

Tesla plans to take on Waymo, Cruise in robotaxi market

Article

The news: Tesla released more details on its planned robotaxi, a new vehicle it is building around the needs of ride-sharing customers, per Elektrek.

Why it's worth watching: Robotaxis are just the latest in a long list of upcoming Tesla products. These include electric [semi-trucks](#), the oft-delayed [Cybertruck](#), an updated roadster, and a [humanoid robot](#).

- “We’re working on a new vehicle...a dedicated robotaxi. It is going to be highly optimized for autonomy—meaning it will not have steering wheel or pedals,” Tesla CEO **Elon Musk** said during the company’s earnings call this week. Musk added that the unnamed vehicle will be a major driver of Tesla’s future growth.
- Musk confirmed Tesla will launch the vehicle in 2023 and will likely enter volume production in 2024.
- Tesla’s robotaxi aims to lower the cost per mile. That would make it cheaper than a subsidized bus ticket.

Robotaxi traffic jam: Tesla is coming from behind in the autonomous robotaxi space against companies whose vehicles have logged millions of miles of data.

For context, **Waymo’s** robotaxis are driving **25,000 miles each day**, per TechCrunch. Waymo and its rival **Cruise** lead the robotaxis segment and together drove **1.39 million miles in 2021** —**70% of the total autonomous drives for the year.**

Tesla has only discussed plans for its vehicle, but robotaxi services incorporate **car technology, software, and services**. This means Tesla would need to secure partnerships or develop peripheral businesses to support its plans. Meanwhile, existing autonomous ride services are already in full swing.

- **Alphabet’s** Waymo started providing **paid rides** in select Bay Area locations 24/7 in March.
- **GM’s** Cruise has been **offering** free, operator-less rides in San Francisco since February 2021. And with GM **buying out** Softbank’s **\$2.1 billion stake**, it could spin it off into its own company.
- **Motional**, an autonomous vehicle **joint venture** between **Hyundai** and **Aptiv**, is going to bring a driverless taxi service to Las Vegas in 2023 in partnership with **Lyft**.

What’s the catch? Tesla is riding its strong momentum in car sales to expand into other areas.

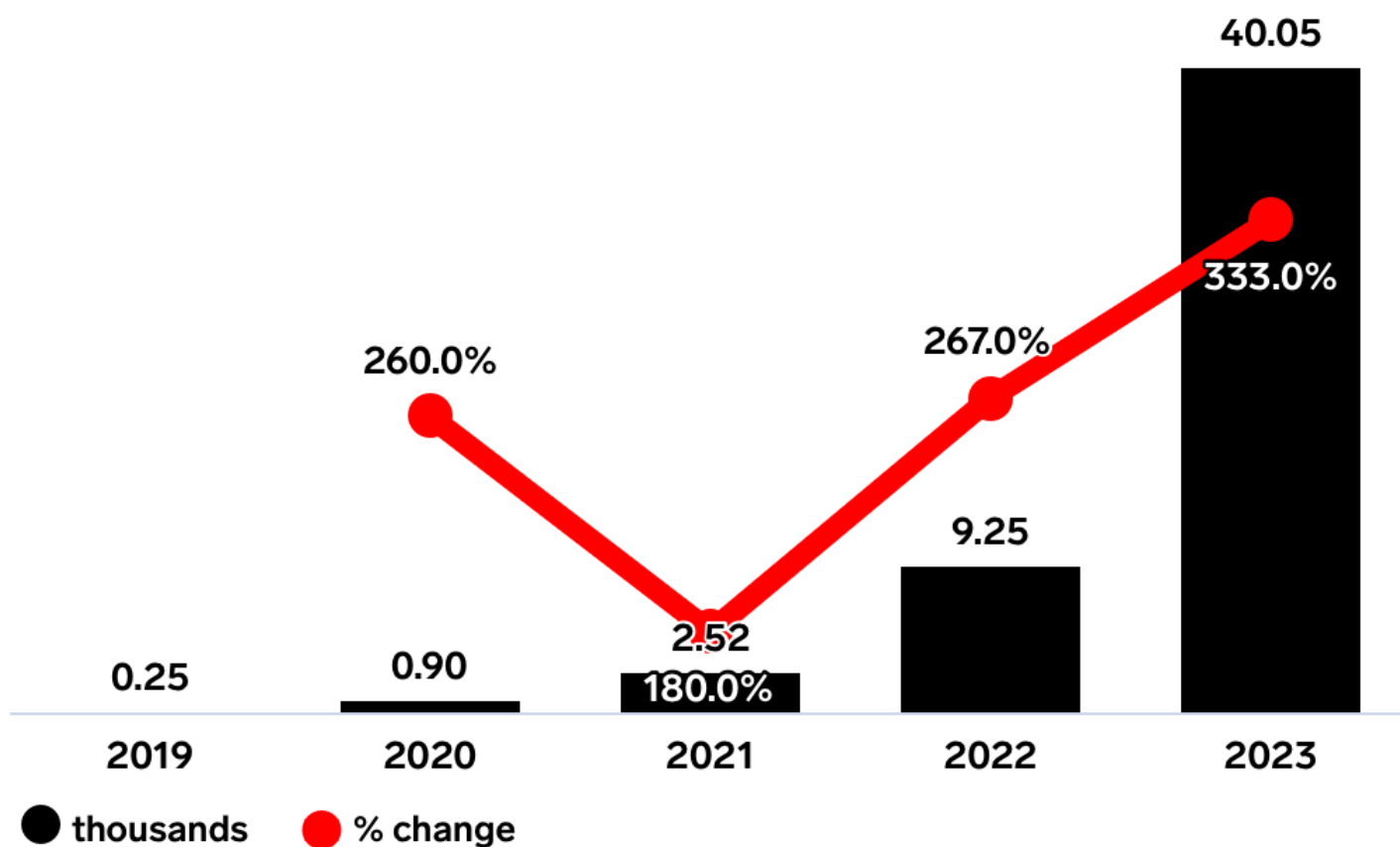
While robotaxis seem like a natural next step, the company’s delay of **full self-driving**, its **controversial choice** to eschew lidar in favor of computer vision, and safety **investigations** could all be substantial roadblocks.

- Tesla’s reputation for missing deliverable deadlines and the perception that its CEO has too much on his plate could also make the robotaxi initiative a moving target.

- Musk also runs **SpaceX**, the **Boring company**, **Neuralink**, and is preoccupied with a hostile takeover of **Twitter**.

Autonomous Ride-Sharing Vehicle Units

US, 2019-2023



Source: eMarketer, July 2021

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