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FORD MOTOR CO
Form 11-K
June 28, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 11-K

(Mark One)

X ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the fiscal year ended December 30, 2003

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

Commission file number 1-3950

FORD MOTOR COMPANY TAX-EFFICIENT
SAVINGS PLAN FOR HOURLY EMPLOYEES
(Full title of the plan)

FORD MOTOR COMPANY
One American Road
Dearborn, Michigan 48126

(Name of issuer of the securities held
pursuant to the plan and the address of
its principal executive office)

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Required Information

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Financial Statements and Schedules

Statement of Net Assets Available for Benefits, as of December 30, 2003 and December 30, 2002.

Statement of Changes in Net Assets Available for Benefits for the year ended December 30, 2003.

Schedule I - Schedule of Assets Held at End of Year as of December 30, 2003.

Exhibit

| Designation ----- | Description ----- | Method of Filing ----- |
|----------------------|---------------------------------------|---------------------------|
| Exhibit 23 | Consent of PricewaterhouseCoopers LLP | Filed with this Report. |

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Ford Motor Company Tax-Efficient Savings Plan for Hourly Employees Committee has duly caused this Annual Report to be signed by the undersigned thereunto duly authorized.

TAX-EFFICIENT SAVINGS PLAN FOR
HOURLY EMPLOYEES

By: /s/Charles E. Corbett

Charles E. Corbett, Chair
Tax-Efficient Savings Plan for
Hourly Employees Committee

June 28, 2004

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EXHIBIT INDEX

| Designation ----- | Description ----- |
|----------------------|---------------------------------------|
| Exhibit 23 | Consent of PricewaterhouseCoopers LLP |

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Ford Motor Company
Tax-Efficient Savings Plan for
Hourly Employees
Financial Statements and Supplemental Schedules
December 30, 2003 and 2002

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Contents
December 30, 2003 and 2002

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* All other schedules required by 29 CFR 2520.103-10 are not included because they are not applicable.

Report of Independent Registered Public Accounting Firm

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To the Participants and Administrator of
The Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of Ford Motor Company Tax-Efficient Savings Plan for Hourly Employees (the "Plan") at December 30, 2003 and 2002, and the changes in net assets available for benefits for the year ended December 30, 2003 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of Assets Held at End of Year as of December 30, 2003 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/PricewaterhouseCoopers LLP

Detroit, Michigan
June 16, 2004

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Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Statement of Net Assets Available for Benefits
As of December 30, 2003 and 2002

2003

Assets
Investments, at fair value (including participant loans

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| | | |
|---|------------------|-----------|
| of \$192,607,854 and \$216,889,042, respectively) | \$ 4,446,787,767 | \$ 3,139, |
| | ----- | ----- |
| Total assets | 4,446,787,767 | 3,139, |
| | ----- | ----- |
| Assets available for benefits | \$ 4,446,787,767 | \$ 3,139, |
| | ----- | ----- |

The accompanying notes are an integral part of these financial statements.

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Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Statement of Changes in Net Assets Available for Benefits
Year Ended December 30, 2003

| | | |
|---|------------------|--|
| ----- | | |
| Additions | | |
| Interest and dividends | \$ 108,923,427 | |
| | ----- | |
| | 108,923,427 | |
| Contributions | | |
| Employee contributions | 310,718,695 | |
| | ----- | |
| | 310,718,695 | |
| Net appreciation in fair value of investments | 1,058,532,354 | |
| Other additions | | |
| Loan repayment interest | 14,613,036 | |
| | ----- | |
| | 14,613,036 | |
| | ----- | |
| Total additions | 1,492,787,512 | |
| Deductions | | |
| Withdrawal of participants' accounts | (177,806,623) | |
| Ford stock dividend payments to participants | (7,878,307) | |
| Administrative expense | (98,106) | |
| | ----- | |
| Total deductions | (185,783,036) | |
| | ----- | |
| Net increase | 1,307,004,476 | |
| | ----- | |
| Net assets available for benefits | | |
| Beginning of year | 3,139,783,291 | |
| | ----- | |
| End of year | \$ 4,446,787,767 | |
| | ----- | |

The accompanying notes are an integral part of these financial statements.

