

Employment Data

The approximate number of individuals employed by us and entities that we consolidated as of December 31, 2013 and 2012 was as follows (in thousands):

	<u>2013</u>	<u>2012</u>
Automotive		
North America	84	80
South America	18	17
Europe	50	46
Asia Pacific Africa	23	22
Financial Services		
Ford Credit	6	6
Total	<u>181</u>	<u>171</u>

The year-over-year increase in employment primarily reflects consolidation of Ford Romania in Europe, hiring in North America, Asia Pacific Africa, and South America to support product-led growth initiatives, and hiring in North America and South America to support increased vehicle production.

Substantially all of the hourly employees in our Automotive operations are represented by unions and covered by collective bargaining agreements. In the United States, approximately 99% of these unionized hourly employees in our Automotive sector are represented by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (“UAW” or “United Auto Workers”). Approximately 1.5% of our U.S. salaried employees are represented by unions. Most hourly employees and many non-management salaried employees at our operations outside of the United States also are represented by unions.

In 2011, we entered into a four-year collective bargaining agreement with the UAW. The agreement covers approximately 46,000 employees, and maintains our progress on improving competitiveness in the United States. Excluding profit-sharing, compensation-related terms—including lump-sum payments (in lieu of general wage increases and cost of living increases) and continuation of an entry-level wage structure—are expected to increase U.S. hourly labor costs by less than 1% annually over the four-year contract period (based on a constant employment level). This increase has been offset by more flexible work rules that have increased manufacturing utilization and efficiency.

In 2012, we negotiated collective bargaining agreements with labor unions in Argentina, Australia, Brazil, Britain, Canada, France, Germany, Mexico, Romania, Taiwan, and Turkey.

In 2013, we negotiated collective bargaining agreements (covering wages, benefits and/or other employment provisions) with labor unions in Argentina, Brazil, France, Germany, Mexico, New Zealand, Russia, South Africa, Spain, Taiwan, Thailand, United Kingdom, and Venezuela.

In 2014, we will negotiate collective bargaining agreements (covering wages, benefits and/or other employment provisions) with labor unions in Argentina, Brazil, France, Germany, Italy, Mexico, and Thailand.