

Tesla plans to lay off 10% of workforce after dismal quarterly sales, multiple news outlets report

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People walk to the Tesla Gigafactory for electric cars in Gruenheide near Berlin, Germany, March 13, 2024. After reporting dismal first-quarter sales, Tesla is planning to lay off about a tenth of its workforce as it tries to cut costs, multiple media outlets reported Monday. Credit: AP Photo/Ebrahim Noroozi, File

After reporting dismal first-quarter sales, Tesla is planning to lay off about a tenth of its workforce as it [tries to cut costs](#), multiple media outlets reported Monday.

CEO Elon Musk detailed the plans in a memo sent to employees. The layoffs could affect about 14,000 of the 140,473 workers employed by the Austin, Texas, company at the end of last year.

Musk's memo said that as Tesla prepares for its next phase of growth, "it is extremely important to look at every aspect of the company for cost reductions and increasing productivity," The New York Times and CNBC reported. News of the layoffs was first reported by electric vehicle website Electrek.

Also Monday, two key Tesla executives announced on the social media platform X that they are leaving the company. Andrew Baglino, senior vice president of powertrain and energy engineering, wrote that he had made the decision to leave after 18 years with the company.

Rohan Patel, senior global director of public policy and business development, also wrote on X that he was leaving Tesla, after eight years.

Baglino, who held several top engineering jobs at the company and was chief technology officer, wrote that the decision to leave was difficult. "I loved tackling nearly every problem we solved as a team and feel gratified to have contributed to the mission of accelerating the transition to sustainable energy," he wrote.



Tesla CEO Elon Musk waves as he leaves the Tesla Gigafactory for electric cars after a visit in Gruenheide near Berlin, Germany, March 13, 2024. After reporting dismal first-quarter sales, Tesla is planning to lay off about a tenth of its workforce as it tries to cut costs, multiple media outlets reported Monday. Credit: AP Photo/Ebrahim Noroozi, File



An 2023 Model X sits outside a Tesla dealership on June 18, 2023, in Englewood, Colo. After reporting dismal first-quarter sales, Tesla is planning to lay off about a tenth of its workforce as it tries to cut costs, multiple media outlets reported Monday. Credit: AP Photo/David Zalubowski, File



Drivers charge their Teslas in Santa Ana, Calif., on March 20, 2024. After reporting dismal first-quarter sales, Tesla is planning to lay off about a tenth of its workforce as it tries to cut costs, multiple media outlets reported Monday. Credit: Jeff Gritchen/The Orange County Register via AP, File

He has no concrete plans beyond spending more time with family and his young children, but wrote that he has difficulty staying still for long.

Musk thanked Baglino in a reply. "Few have contributed as much as you," he wrote.

Shares of Tesla fell 4.8% Monday afternoon, hours after news of the layoffs and departures broke. Shares of Tesla Inc. have lost about one-third of their value so far this year as sales of electric vehicles soften.

Tesla sales [fell sharply last quarter](#) as competition increased worldwide,

electric vehicle sales growth slowed, and price cuts failed to draw more buyers. The company said it delivered 386,810 vehicles from January through March, nearly 9% below the 423,000 it sold in the same quarter of last year.

Since last year, Tesla has cut prices as much as \$20,000 on some models as it faced increasing competition and slowing demand. The price cuts caused used electric vehicle values to drop and clipped Tesla's profit margins.

The company has said it will reveal an autonomous robotaxi at an event in August.

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