



AS IT IS

## Tesla Raises Car Prices in US

June 16, 2022

American electric carmaker Tesla has again raised the price of all its vehicle models in the United States.

The increase comes as worldwide **supply-chain** problems and higher costs for materials have led to inflation in the U.S. for many goods.

Tesla published the price increases on its website on Thursday.

The price of the company's Model Y high performance vehicle rose from \$62,990 to \$65,990.

Tesla's Model 3 vehicle went from \$54,490 to \$57,990, auto industry website Electrek reported. The company's high performance Model S went from \$99,990 to \$104,990. The price of Tesla's Model X rose by \$6,000, Electrek said.

The increases come as costs for materials used to produce the cars continue to increase. These include everything from aluminum to lithium, which is used to make electric vehicle (EV) **batteries**.

Tesla Chief Executive Elon Musk has said in the past that lithium was responsible for cost increases and had been "a limiting **factor**" to EV growth.

Automakers have also struggled to get computer **chips** and other supplies as the industry experiences shortages of parts.

Electrek reported Tesla has faced **delivery** delays for several of its models lasting from 6 to 12 months. It notes that Tesla may be trying to predict its costs for models set to be completed in the coming months.

Swiss-based investment bank Credit Suisse said Tesla's price increase represents, in some cases, the fourth rise in the U.S. in 2022.

A Tesla competitor, American-based Rivian Automotive, has also raised vehicle prices by more than \$10,000 for new orders of its basic model. Several other automakers are expected to deliver EVs for the first time to compete with Tesla as demand grows.

Musk recently warned about the risk of a possible economic recession. Earlier this month he said he had a "super bad feeling" about the economy. Musk also ordered a 10 percent job cut at Tesla.

Musk is currently the world's richest person. In addition to Tesla, he leads the space company SpaceX.

Musk is currently in the process of buying social media company Twitter for about \$44 billion.

I'm Bryan Lynn.

*Reuters and Electrek reported on this story. Bryan Lynn adapted the reports for VOA Learning English.*

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## Words in This Story

**supply chain** – n. the system of people and things that gets a product from its place of manufacture to the person who buys it

**battery** – n. a device that provides and stores electricity for certain electronic devices

**factor** – n. one of the things that has an effect on a particular situation, decision, event, etc.

**chip** – n. a small piece of semiconducting material used to make parts that help power computer processors

**deliver** – v. to transport things from one place to another

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