

# Tesla slashes vehicle prices up to 20% in US, Europe

January 13 2023

---



US automaker Tesla has announced price cuts on its electric vehicles amid investor concern over growing competition and rising interest rates.

Tesla on Friday announced it will cut the price of its best-selling electric vehicle models up to 20 percent in Europe and the United States,

launching a price war as more rivals hit the market.

Shares in the Elon Musk-led company have plummeted for more than a year and fell as much as 4.5 percent in early trading on Friday, before recovering some lost ground.

"It's no secret that demand for Tesla is starting to see some cracks in this global slowdown for 2023," said analyst Dan Ives of Wedbush Securities.

However, Ives said the price cut was the "right move" and "a clear shot across the bow at European automakers and US stalwarts (GM and Ford) that Tesla is not going to play nice in the sandbox."

Tesla has already lowered prices twice in China in recent months and offered rare promotions in North America late last year.

According to social media posts, the price cut in China caused disgruntled Tesla owners to swarm showrooms angry that they had missed the second round of discounts.

In 2022, the group delivered a record 1.31 million [electric vehicles](#), a 40 percent year-on-year jump.

But that was still lower than Musk's long-term goal of boosting deliveries by an average of 50 percent a year.

Investors are concerned that sales will slow down due to the [economic downturn](#) as well as rising interest rates that make it more expensive to borrow money to buy a car.

Observers also point to the arrival of multiple competitors in the electric vehicle market, with major auto builders now offering a line-up of

models, including in the luxury segment long dominated by Tesla.

According to the Wall Street Journal, the discount now enables buyers of Tesla's US-made Model Y to benefit from a US tax incentive by putting the vehicle below a \$55,000 cap.

The \$7,500 tax credit on US-made EV cars, part of US President Joe Biden's climate plan, has been harshly criticized as protectionist by European governments and manufacturers.

© 2023 AFP

Citation: Tesla slashes vehicle prices up to 20% in US, Europe (2023, January 13) retrieved 26 April 2024 from <https://techxplore.com/news/2023-01-tesla-slashes-vehicle-prices-europe.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.