

Tesla Inc

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Tesla secures electric vehicle subsidies for Model 3s from Chinese government in world's largest car market

Tesla Inc (NASDAQ:TSLA) is getting a boost from the government of China for its Chinese-built Model 3 cars.

The electric auto manufacturer said the Chinese government is providing state subsidies to the popular Model 3s, according to a Reuters report published Friday.

The move will help the California-based company break into the largest car market in the world, albeit one where sales of new energy vehicles have dropped in recent months.

READ: Tesla turns to sci-fi classic Bladerunner for inspiration for its Cybertruck amid chaotic launch

The electric car market in China is the biggest in the world, with over 1 million such vehicles sold in the country in 2018.

A recent Bloomberg report said that China sees electric vehicles as a strategically important industry and is considering setting a target of 60% of all cars sold in the country to run on electric motors by 2035.

Earlier this year, China's industry ministry put the Model 3s on a list recommended for subsidies for new energy vehicles, which include plug-in hybrids, battery-only electric vehicles and cars powered by hydrogen fuel cells.

Tesla, which is building Model 3s at its US\$2 billion Gigafactory in Shanghai, told investors that it had secured the subsidies for two versions of the vehicles. The firm has lofty goals in the world's most populous nation, aiming to manufacture more than 1,000 vehicles a week by the end of 2019 from its factory.

Reuters said it was not immediately clear how much of a subsidy the car maker would receive.

Shares of Tesla were up 2% in premarket trading in the US at US\$337.

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Price: 901

Market Cap: \$166.14 billion

1 Year Share Price Graph



Share Information

Code: TSLA

Listing: NASDAQ

52 week High Low
968.88 177

Sector: Manufacturing & engineering

Website: www.tesla.com

Company Synopsis:

Tesla Inc. was founded in 2003 by a group of Silicon Valley engineers who set out to develop a new electric vehicle company. Tesla Inc. uses proprietary technology, world-class design and state-of-the-art manufacturing processes to create a new generation of highway capable electric vehicles. We utilize an innovative distribution model based on company-owned sales and service centers.

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