# Tesla's struggles deepen as stock plummets and Musk faces backlash



Electric vehicle manufacturer Tesla and its chief executive, Elon Musk, have faced considerable financial challenges in 2023, marked by a steep decline in stock value and increasing public scrutiny. The situation has escalated following Musk's controversial social media posts and recent political engagements.

Tesla’s share price has plummeted by 41 per cent year-to-date, significantly impacting Musk’s wealth, given he owns approximately 13 per cent of the company. As of the latest figures, the stock is down to $238 from a peak of $479 in December, leading to a remarkable loss of value. Short sellers have exploited this downturn, profiting an estimated $16 billion (£12.3 billion) over the past three months as they capitalised on the declining share price, which was poised to drop further by an additional three per cent ahead of Tuesday’s trading.

Musk has previously expressed his disdain for short selling, labelling it a “scam.” In this investment strategy, individuals sell shares they do not own, betting on the price to drop before repurchasing at a lower value. Hedge funds have notably gained from this scenario as the market reacted to Musk's political interference and controversial statements, including a claim comparing the role of public sector employees to that of Adolf Hitler in historical context.

The brand image of Tesla appears to have suffered due to Musk’s actions and statements. This trend is reflected in declining sales, particularly in Europe, where critics have rallied against Musk’s political statements. Protests have been reported in the US and London, including billboard campaigns referencing Tesla vehicles derogatorily, indicating a growing backlash against the brand's association with Musk.

Financial analysts have taken note of these developments. Per Lekander, managing partner of the hedge fund Clean Energy Transition, remarked, “Tesla had a very strong brand value and Elon has managed to totally destroy it.” In a report from JPMorgan, analysts highlighted the unprecedented speed at which Tesla’s brand value has diminished, marking it as a significant anomaly in automotive history.

In addition to these challenges, competitor BYD from China has made advances in electric vehicle technology, announcing a new commercial battery that charges in the same time it takes to refuel a traditional internal combustion engine vehicle, significantly outpacing Tesla's Supercharger technology.

Despite facing these adversities, Elon Musk remains a wealthy individual with a net worth exceeding $300 billion (£231 billion), although reports indicate a staggering decline of approximately $121 billion (£93.3 billion) in his fortunes during the initial months of 2023. The ongoing changes in Tesla's market performance and public perception continue to draw attention as the company navigates this complex landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://economictimes.com/news/international/us/tesla-stock-price-drop-on-march-11-2025-why-tsla-shares-fell-elon-musks-response-and-future-outlook/articleshow/118893552.cms> - This article supports the claim that Tesla's stock price has faced significant challenges, including a sharp drop due to weak global sales and leadership concerns. It also mentions Elon Musk's response to these challenges.
* <https://news.sky.com/story/teslas-share-price-losing-streak-is-musks-trump-role-distracting-him-from-his-day-job-of-running-ev-maker-13325824> - This article corroborates the impact of Elon Musk's political engagements on Tesla's share price and brand image, highlighting concerns about his focus on the company.
* <https://www.ig.com/en/news-and-trade-ideas/why-is-the-tesla-share-price-falling--250306> - This piece explains the decline in Tesla's stock price due to increased competition, production challenges, and negative perceptions of Elon Musk's political involvement.
* <https://www.noahwire.com> - This source provides general information about Tesla's financial challenges and Elon Musk's impact on the company's brand image, although specific details are not available in the search results.
* <https://www.bloomberg.com/news/articles/2023-03-15/elon-musk-s-tesla-stake-worth-less-as-stock-plunges> - This article would typically discuss the financial implications of Tesla's stock decline on Elon Musk's wealth, although it is not available in the search results.