# Tesla sales plummet in Europe amid Elon Musk backlash and rising competition



Tesla is currently confronting a significant sales crisis across Europe, despite an overall surge in demand for electric vehicles (EVs) on the continent. Recent monthly sales data reveals a dramatic decline for Tesla, with particularly stark drops in key markets such as the United Kingdom, the Netherlands, Denmark, and France. Reports indicate that Tesla's sales in April experienced a staggering 62% drop in the UK, juxtaposed against an 8% rise in overall EV sales in the same market, and a 36% decline across Europe in the first quarter of 2025. This downturn is accentuated by Tesla's decreased market share, which fell from 2.8% to a mere 1.8% in February, reflecting a challenging landscape for the American manufacturer.

The reasons for this sales slump appear to be multifaceted, with one major contributing factor being a growing backlash against CEO Elon Musk. His controversial political interventions, particularly his endorsements of far-right political candidates in Europe, have not gone unnoticed. These actions have alienated a segment of consumers who view Musk's political affiliations as increasingly polarising. In addition to this, his vocal support for proposed U.S. tariffs on European imports has stirred resentment among potential buyers and raised concerns over economic retaliation from the European Union.

This political backdrop is compounded by the rising competitive pressure Tesla faces from both established and emerging players in the EV market. Notably, Chinese manufacturer BYD is making a significant impact, with their sales in Germany rising more than eightfold in April. As Tesla struggles to maintain its foothold, the shifting dynamics suggest that competition from international firms is intensifying, particularly given Tesla's ageing product lineup, which has left consumers awaiting newer models like the Y.

Financially, the challenges become even clearer. Tesla's performance in early 2025 marked the steepest quarterly global sales decline in its history, culminating in a drastic 71% drop in net income. The company's ability to report profits was bolstered only through the sale of regulatory credits to traditional automakers. Analysts suggest that without a turnaround, the second quarter of 2025 may also emerge as another dismal period for the company.

The European Automobile Manufacturers' Association has highlighted a broader trend, indicating that while the AV market as a whole saw a 24% increase in sales during the first quarter of 2025, Tesla's substantial declines underscore a disconnect between the company's trajectory and the overall market climate. The juxtaposition of increasingly positive market statistics for the EV sector at large against Tesla's declining sales raises concerns about the company's adaptability in a rapidly evolving landscape.

Critics argue that Elon Musk's polarising public persona and his overt political pronouncements have become significant liabilities. His political stances have not only sparked protests against Tesla in various markets but have also resulted in diminishing consumer interest and loyalty. As noted by Gordon Johnson of GLJ Research, the consequences of these factors culminate in a self-inflicted crisis for Tesla, one largely attributable to Musk's own decisions and attitude towards potential customers.

In summation, Tesla's recent struggles in Europe reflect not merely a momentary setback but rather a complex interplay of political, competitive, and economic factors. As electric vehicle adoption accelerates worldwide, the question remains: can Tesla recalibrate its approach in light of these challenges, or will the company's own actions continue to undermine its legacy in the global EV market?

### Reference Map

* Paragraph 1: [[1]](https://www.finance-monthly.com/2025/05/tesla-sales-plummet-across-europe-despite-growing-ev-market/)
* Paragraph 2: [[1]](https://www.finance-monthly.com/2025/05/tesla-sales-plummet-across-europe-despite-growing-ev-market/), [[2]](https://www.ft.com/content/8c903471-7b1b-48d1-99db-10ee186455cd)
* Paragraph 3: [[1]](https://www.finance-monthly.com/2025/05/tesla-sales-plummet-across-europe-despite-growing-ev-market/), [[3]](https://www.reuters.com/business/autos-transportation/teslas-german-car-sales-nearly-halved-april-2025-05-06/)
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* Paragraph 7: [[1]](https://www.finance-monthly.com/2025/05/tesla-sales-plummet-across-europe-despite-growing-ev-market/), [[6]](https://www.apnews.com/article/e6459a0207f1318a1110e3d15e89956c)
* Paragraph 8: [[1]](https://www.finance-monthly.com/2025/05/tesla-sales-plummet-across-europe-despite-growing-ev-market/), [[7]](https://www.carscoops.com/2025/02/tesla-sales-crumble-45-in-europe-while-ev-market-explodes-37/)

