



ECONOMIC AND INDUSTRY PERSPECTIVES
25th Annual Economic Outlook Symposium
Federal Reserve Bank of Chicago

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GLOBAL ECONOMIC OUTLOOK

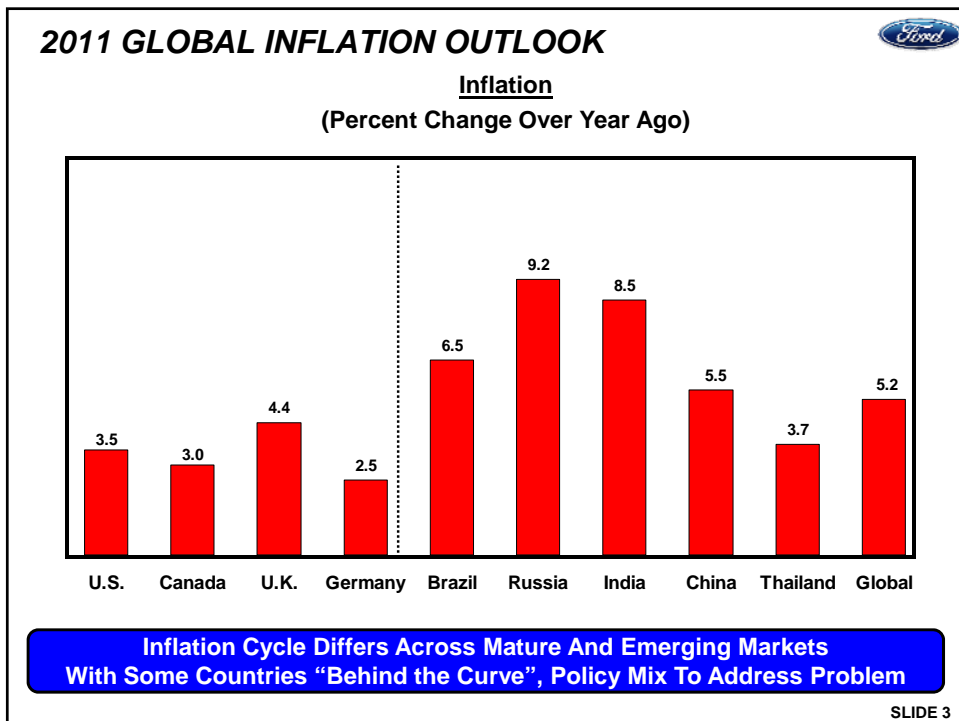
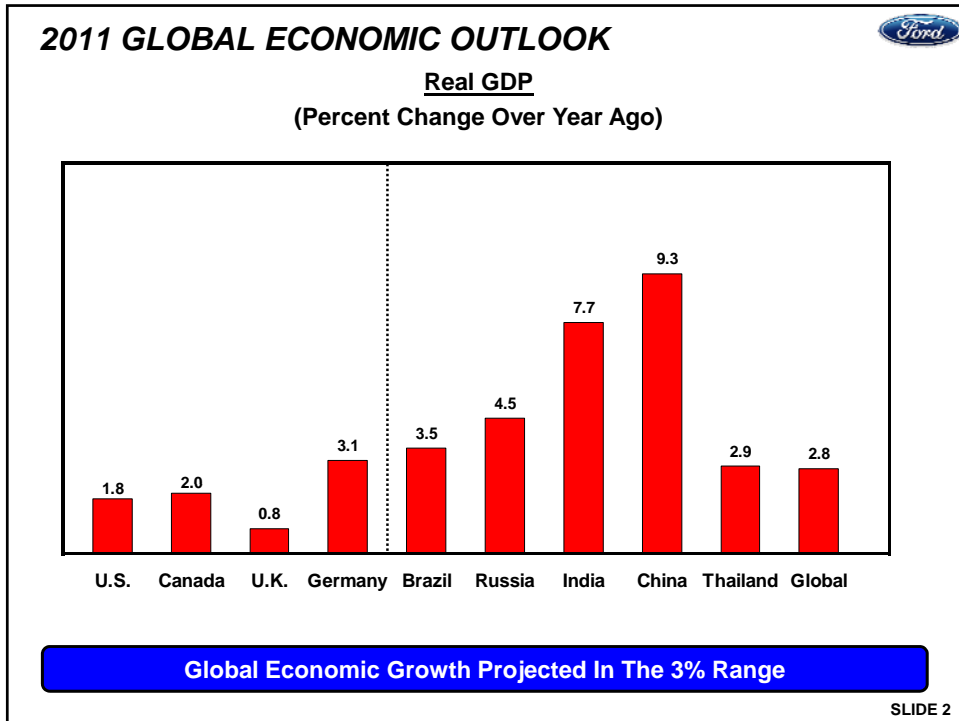