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Notes to Financial Statements
December 30, 2003 and 2002

1. Description of the Plan

The following description of the Ford Motor Company Tax-Efficient Savings Plan for Hourly Employees (the "Plan") provides only general information. The Plan was established effective January 1, 1985. The provisions of the Plan are governed in all respects by the detailed terms and conditions contained in the Plan agreement.

Type and Purpose of the Plan

The Plan is a defined contribution plan established to encourage and facilitate systematic savings and investment by eligible hourly employees of Ford Motor Company (the "Company") and to provide them with an opportunity to become stockholders of the Company. The Plan includes provisions for voting shares of Company stock. It is subject to certain provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") applicable to defined contribution pension plans.

Eligibility and Vesting

Hourly employees are eligible to participate in the Plan three months after their original date of hire. Certain other part-time and temporary employees may also be eligible to participate in the Plan. Participation in the Plan is voluntary. Employees immediately vest 100% in the Plan.

Contributions

Participants can contribute to the Plan on both a pre-tax and after-tax basis. Under the Plan and subject to limits required by the Internal Revenue Code ("IRC"), participants may elect to contribute up to an aggregate 40% of their eligible wages on a pre-tax and/or after-tax basis. Effective April 1, 2004, participants will be allowed to elect up to an aggregate of 50% of eligible wages to pre-tax and/or after-tax contributions. Participants may also elect to contribute a portion of their distributions under the Company's Profit Sharing Plan to the Plan. Such pre-tax contributions are excluded from participants' taxable income.

Subject to Ford Motor Company approval, participants may elect to roll over amounts from other qualifying plans or arrangements in accordance with the Internal Revenue Code. For the year ended December 30, 2003, transfers from other qualifying plans or arrangements amounted to \$1,657,155 which are included in employee contributions in the Statements of Changes in Net Assets Available for Plan Benefits.

Activity from participants in the Ford Stock Fund who have elected to receive dividends paid in the form of cash instead of purchasing additional shares is reported in the Statement of Changes in Net Assets Available for Benefits.

Participant Accounts

Each participant's account is credited with the participant's contributions and an allocation of plan earnings. The Company pays

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administrative expenses and fees of the Ford Stock Fund and the management fees of Common Stock Index Fund and BGI U.S. Debt Index Fund, also known as the Bond Index Fund. All other miscellaneous fees and expenses are deducted from participant account funds. The fees charged to individual participant account fund assets totaled \$98,106 for the year ended December 30, 2003. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Notes to Financial Statements
December 30, 2003 and 2002

Distributions

Plan assets may not be withdrawn by participants until the termination of their employment or until they reach 59-1/2 years of age, except in the case of personal financial hardship. At any time or from time to time prior to termination of employment, a member may withdraw all or part of the cash value of assets in his or her after-tax savings account that are attributable to his or her after-tax savings contributions and earnings thereon.

Investment Options and Participation

Participant contributions are invested in accordance with the participant's election in one or more investment options. A variety of investment options are available to the participants such as equity and fixed income mutual funds, commingled institutional pools and Company stock.

Transfers of Assets

The Plan permits the transfer of assets among investment options, subject to certain trading restrictions imposed on some of the investment options.

Participant Loans

The Plan permits loans to participants from both their pre-tax and after-tax program accounts. Monthly loan interest rates are based on the prime rate published in The Wall Street Journal on the last business day of the prior month.

A participant is eligible to take out one loan per calendar year, and to have only four loans outstanding at any one time. Regular loans may be for a minimum of one year, but not exceeding five years. Home loans may be for a minimum of one year, but not exceeding ten years.

