# Eu faces backlash over €159m payments to Elon Musk’s companies amid regulatory concerns



A controversy is unfolding regarding substantial financial ties between the European Union and Elon Musk's companies, particularly Tesla and SpaceX. Recent disclosures obtained by Agence France-Presse have revealed that the EU disbursed over €159 million to Tesla for the development of electric vehicle charging infrastructure in 2023. Additionally, more than €600,000 was allocated for advertising on X, the social media platform that Musk acquired in 2022. These payments have ignited discussions about the potential implications of Musk's polarising influence on European politics and regulatory compliance.

The payments raise significant concerns in light of Musk's recent actions and comments, which have been perceived as undermining EU values. German Green lawmaker Daniel Freund publicly condemned the situation, stating, "This man is an outspoken enemy of the EU and our core values. It is unacceptable that we continue to pay the richest man in the world hundreds of millions." This sentiment reflects a growing apprehension about the influence of American business leaders on EU governance, particularly as Musk’s platform has faced scrutiny for purportedly undermining EU regulations.

The EU's framework for dealing with online platforms, particularly under the Digital Services Act (DSA), introduces stringent obligations meant to combat disinformation and illegal activities online. Musk's X has been highlighted by the EU for violating these transparency rules, intensifying calls for regulation that ensures adherence to EU standards concerning data protection and online safety. As noted by industry observers, the EU and the U.S. operate under fundamentally different regulatory philosophies—while the former employs a top-down approach prioritising intergovernmental policies, the latter leans towards state autonomy.

In a broader context, the financial dealings with Musk's companies underscore the EU's reliance on American technological innovation for its strategic aims. The EU recently signed a €180 million deal with SpaceX for launching Galileo satellites, necessitated by setbacks in its own Ariane 6 programme. This reliance poses a dilemma as Europe navigates its digital sovereignty alongside significant external financial entanglements.

As the debate continues, the implications for consumers grow increasingly complex. Tesla, once at the forefront of the electric vehicle revolution, has recently reported a 13% dip in year-over-year deliveries, raising questions about its future amidst heightened competition in the EV landscape. Despite these challenges, the market for electric vehicles remains robust, buoyed by a 35% increase in sales during the first quarter of 2025, indicating a strong consumer shift towards sustainable transport options.

This multifaceted situation not only spotlights the delicate balance between financial collaboration and regulatory compliance but also highlights the unique challenges faced in a rapidly evolving market where corporate influence can ripple through political structures. The forthcoming decisions by EU regulators, particularly regarding Tesla and X, will likely set crucial precedents in how transatlantic digital business is governed, revealing the intricate connections between commerce, governance, and public policy in a globally interconnected framework.

## Reference Map:

* Paragraph 1 – [[1]](https://www.thecooldown.com/green-business/elon-musk-eu-payments-controversy/), [[2]](https://www.thehindu.com/news/international/eu-paid-hundreds-of-millions-to-elon-musks-companies/article66666666.ece)
* Paragraph 2 – [[1]](https://www.thecooldown.com/green-business/elon-musk-eu-payments-controversy/), [[3]](https://www.cnbc.com/2024/12/15/eu-says-musks-x-violated-digital-services-act-transparency-rules.html)
* Paragraph 3 – [[2]](https://www.thehindu.com/news/international/eu-paid-hundreds-of-millions-to-elon-musks-companies/article66666666.ece), [[4]](https://www.ft.com/content/539ccfd2-c568-4d57-b550-b8c5984889fa), [[5]](https://www.politico.eu/article/eu-signs-deal-for-two-spacex-launches/)
* Paragraph 4 – [[6]](https://www.reuters.com/world/us/lawmakers-probe-usdot-ethics-oversight-elon-musk-business-probes-2025-04-10/), [[7]](https://www.euronews.com/next/2025/01/07/lawmakers-add-pressure-on-commission-to-investigate-musks-attempt-to-influence-eu)
* Paragraph 5 – [[1]](https://www.thecooldown.com/green-business/elon-musk-eu-payments-controversy/), [[3]](https://www.cnbc.com/2024/12/15/eu-says-musks-x-violated-digital-services-act-transparency-rules.html)

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## Bibliography

1. <https://www.thecooldown.com/green-business/elon-musk-eu-payments-controversy/> - Please view link - unable to able to access data
2. <https://www.thehindu.com/news/international/eu-paid-hundreds-of-millions-to-elon-musks-companies/article66666666.ece> - The European Union allocated substantial funds to Elon Musk's companies, including €159 million to Tesla for building electric vehicle charging stations in 2023. Additionally, over €600,000 was spent on advertising on the social media platform X, which Musk acquired in 2022. These payments have sparked controversy due to concerns over Musk's influence on European affairs and the EU's regulatory framework on data protection and privacy.
3. <https://www.cnbc.com/2024/12/15/eu-says-musks-x-violated-digital-services-act-transparency-rules.html> - The European Union stated that Musk's social media platform, X, violated the Digital Services Act (DSA) transparency rules. The DSA imposes strict obligations on online platforms to prevent illegal and harmful activities and the spread of disinformation. This violation has led to increased scrutiny of X's operations within the EU.
4. <https://www.ft.com/content/539ccfd2-c568-4d57-b550-b8c5984889fa> - European Union regulators are considering including revenues from Elon Musk's entire business empire, such as SpaceX and Neuralink, to calculate potential fines against his social media platform X under the Digital Services Act (DSA). This legislation targets tech companies failing to control illegal content and disinformation, with penalties up to 6% of annual global turnover.
5. <https://www.politico.eu/article/eu-signs-deal-for-two-spacex-launches/> - The European Commission signed a €180 million deal with SpaceX to launch two batches of Galileo satellites in 2024. This decision was made due to delays in Europe's Ariane 6 launcher program, highlighting the EU's reliance on Musk's company for critical satellite launches.
6. <https://www.reuters.com/world/us/lawmakers-probe-usdot-ethics-oversight-elon-musk-business-probes-2025-04-10/> - U.S. Representatives Gerald Connolly and Emily Randall requested detailed information from the Transportation Department (USDOT) about its ethics oversight regarding potential conflicts of interest involving Elon Musk. This inquiry focuses on Musk's dual role as a senior adviser to President Donald Trump and leader of companies under federal investigation and receiving substantial government funding.
7. <https://www.euronews.com/next/2025/01/07/lawmakers-add-pressure-on-commission-to-investigate-musks-attempt-to-influence-eu> - Members of the European Parliament are pressuring the European Commission to investigate Elon Musk's attempts to influence the German February election by organizing a livestream with Alice Weidel, leader of the far-right Alternative for Germany (AfD) party. This raises concerns about the neutrality of Musk's platform, X, and its compliance with the Digital Services Act.