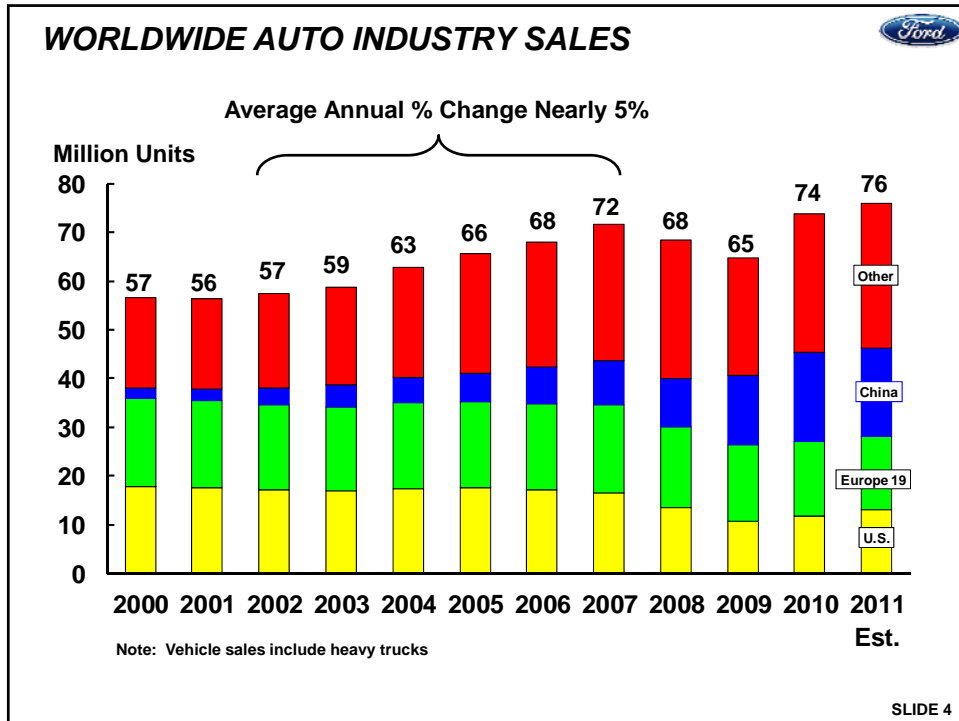
- Global economy slowed to 2.5 – 3% pace with onset of Europe recessions
- Economic fundamentals are mixed across major markets
 - Recovery in U.S. economic growth with strong growth in capital spending and 2+% growth in consumer spending
 - Europe debt and recessions spur spillover effects to other markets
 - Canada, Brazil, and Asian growth positive -- with inflation risks
 - Economic policy is supportive with low interest rates

Key Takeaways:

- Short-term economic risks
- Long-term -- global economy reaching dynamic phase
- Incomes in many emerging markets reaching levels which sustain faster pace of consumer spending on durables like cars
- This phase of economic development raises the standard of living and vehicle ownership rates

