

# Tesla cuts prices around the world as sales decline in a chaotic week

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Tesla slashed prices of three of its five models in the US late on Friday, then went on to cut prices around the globe – including in China and Germany – as the company faces falling sales, a Cybertruck recall and an intensifying war for electric vehicles (EVs). On Friday, the company, led by the billionaire Elon Musk, cut the prices of the Model Y, a small SUV that is Tesla's most popular model and the top-selling electric vehicle in the US, and also of the Models X and S, its older and more expensive models. Prices for the Model 3 sedan and the Cybertruck stayed the same. The cuts reduced the starting price for a Model Y to \$42,990, and to \$72,990 for a Model S and \$77,990 for a Model X. Then on Saturday, Tesla slashed the US price of its "Full Self-Driving" driver assistant software from \$12,000 to \$8,000. The cuts continued on Sunday, when Tesla cut the starting price of the revamped Model 3 in China by 14,000 yuan (\$1,930) to 231,900 yuan (\$32,000), its official website showed. In Germany, the carmaker trimmed the price of its Model 3 rear-wheel drive to €40,990 (\$43,670.75) from €42,990, where the price has been since February. There were also price cuts in many other countries in Europe, the Middle East and Africa, a Tesla spokesperson said. The swathe of price cuts comes after the company reported this month that its global vehicle deliveries in the first quarter had fallen for the first time in nearly four years. Tesla shares fell below \$150 this week, wiping away all gains the company made in the past year. The vehicle manufacturer said on Monday that it was cutting 10% of its staff globally, about 14,000 jobs. Musk has also faced criticisms from investors who say he is stretched too thin after his purchase of the social media platform Twitter, which he renamed X, in 2022. Meanwhile, Tesla has asked its shareholders to vote in favor of Musk's \$56bn pay package, which was rejected this year by a judge who called it an "unfathomable sum". The price cuts ended a chaotic week for Tesla that included a recall of all Cybertrucks on Friday. Federal regulators contacted the company after becoming aware of malfunctions with the vehicle's accelerator pedal. Cybertruck owners reported that their vehicles were at risk of getting stuck driving at full speed due to the pedal being loose. Video showed the pedal falling off and the piece beneath wedging itself into the car's interior, which would force the vehicle into maximum acceleration. One driver was able to save himself from a crash by holding down the brake pedal. "This is another black eye for Tesla, which has added to the chaos going on for Musk," said Dan Ives, senior equity analyst at Wedbush Securities. "Cybertruck is the pedestal moment and a recall out of the gates is a bad look." Industry analysts have been waiting for Tesla to introduce a small electric vehicle that would cost about \$25,000, the Model 2. Media reports this month that Musk planned to scrap the project created more uncertainty over the company's direction, although Musk called them untrue. On Saturday, Musk confirmed he had postponed a planned weekend trip to India to meet with that country's prime minister, Narendra Modi, citing "very heavy Tesla obligations". He said on X that he looked forward to rescheduling the visit for later this year.

Tesla is scheduled to announce its first-quarter earnings on Tuesday. The company reported this month that its worldwide sales had fallen sharply from January through March as competition increased worldwide, electric vehicle sales growth slowed and earlier price cuts failed to lure more buyers. It was Tesla's first year-over-year quarterly sales decline in nearly four years. Kari Paul contributed reporting