Participant loans are classified as investments in the Statement of Net Assets Available for Benefits. Loans that are considered to be in default by the plan are reclassified as withdrawals.

Investment Contracts with Insurance Companies

There is no immediate recognition of investment gains and losses on fixed income securities. Instead, the gain or loss is recognized over time by adjusting the interest rate credited to the fund under the contracts.

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There were no reserves against contract value for credit risk of the contract issuer or otherwise during 2003. The average yield and crediting interest rate was approximately 5.33% for 2003. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than 0%. Such interest rates are reviewed on an annual basis for resetting.

Related-Party Transactions

Certain Plan investment options are mutual funds and other investment products managed by Fidelity Management and Research Company, which is a wholly owned subsidiary of Fidelity Management and Research Corporation. Fidelity Management Trust Company, also a wholly owned subsidiary of Fidelity Management and Research Corporation, is the trustee as defined by the Plan. Fidelity Institutional Operations Company, Inc., also a wholly owned subsidiary of Fidelity Management and Research Corporation, is the administrator for the Plan. Fees paid to these entities for trustee, administrative and other fees qualify as related party transactions. Ford Motor Company paid trustee, administrative and other fees of \$3,148,326 during the Plan year ended December 30, 2003.

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Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Notes to Financial Statements
December 30, 2003 and 2002

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investments

The investment in the Ford Stock Fund and the investments in all other funds except the Interest Income Fund are valued on the basis of quoted year-end market prices. The Interest Income Fund is stated at contract value, which approximates fair value. Contract value represents contributions made under the contracts, plus interest at the annual contract rate, less withdrawals paid out to participants. Participant loans are valued at cost, which approximates fair value. The average S&P and Moody's credit quality ratings for the underlying investments of the Interest Income Fund were AA+ and Aa1, respectively. The Common Stock Index Fund and the U.S. Extended Market Index Fund are stated at the aggregate market value of the individual collective pools included in each respective fund.

Purchases and sales of investments are reflected on a trade-date basis. The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in the fair value of its investments which consists of the Plan's realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

Contributions

Contributions to the Plan from participants are recorded in the period

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that payroll deductions are made from plan participants.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan's invested assets ultimately consist of Company stock, equity, and fixed income mutual funds, and commingled institutional pools. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

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Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Notes to Financial Statements
December 30, 2003 and 2002

3. Investments

The following present investments that represent 5% or more of the Plan's net assets as of December 30:

| | 2003 | | 2002 | |
|-------------------------|---------------|----------------|-------------|------|
| | Units | Market value | Units | Ma |
| Interest Income Fund | 1,026,179,534 | \$ 990,058,014 | 825,530,507 | \$ 8 |
| Ford Stock Fund* | 359,016,663 | 2,064,345,811 | 325,482,615 | 1,1 |
| Common Stock Index Fund | 4,604,503 | 288,380,018 | 4,566,817 | 2 |
| Participant loans | 192,607,854 | 192,607,854 | 216,889,042 | 2 |

*\$1,967,313,004 and \$1,912,842,659 represents cost at December 30, 2003 and 2002 respectively.

During 2003, the Plan's investments appreciated in value by \$1,058,532,354 as follows:

| | |
|-----------------------------------|----------------|
| Mutual funds | \$ 161,002,293 |
| Ford common stock | 821,899,693 |
| Common and commingled trust funds | 75,630,368 |