SLIDE 1





FOCAL POINT: U.S. SALES FUNDAMENTALS

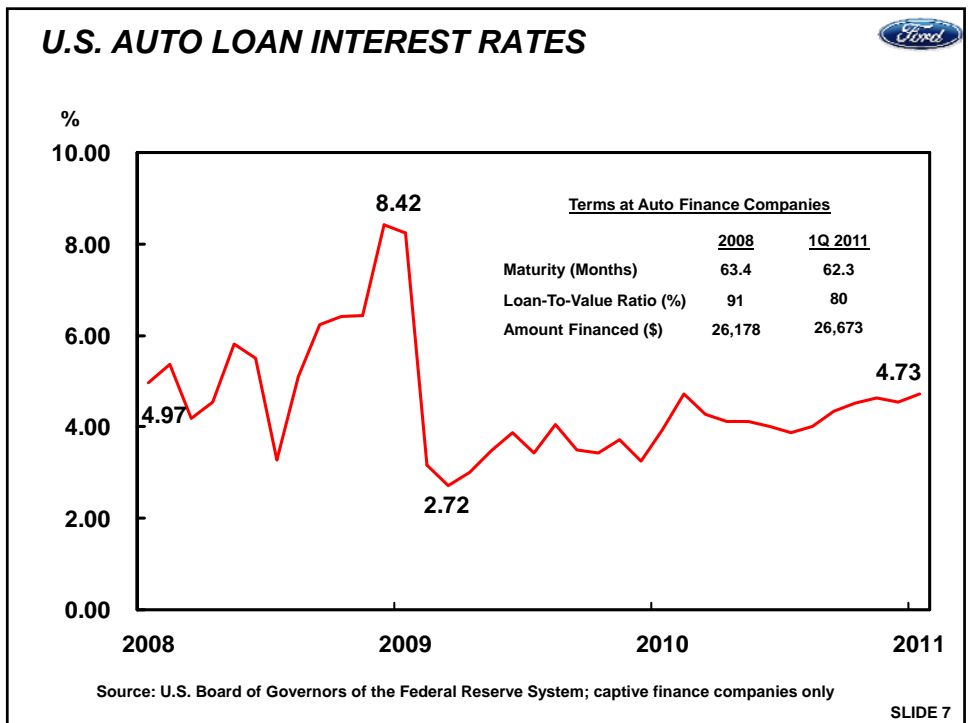
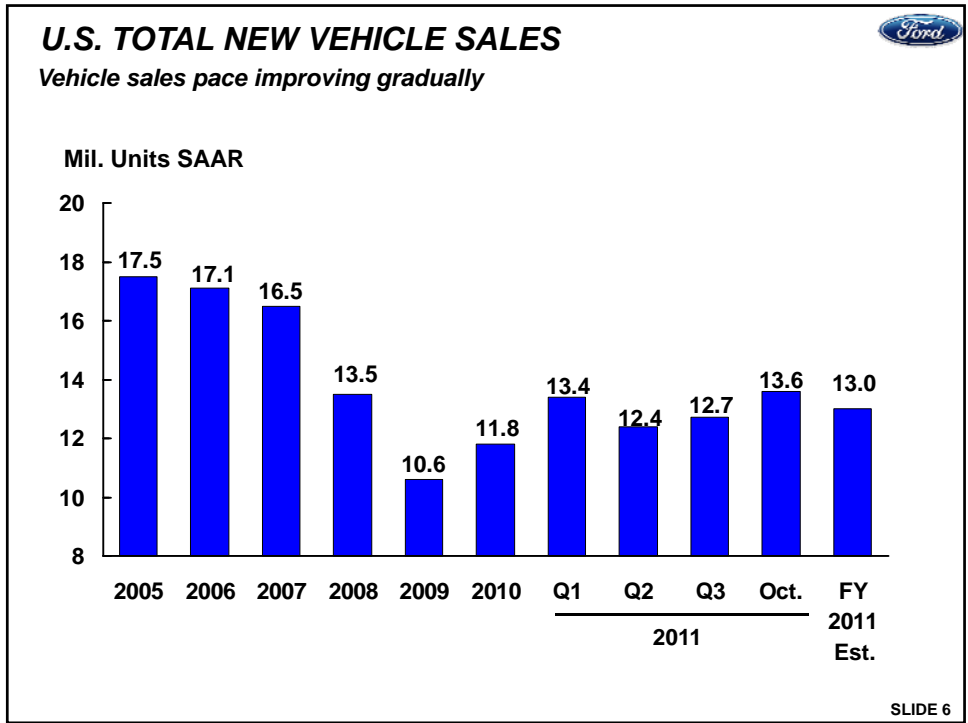
Short-Term Factors

