

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

## Article

**The news:** Tesla reported that it delivered **936,000 cars in 2021**, an **87% increase** from the previous year. The EV maker managed to amplify production despite the global chip shortage that reportedly took a **\$210 billion toll** on the automotive industry.

**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 quarter 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 governments and carmakers made commitments to shifting to EVs, Tesla rode the EV wave as the leading manufacturer, with multiple models as well as a cohesive battery-charging infrastructure.
- The market value for Tesla exceeded \$1 trillion 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 EV 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 safety issue that caused cars to speed up unexpectedly. Regulators have questioned the quality of Chinese-made Model 3s for **"abnormal acceleration" and battery fires.**
- Texas law enforcement officials filed a lawsuit 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 recall 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 probe 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.