

Apple buying Tesla? A 'poor idea,' says Warren Buffett

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When Warren Buffett talks, everybody listens. And one person who might want to listen closely is Apple Chief Executive Tim Cook.

During an interview with Fox Business Network on Friday, Buffett said that if there is something Apple should definitely not do, it is invest in

Tesla. Buffett called the prospect of Apple investing in, or buying up Tesla a "very poor idea," mainly because of the nature of the automotive industry, which Apple has never had any involvement in.

"It's not an easy business," Buffett said. "You can win in auto one year and lose the next. You've got a dozen big companies out there with resources. They're going to keep coming. They're going to copy what you do."

After Tesla Chief Executive Elon Musk's cancelled his plans to try and take the electric carmaker private, questions immediately emerged about where the company could go next, and if that direction might take it toward Apple. There has been on-and-off speculation that Apple might want to acquire Tesla, in part because with its \$244 billion in cash on hand, Apple is one of the few companies that could buy Tesla outright and feel almost no impact on its balance sheet.

Also, Apple has been said to be exploring self-driving car technology for some time, and in August, re-hired Doug Field, a former Apple hardware engineering [executive](#) who had joined Tesla two years ago, to help with its autonomous-driving technology efforts.

Apple has been one of Buffett's favorite companies of late. The Berkshire Hathaway chief executive owns about \$56 billion worth of Apple stock, which lends an extra bit of credence to his opinions about what the company should do with its huge cash pile.

However, any Tesla sale to Apple would probably be long shot. Tesla's current market capitalization gives it a value on Wall Street of almost \$52 billion, and Apple doesn't have a history of doing multi-billion dollar acquisitions. The most Apple has ever paid for any [company](#) was \$3 billion, when it bought Beats Electronics in 2014.

For its part, Apple has always remained mum about any thoughts it might have about making Tesla part of its ecosystem.

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