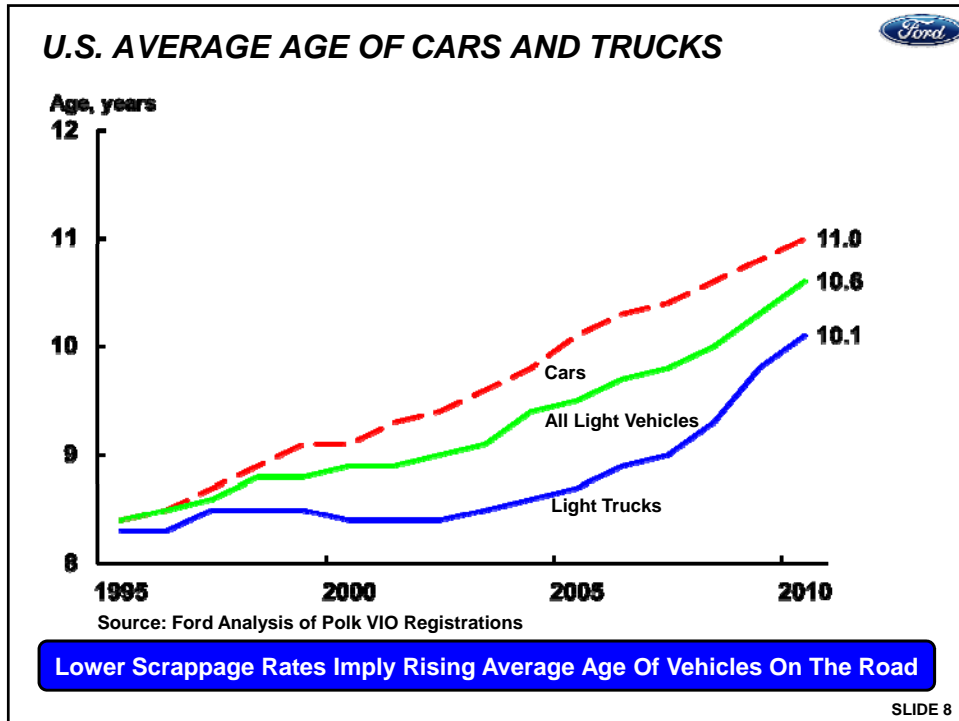
- Pickup in leading indicators / growth spurred by tax cut package
- Easing of credit conditions
- Employment and income dynamics muted but continue to improve
- Fuel pricing
- Interest rates
- Firm used car pricing

Long-Term Factors

- Vehicle stock age -- above 10 years
- Number of new drivers -- over 2 million in 2011
- Household formation by mid-decade

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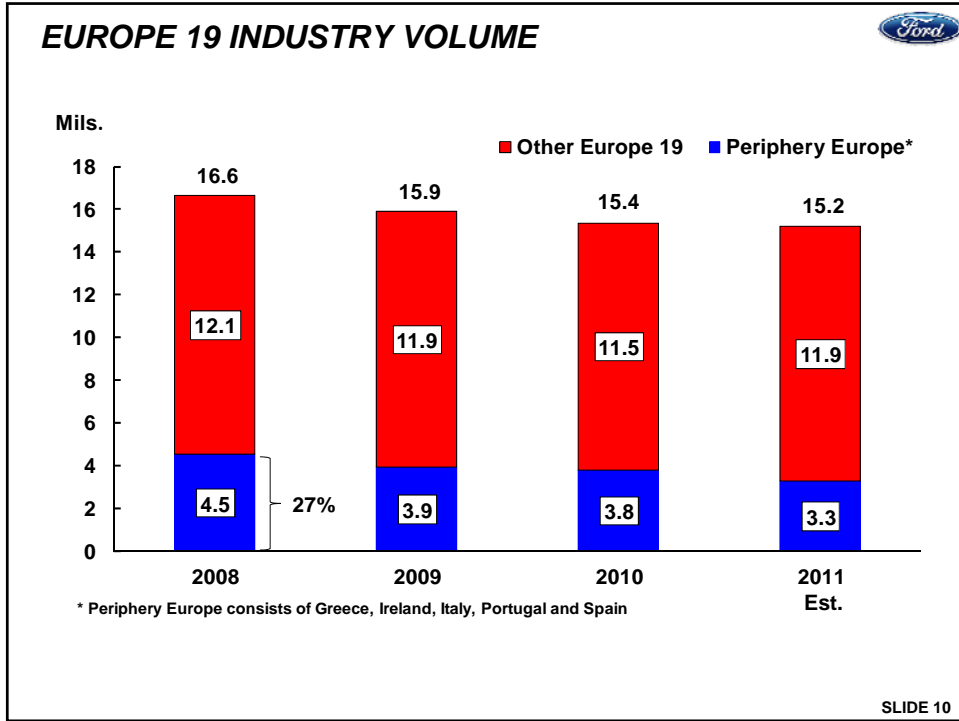