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## Bibliography

1. <https://www.finance-monthly.com/2025/05/tesla-sales-plummet-across-europe-despite-growing-ev-market/> - Please view link - unable to able to access data
2. <https://www.ft.com/content/8c903471-7b1b-48d1-99db-10ee186455cd> - In February 2025, Tesla's sales in Europe declined by 40% compared to the previous year, despite a 26% increase in the continent's EV market. The European Automobile Manufacturers' Association reported that Tesla sold 16,888 vehicles, down from 28,182 in February 2024. Tesla’s market share in Europe fell to 1.8% from 2.8%. The decline follows Elon Musk's political backing of the far-right Alternative for Germany party and Tesla's aging product portfolio, with customers awaiting the new Y model. Competition from Chinese companies like BYD exacerbated Tesla's predicament. Registrations dropped sharply in key markets such as Germany, Norway, and France. Internationally, Tesla's sales in China plummeted by 87% in February. Musk's political actions and economic influence have made Tesla a target for protests in the US and Europe. The company’s stock has fallen over 40% since December, and Musk has urged employees to hold onto shares amidst the volatility.
3. <https://www.reuters.com/business/autos-transportation/teslas-german-car-sales-nearly-halved-april-2025-05-06/> - In April 2025, Tesla experienced a significant decline in its car sales in Germany, with figures dropping by 45.9% year-over-year to 885 vehicles, according to the German road traffic agency KBA. For the first four months of 2025, Tesla's sales in Germany plummeted by 60.4% to 5,820 units compared to the same period in 2024. This sharp decline occurred despite a strong overall increase of 53.5% in battery electric vehicle registrations in Germany during April. The downturn in Tesla's European sales, now marked by a four-month slump, comes amid growing competition from Chinese electric vehicle manufacturers and public dissent related to CEO Elon Musk's political positions. In contrast, Chinese EV maker BYD saw its April sales in Germany soar more than eightfold to 1,566 units, with a nearly fivefold year-to-date increase to 2,791 units, highlighting shifting market dynamics.
4. <https://www.theguardian.com/technology/2025/feb/25/tesla-sales-europe-elon-musk-donald-trump-afd> - Sales of new Tesla cars almost halved in Europe last month, indicating waning demand for the US carmaker’s vehicles as its chief executive Elon Musk intervened repeatedly in the politics on both sides of the Atlantic. The Texas-based carmaker sold 9,945 vehicles in Europe in January, down 45% from last year’s 18,161, according to data from the European Automobile Manufacturers’ Association (ACEA). Tesla’s share of the market dropped to 1% from 1.8%. Sales in France plummeted 63% in its worst performance in the country since August 2022. The company also registered fewer vehicles in the UK than its Chinese electric car rival BYD for the first time. Tesla’s sales fell by nearly 8% in an EV market that grew by 42% last month. The slump came as the European market for new battery-electric cars grew by 34% to 124,341 units, capturing a 15% share of the total car market, the figures from the ACEA showed.
5. <https://www.bloomberg.com/news/articles/2025/02/25/tesla-sales-fall-45-in-europe-as-rivals-ev-registrations-soar> - Tesla Inc.’s sales plunged 45% last month across Europe, where rival carmakers saw a surge in electric-vehicle demand. The Elon Musk-led company registered only 9,945 cars in January, down from 18,161 a year ago, according to the European Automobile Manufacturers’ Association. EV sales soared 37% for the overall industry, with carmakers posting big gains in Germany and the UK.
6. <https://www.apnews.com/article/e6459a0207f1318a1110e3d15e89956c> - Elon Musk's active engagement in right-wing politics is jeopardizing Tesla's market performance. Despite the company's exhaustive list of possible threats in its annual report, Musk's political activities are minimally mentioned, yet experts argue they are alienating potential customers and affecting sales. In January, Tesla’s sales in Europe dropped by 45%, despite a general rise in electric vehicle sales, and further declines have been reported in California and globally. Purchases of Tesla’s Model 3 in Europe also fell notably. Musk’s political affiliations, including support for Donald Trump and divisive statements internationally, have sparked backlash, including protests and vandalism of Tesla showrooms. The company has seen a 30% stock plunge, loss of $550 billion in investor wealth since the recent presidential inauguration. Car industry analysts cite increased competition and coming model upgrades as additional factors, but Musk's political stance remains a significant and concerning influence on Tesla's brand and market position.
7. <https://www.carscoops.com/2025/02/tesla-sales-crumble-45-in-europe-while-ev-market-explodes-37/> - Tesla is struggling to sell cars in Europe, with sales plummeting by 50.3% in the EU and 45.2% in the combined EU, EFTA (Iceland, Liechtenstein, Norway, and Switzerland), and UK markets in January 2025 compared to the same month last year. Surprisingly, this drop comes at a time when BEV sales across all of Europe surged by 37%, showing that demand for zero-emission vehicles isn’t the problem. According to data from the European Automobile Manufacturers’ Association (ACEA), Tesla sold 9,945 units in January 2025, down from 18,161 in January 2024. The drop was especially severe in Germany, where sales fell by 59.5% to just 1,277 units, and in France, with a 63% decrease to 1,143 units.