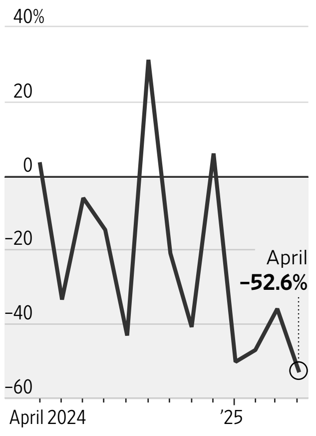
Tesla's EU Sales Decline Worsens

New-car registrations for Tesla models in the EU, change from a year earlier



Source: European Automobile Manufacturers' Association

By Mauro Orru

Tesla's sales in the European Union slumped for a fourth consecutive month as Elon Musk's electric-vehicle maker struggles to cash in on a growing market in the bloc where Chinese rivals are expanding.

New-car registrations for Tesla models, a reflection of sales, plunged nearly 53% to 5,475 vehicles across the EU last month, according to the European Automobile Manufacturers' Association, an industry body also known as ACEA. When including the U.K., Iceland, Liechtenstein, Norway and Switzerland, sales fell 49% to 7,261 vehicles.

April marks the fourth consecutive month that Tesla's new-car registrations in the EU contracted from the previous year following slumps of 36% in March, 47% in February and 50% in January.

The declines came even as ACEA data showed that the EV market in the EU has been growing so far this year. Sales of battery-electric vehicles between January and April increased more than 26% on year. Registrations of hybrid-electric cars grew nearly 21%, while plug-in-hybrid models logged 7.8% growth.

Tesla continues to face stiff competition from Chinese rivals expanding aggressively in Europe. The company is also grappling with backlash from Musk's role in the Trump administration. Musk said in April that he was going to spend less time in Washington and more overseeing the company.

The billionaire wrote in a post on X over the weekend that he had gone back to spending significant time at work and sleeping in conference, server and factory rooms, saying he had to be "super focused" on Tesla and his other companies.

Tesla stock rose nearly 7% Tuesday amid a broad market rally after President Trump said he would delay the introduction of new tariffs on the European Union until July 9.

Chinese automaker **BYD** sold more electric vehicles in Europe than Tesla for the first time in April, according to data from JATO Dynamics, a consumer-research group. Chinese state-owned automaker **SAIC Motor** also outsold Tesla in Europe last month, according to ACEA data.

Competitive prices have helped Chinese carmakers gain market share in recent years, prompting some European carmakers to revise their sales and profitability forecasts.

Overall, EU passenger-car registrations between January and April fell 1.2% on the year to 3,640,211 vehicles, according to ACEA. Sales were down 3.3% in Germany, 7.3% in France and 0.6% in Italy.

TSMC Plans New Design Hub In Munich

By Mauro Orru

Taiwan Semiconductor Manufacturing Co. said it would establish a new chip-design center in Munich, a win for the European Union as Brussels seeks to become more self-sufficient in the production of semiconductors.

TSMC, the world's largest contract chip maker, said the facility would design high-performance and energy-efficient chips to be used across the automotive and industrial sectors as well as artificial intelligence.

A company spokesperson said Munich was selected for its proximity to European clients.

The hub, which is expected to open in the third quarter of this year, will add to TSMC's global network of nine design centers spanning Taiwan, mainland China, Japan, Canada and the U.S.

TSMC's pledge is a boost for the EU as the bloc seeks to shore up its semiconductor supply chain and become more self-sufficient in the design and production of semiconductors.

The announcement comes as the semiconductor industry is riding high on a wave of strong demand for chips to power the data centers behind the AI boom. TSMC, which makes chips for **Apple** and **Nvidia**, is guiding for mid-20% growth in sales this year and expects revenue from AI-related servers and processors to double in 2025.

In contrast, demand for chips used in electric vehicles and industrial equipment has been weak in recent months. The industry has been confronting an inventory glut as car makers and manufacturers of industrial equipment stockpiled the chips they needed years back, resulting in fewer orders for chip makers lately.