U.S. DOMESTIC AUTO PRODUCTION

Japan Disaster and Thai Flood Impacts

	1Q 2011		2Q 2011		3Q 2011		4Q 2011	
	<u>Units</u> (000s)	<u>SAAR</u> (Mils.)	<u>Units</u> (000s)	<u>SAAR</u> (Mils.)	<u>Units</u> (000s)	<u>SAAR</u> (Mils.)	<u>Units</u> (000s)	<u>SAAR</u> (Mils.)
Production Forecast	2,206	8.5	2,357	9.0	2,311	9.6	2,352	9.5
<small>Source: Ward's</small>	<small>12-10</small>		<small>3-11</small>		<small>6-11</small>		<small>9-11</small>	
Production Actual / Estimate	2,194	8.4	2,068	7.9	2,103	8.7	2,146	8.6
<small>Source: Ward's</small>	<small>5-11</small>		<small>8-11</small>		<small>11-11</small>		<small>11-11</small>	
Production (Loss) / Gain Forecast			(224)	(0.9)	(2)	(0.0)	(206)	(0.9)
Production (Loss) / Gain Actual	(12)	(0.1)	(288)	(1.1)	(208)	(0.9)		

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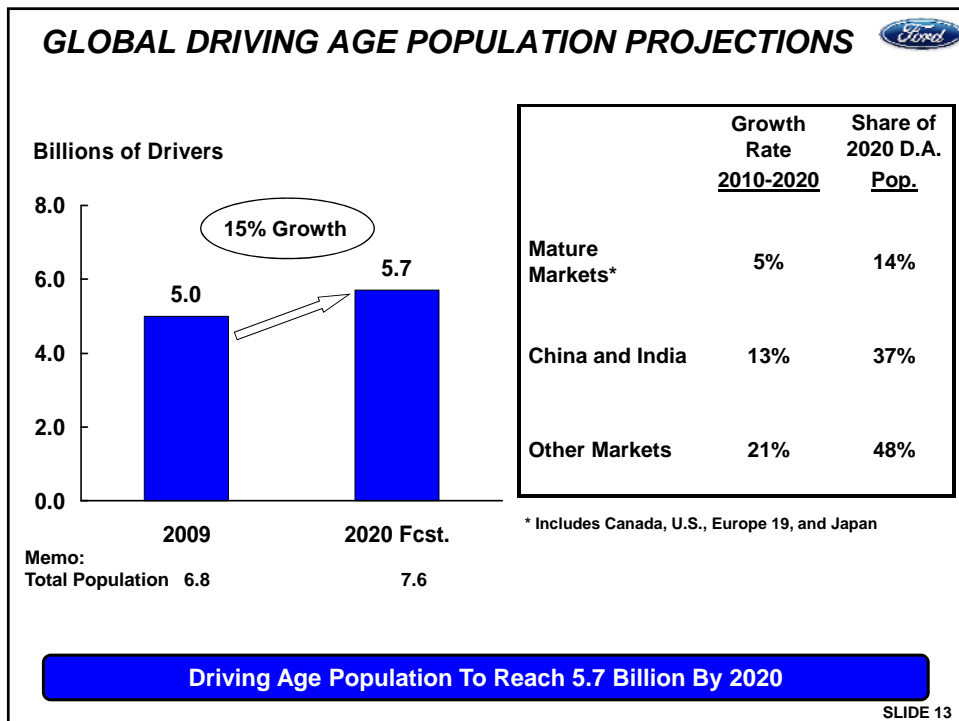
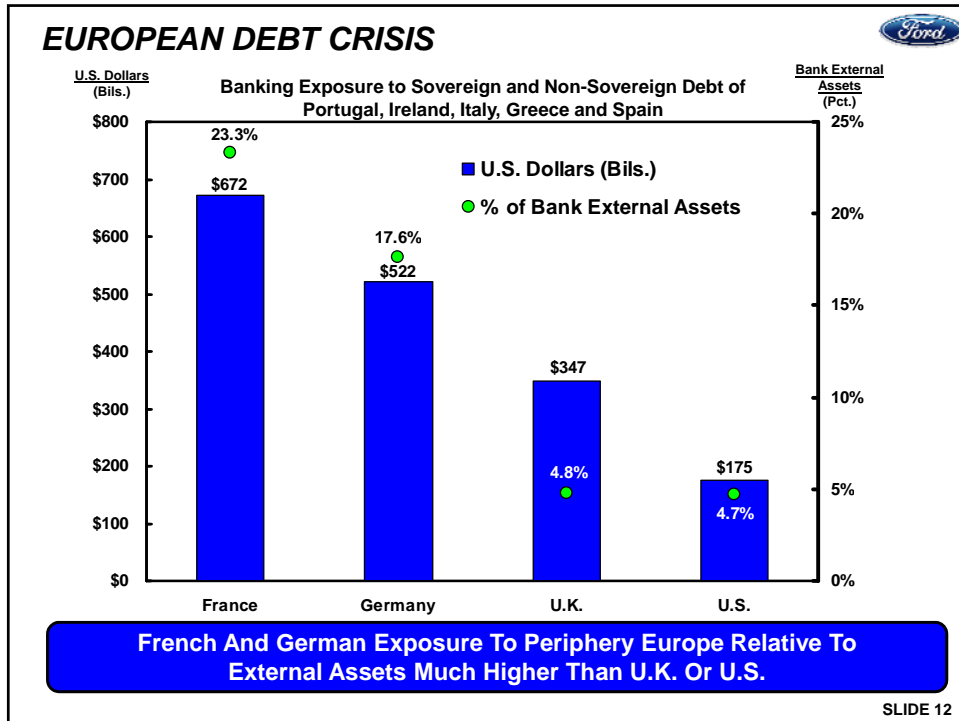


EUROPE 19 NEW VEHICLE SALES

	2010 (Mils.)	2011* (Mils.)
Periphery Europe**	3.8	3.3
% Change over Prior Year	(3.4)	(13.8)
France, Germany & U.K.	8.2	8.3
% Change over Prior Year	(8.7)	2.2
Other Europe 19 Markets	3.4	3.6
% Change over Prior Year	13.4	6.6
Total Europe 19	15.3	15.1
% Change over Prior Year	(4.6)	(1.4)