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 \$1,058,532,354

4. The Ford Stock Fund

The Ford Stock Fund is not a mutual fund or a registered investment company. It is an account that is managed for record keeping purposes comprised of Ford Motor Company common stock with a liquidity component to facilitate participant transactions. Information about the net assets and the significant components of the changes in net assets relating to the Ford Stock Fund is as follows at December 30:

| | 2003 | 2002 |
|--------------------------------------|------------------|------------------------------------|
| Net assets | | |
| Ford Stock Fund | \$ 2,064,345,811 | \$ 1,132,679,500 |
| | | Year Ended December 30, 2003 |
| Changes in net assets | | |
| Employee contributions | | \$ 133,692,507 |
| Interest and dividend income | | 49,872,567 |
| Net appreciation | | 821,899,693 |
| Withdrawal of participant's accounts | | (43,988,949) |
| Net transfers between funds | | (30,928,032) |
| Transfers out to other plans | | (7,878,427) |
| Participant loans | | 8,996,952 |
| Matching contributions | | - |
| | | ----- \$ 931,666,311 ----- |

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Ford Motor Company Tax-Efficient
 Savings Plan for Hourly Employees
 Notes to Financial Statements
 December 30, 2003 and 2002

5. Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by letter dated July 8, 2003, that the Plan and the related trust are designed in accordance with applicable sections of the Internal Revenue Code (the "Code"). The Plan has since been amended through March 24, 2004. The Plan sponsor and tax counsel believe that the Plan is currently designed and being operated in compliance with the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

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6. Administration of Plan Assets

The Plan's assets are held by the Trustee of the Plan, Fidelity Management Trust Company.

Certain administrative functions are performed by officers or employees of the Company or its subsidiaries. No such officer or employee receives compensation from the Plan.

7. Plan Termination

The Company, by action of the Board of Directors, may terminate the Plan at any time. Termination of the Plan would not affect the rights of a participant as to the continuance of investment, distribution or withdrawal of the securities, cash and cash value of the Ford Stock Fund units in the account of the participant as of the effective date of such termination. In the event of termination, all loans would become due immediately upon such termination. There are currently no plans to terminate the Plan.

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Ford Motor Company Tax-Efficient Savings Plan for Hourly Employees
 Schedule of Assets Held at End of Year
 As of December 30, 2003

Supplemental Schedule I

| (a) | (b) | (c) | (d) |
|-----|---|---|--------|
| | Identity of Issuer, Lessor, Borrower or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | Cost** |
| | Cash and Cash Equivalents | | |
| * | Fidelity Investments | Fidelity Money Market Portfolio - Class I Shares, 40,561,463 units | \$ |
| * | Fidelity Investments | Fidelity Magellan, 1,380,160 units | |
| * | Fidelity Investments | Fidelity Contrafund, 2,635,345 units | |
| * | Fidelity Investments | Fidelity Equity-Income Fund, 640,039 units | |
| * | Fidelity Investments | Fidelity Growth Company Fund, 1,638,204 units | |
| * | Fidelity Investments | Fidelity Overseas Fund, 424,688 units | |
| * | Fidelity Investments | Fidelity Real Estate Investment Portfolio Fund, 1,423,295 units | |
| * | Fidelity Investments | Fidelity Capital Appreciation Fund, 778,262 units | |
| * | Fidelity Investments | Fidelity Dividend Growth Fund, 2,706,309 units | |
| * | Fidelity Investments | Fidelity Freedom Income Fund, 241,208 units | |
| * | Fidelity Investments | Fidelity Freedom 2000 Fund, 209,956 units | |
| * | Fidelity Investments | Fidelity Freedom 2010 Fund, 1,306,901 units | |
| * | Fidelity Investments | Fidelity Freedom 2020 Fund, 1,012,394 units | |
| * | Fidelity Investments | Fidelity Freedom 2030 Fund, 414,659 units | |
| * | Fidelity Investments | Fidelity Freedom 2040 Fund, 199,042 units | |
| * | Fidelity Investments | BGI EAFE Equity Index Fund, 101,115 units | |
| * | Fidelity Investments | PIMCO Total Return Fund, 1,157,549 units | |
| * | Fidelity Investments | Domini Social Equity Fund, 48,458 units | |
| * | Fidelity Investments | Morgan Stanley Institutional Global Value Equity A Fund, 147,016 units | |
| * | Fidelity Investments | T. Rowe Price International Discovery Fund, 285,165 units | |

