

Elon Musk says chip shortage only 'short term'

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Elon Musk's Tesla has benefited from a boom in electric vehicle sales.

Tesla boss Elon Musk on Friday said that a global semiconductor shortage hitting car firms especially hard would be overcome soon.

The [chip](#) drought is "short term, I think," the billionaire said in an appearance by video at Italian Tech Week in Turin.

"There are a lot of chip fabrication plants that are being built," Musk told the audience of startups, investment funds and tech entrepreneurs.

"I think we will have good capacity for providing chips by next year. I certainly hope so, but it appears that way."

A boom in electric vehicle sales and renewed activity following the lifting of coronavirus restrictions in many [advanced economies](#) has boosted demand for car parts.

But the [auto industry](#) is butting up against other sectors that require large amounts of semiconductors as inputs, including computing, smartphones and smart devices.

Tesla has so far overcome the chip shortage by switching to different designs and rewriting the relevant software.

In the second quarter, the carmaker delivered a record number of vehicles and topped \$1 billion of net profit for the first time.

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