** Periphery Europe includes Portugal, Ireland, Italy, Spain and Greece

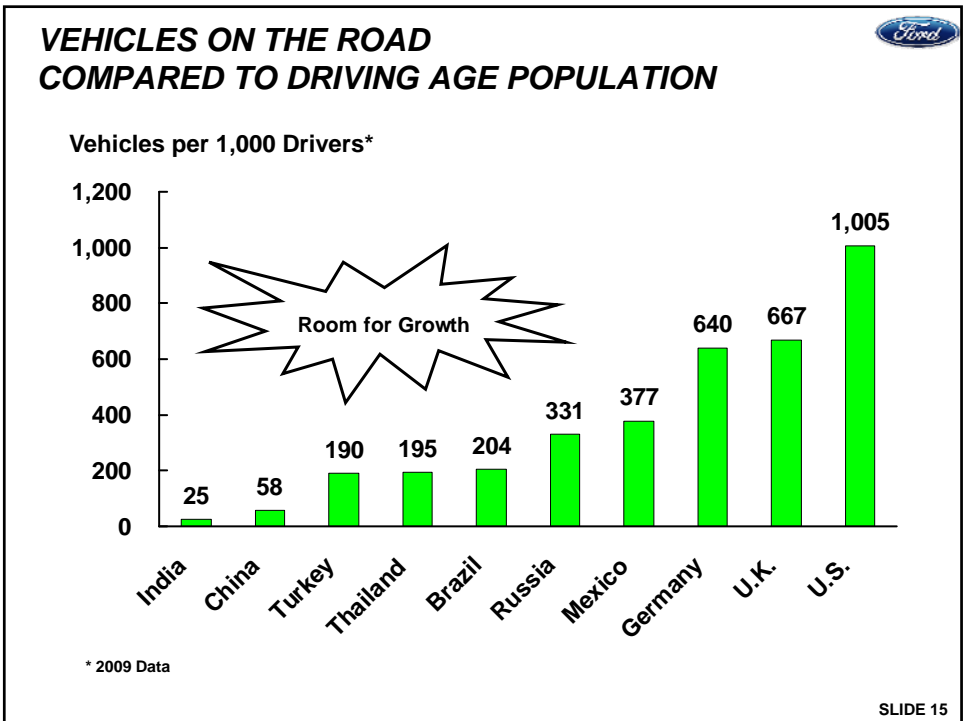
SLIDE 11



SELECTED "TAKE-OFF" EMERGING MARKETS

	2010 Per Capita Income USD\$ 5,000 - 15,000*	2010 Driving Age Population Millions
China Central	6,319	409
China East	\$ 10,465	310
India West	5,288	170
Brazil	9,748	148
Mexico	12,604	80
Turkey	12,540	57
Thailand	7,672	54
Egypt	5,676	54
Indonesia (Jakarta/Java)	5,472	46
South Africa	9,476	35
Argentina	14,039	31
Romania	10,929	19
<i>Memo: Take-Off Markets Above as % of Global Driving Age Population</i>		27%
<small>* At Purchasing Power Parity (PPP) in \$2005</small>		

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KEY PLANNING ASSUMPTIONS
Ford Motor Company Investor Day – June 2011



Mid-Decade Outlook

GDP	
- U.S.	2 - 3%
- Global	3 - 4%

Trend Industry Volumes (Mils.)*

- U.S.	15 - 17
- Europe 19	15 - 17
- Brazil	4 - 5
- Russia	3 - 4
- India	5 - 6
- China	24 - 28
- Global	95 - 100

Fuel Prices / Commodity Costs **Generally increasing
with stronger economies**

*Includes Medium and Heavy Trucks

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RECAP



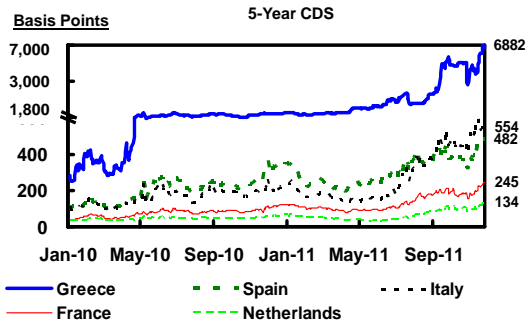
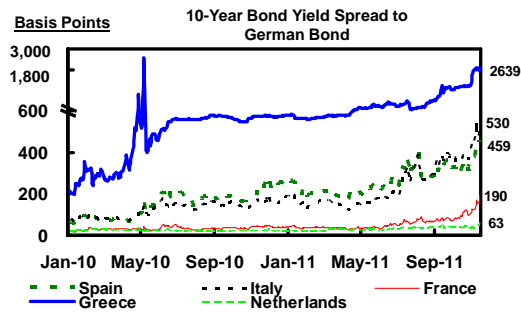
- **Global economic growth in the 3% range**
- **Recessions in several Europe markets**
- **Long-term: Many markets reaching phase of economic development characterized by an acceleration in consumer spending**
- **Aging fleet in the U.S. suggests replacement demand will continue to grow in 2012**

SLIDE 17



BACKUP

EUROPE DEBT MARKET INDICATORS



BACKUP 1

