

Tesla meets Model 3 target, bemoans China tariffs

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Tesla Motors said Tuesday it was accelerating plans to open a Shanghai factory in light of the ongoing US-China trade fight, saying new tariffs put its vehicles at a disadvantage on the Chinese market.

The electric automaker, which has been shaken by CEO Elon Musk's recent antics and legal woes, also announced it had met a key auto production target.

The company said the higher deliveries came despite a 40 percent tariff imposed by Beijing on US cars.

The difficult economics make for "a challenging competitive environment, given that China is by far the largest market for electric vehicles," Tesla said in a statement.

"To address this issue, we are accelerating construction of our Shanghai factory."

Tesla unveiled plans for the Shanghai factory in July. Musk said at the time he hoped the plant would be "completed very soon."

Tesla reported total third-quarter deliveries of 83,500, up from 26,137 in the year-ago period. Production of Tesla's Model 3 vehicles came in at 53,239, in line with the company's forecast and a number closely watched by Wall Street.

The report came three days after Musk reached a settlement with US securities regulators over fraud allegations connected to Musk's claims about a short-lived effort to take the company private.

The settlement required Musk to step down as chairman and pay a \$20 million fine but he was permitted to remain chief executive.

Shares of Tesla fell 1.5 percent to \$306.00 in late-morning trading.

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