and ATV and marine divisions as well."

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