

Tesla aims to calm fears over Model 3 production

February 8 2018

A day after launching one of its cars into space, Tesla moved Wednesday to ease concerns on earth over production delays for its Model 3, the key to future growth for the star electric carmaker.

In its quarterly earnings update, the carmaker led by entrepreneur Elon Musk said it is moving ahead toward its goal of producing 5,000 Model 3 vehicles per week by the end of the second quarter.

In a letter to shareholders, Musk said it has been difficult to get accurate forecasts for the car, a more affordable [model](#) for the automaker known for expensive vehicles.

"What we can say with confidence is that we are taking many actions to systematically address bottlenecks... and these actions should result in our production rate significantly increasing during the rest of Q1 and through Q2."

Tesla reported a record loss for the quarter of \$675 million on revenues of \$3.3 billion.

But Tesla shares rose 1.7 percent in after-hours trade, on the upbeat assessment of production efforts.

In the quarter, Tesla delivered 29,967 vehicles including 1,542 Model 3 vehicles.

The Model 3, priced starting at \$35,000, is key to Tesla's effort to becoming a mass producer and reshaping the automotive market. Its other cars sell for around twice that price.

On Tuesday, Musk's other major [company](#) SpaceX launched a Tesla Roadster into space aboard a Falcon Heavy rocket.

At Tesla, Musk has announced plans for an electric semi-truck, boosted production of batteries for its electric cars and for other uses and has expanded its network of charging stations.

It is also planning an autonomous coast-to-coast drive to "showcase a major leap forward for our self-driving technology," according to Musk.

The California-based company last month announced an unusual executive compensation plan that would enable Musk to be paid only if Tesla hits certain milestones.

Compensation for Musk, 46, will be based on a new 10-year performance stock award that could give him billions worth of company shares, or nothing at all if the company fails to meet its targets.

© 2018 AFP

Citation: Tesla aims to calm fears over Model 3 production (2018, February 8) retrieved 26 April 2024 from <https://phys.org/news/2018-02-tesla-aims-calm-production.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.