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| | | |
|---|----------------------|--|
| * | Fidelity Investments | T. Rowe Price High Yield Fund, 2,017,253 units |
| * | Fidelity Investments | INVESCO Dynamics Fund, 210,393 units |
| * | Fidelity Investments | Templeton Foreign Fund, 534,801 units |
| * | Fidelity Investments | Oakmark Select Fund, 1,574,292 units |
| * | Fidelity Investments | PIMCO Real Return Fund, 1,672,251 units |

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| (a) | (b) | (c) | (d) | |
|-----|---|---|--------|----|
| | Identity of Issuer, Lessor, Borrower or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | Cost** | Cu |

Investment Funds
(continued)

| | | |
|---|----------------------|---|
| * | Fidelity Investments | Janus Aspen International Growth Portfolio, 100,390 units |
| * | Fidelity Investments | Janus Aspen Growth Portfolio, 133,090 units |
| * | Fidelity Investments | Citizens Global Equity, 39,268 units |
| * | Fidelity Investments | Vanguard Investment Index Plus Fund, 828,083 units |
| * | Fidelity Investments | Royce Low-Priced Stock Fund, 2,011,518 units |
| * | Fidelity Investments | Vanguard Explorer Fund, 275,481 units |
| * | Fidelity Investments | Neuberger Berman Genesis Fund, 565,679 units |
| * | Fidelity Investments | BGI U.S. Debt Index Fund, 1,957,521 units |
| * | Fidelity Investments | Ford Stock Fund, 359,016,663 units |

Total Investment Funds

Bank Collective Pools

| | | |
|---|----------------------|--|
| * | Fidelity Investments | Common Stock Index Fund, 4,604,503 units comprised of Comerica 500 Index Fund, 271,870 units Comerica Foreign Equity Index Fund, 419,099 units Comerica Completeness Investment Fund, 76,182 units Comerica Small Cap Index Fund, 19,844 units Comerica Medium Cap Index Fund, 28,288 units |
|---|----------------------|--|

Total

| | | |
|---|----------------------|--|
| * | Fidelity Investments | U.S. Extended Market Index Fund, 322,892 units comprised of Comerica Completeness Investment Fund, 6,912 units Comerica Small Cap Index Fund, 1,906 units Comerica Medium Cap Index Fund, 2,718 units |
|---|----------------------|--|

Total

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| (a) | (b) | (c) | (d) | |
|-----|---|---|--------|----|
| | Identity of Issuer, Lessor, Borrower or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | Cost** | Cu |

Other

| | | |
|---|----------------------|--|
| * | Fidelity Investments | Interest Income Fund, 1,026,179,534 units comprised of Asset-back securities (Maturity dates extending to 2043 and interest rates ranging from 1.390% to 7.850%) |
|---|----------------------|--|

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Commercial mortgage-backed securities
(Maturity dates extending to 2043
and intrerest rates ranging from 0.441% to
7.900%)

Corporate bonds and notes (Maturity
dates extending to 2049 and interest
rates ranging from 1.875% to 10.875%)

Government agency securities (Maturity
dates extending to 2032 and interest
rates ranging from 2.250% to 12.000%)

Mortgage-backed securities (Maturity
dates extending to 2033 and interest
rates ranging from 0.800% to 8.000%)

Municipal bonds and notes (Maturity
dates extending to 2013 and interest
rates ranging from 3.850% to 3.850%)

Treasury securities (Maturity dates
extending to 2013 and interest rates
ranging from 1.250% to 12.000%)

Total

| | |
|---------------------|---|
| Participant Loans | |
| * Participant Loans | Participant loans, interest rates ranging from 4.0% to 9.5% with maturities at various times through 2013 |

*Denotes party-in-interest

** Not required per Department of Labor 29 CFR 2520.103-10.