



## Fair Trade

### A Cornerstone of Ford's Business Model

Since our founding in 1903, Ford has recognized the importance of participating in international trade. In fact, the sixth vehicle we ever produced was exported outside the U.S. Today, with 95 percent of the world's auto-buyers living outside the United States, we continue to view international trade as a cornerstone of our business model.

For a long time, the U.S. auto market has been more accessible for importers than many of the key auto-producing markets around the world. So we're used to competing against foreign automakers that import vehicles here as well as foreign automakers with factories in the U.S. This has taught us that, in today's global auto business, we have to be competitive with all automakers no matter where they build vehicles.

That can be tough, because the best automakers are constantly reducing costs and increasing productivity, allowing them to get new innovations to market at attractive price points. But we've shown that we can compete in this environment on a global stage and our intention is to remain world-class in every facet of our business.

Ultimately, we need some help in order to penetrate markets that have long been closed to products made by U.S. automakers. That's why Ford supports trade liberalization and has backed every trade agreement approved by the U.S. Congress since the 1960s.

In general, the free flow of goods and services brings the greatest benefits to consumers, who ultimately receive higher-quality products. Businesses also benefit because they now have more potential customers for their goods.

We believe the best business conditions exist when tariffs and trade barriers are removed and we work to ensure the agreements we support include those provisions. Most recently, we demonstrated our commitment to free trade in late 2010 while the U.S.-South Korea Free Trade Agreement was being re-negotiated. The two countries had come close to a deal we believed was unfair. In our view, it would have locked-in virtually one-way trade between South Korea and the United States. In fact, for every single vehicle the U.S. exported to South Korea, South Korea imported 52 to the U.S. For this reason, we worked with the administration to make modifications to the pact, ensuring that American-made cars and trucks have a fair chance to compete in the Korean market.