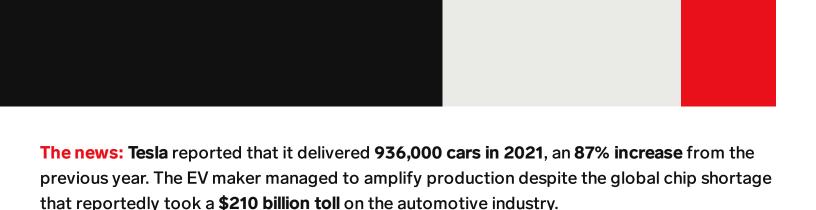


Tesla reports 87% growth in 2021, buoyed by Europe, China EV sales

Article



Why it's worth watching: The company continued to dominate with a 71% increase in deliveries—mostly Model 3 sedans and Model Y hatchbacks—for the fourth guarter alone, or

a total of 308,000 vehicles, per The New York Times.

- Tesla managed to thrive in 2021 despite the crushing global chip shortage, which ground various production lines to a halt.
- As <u>governments</u> and carmakers made commitments to shifting to EVs, Tesla rode the <u>EV wave</u>
 as the leading manufacturer, with multiple models as well as a cohesive battery-charging
 infrastructure.
- The market value for Tesla exceeded <u>\$1 trillion</u> in October, making it more valuable than GM, Ford, Toyota, Volkswagen, Stellantis, BMW, and several other automotive giants combined.
- Tesla's accelerated growth can be attributed to strong sales in China, the world's leading <u>EV</u> market, as well as in Europe. The company has plans of increasing output by 50% per year for the next several years.

Hyperscale has a cost: While Tesla is reaping the rewards of its EV leadership position, its rush to deliver orders exposes various safety and quality control issues that could potentially erode its reputation.

- In June, Tesla recalled 285,510 vehicles in China due to a cruise control <u>safety issue</u> that caused cars to speed up unexpectedly. Regulators have questioned the <u>quality</u> of Chinese-made Model 3s for "abnormal acceleration" and battery fires.
- Texas law enforcement officials filed a <u>lawsuit</u> in September against Tesla over allegations that an Autopilot-enabled Model X crashed into and injured five officers at a traffic stop.
- Tesla told federal regulators in December that it planned to <u>recall</u> more than 475,000 cars for multiple defects that affect safety. Issues include a misaligned latch on the hood that could unexpectedly pop open and faulty wiring on a rearview camera.
- Also in December, the National Highway Traffic Safety Administration opened a <u>probe</u> into Tesla's allowing people to play video games on the cars' touchscreens while in motion.

What's next? Tesla will continue to grow its leadership position in 2022 as competition rushes to ramp up competitive EVs, but it will have to double-down on quality and safety of its products in the face of increased scrutiny.