However, there are signs that a recovery might be on the way. European chip maker **STMicroelectronics**, which counts Apple, **Samsung Electronics** and **Tesla** among its largest clients, said last month that revenue in the second quarter should improve compared with the first quarter.

TSMC's announcement comes nearly two years after the company set out plans to build a factory in the German city of Dresden as part of a joint venture with **Infineon Technologies**, **Robert Bosch** and **NXP Semiconductors**.

PDD's Profit Drops As U.S. Tariffs Bite

By Shen Lu and Tracy Qu

PDD Holdings, the Chinese parent of popular bargain online seller Temu, said its profit dropped nearly 50% in the first quarter, as a drastically different tariff environment in the U.S. added to challenges at home.

The company's shares dropped 14% on the Nasdaq on Tuesday.

With President Trump in the White House, PDD faced a setback in its global ambitions, as Temu, whose ultracheap everyday items have been a hit with budget-conscious U.S. consumers, faced not just new U.S. tariffs but also the disappearance of a duty exemption for low-value packages from China.

Over the past few years, Shanghai-based PDD had been a bright spot among Chinese e-commerce companies with its products attracting bargain hunters in China and disrupting markets around the globe. But in recent quarters, economic slowdown and intensifying competition in China had started to hurt its outlook. Temu also faced increasing pushback overseas, particularly in the U.S.

On Tuesday, the company's leadership highlighted the need to brace for uncertain times. PDD's net profit slid 47% to $2.03 billion, it said, widely missing a forecast by analysts polled by FactSet. Its 10% rise in first-quarter revenue, to the equivalent of $13.18 billion, was its slowest revenue growth in three years.

PDD doesn't break out revenue for Temu. The bulk of PDD's sales come from China, analysts say.

An escalation in trade tensions between the U.S. and China has in recent months cast a shadow over PDD's business in the U.S. and forced it to shift its global strategy.

JADE GAO/AFP/GETTY IMAGES

Employees make garments for Temu at a clothing factory in Guangzhou, China.

Temu and its China-founded rival, Shein, have relied heavily on the tariff exemption for small packages. In response to the exemption's end for packages from China in early May and new Trump tariffs, Temu raised prices and temporarily halted all shipments from China.

The company now gives priority to local fulfillment, relying on items already imported to the U.S. in bulk, and is trying a similar concept as it faces pushback in other overseas markets, including the European Union.

The approach means Temu will lose much of its price advantage to competitors such as **Amazon.com**.

After Beijing and Washington reached a 90-day trade truce, Temu resumed some shipments from China. But the tariff reprieve is temporary and it is unclear whether PDD can adapt.

"No matter how policies shift, we'll continue to strengthen our operations in the markets we serve, helping more local merchants grow on our platform and enabling more orders to be fulfilled from local warehouses," PDD Chairman Chen Lei said in a Tuesday call with analysts.

Citi analysts said in a note earlier this month that there has been a notable decline in Temu's U.S. sales since April. Citi has cut 2025 and 2026 revenue forecasts for the retailer by 0.6% and 2.3%, respectively.

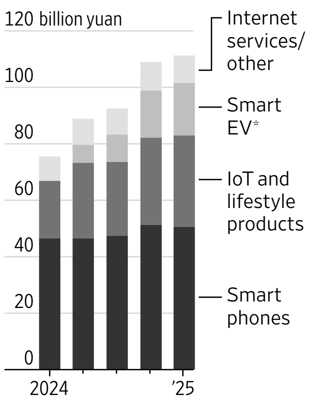
Domestically, PDD is wrestling with a harsher environment. Its Chinese e-commerce site Pinduoduo grew rapidly after launching in 2015, hurting stalwarts **Alibaba Group** and **JD.com** badly. But Alibaba and JD.com have ramped up efforts to defend their market shares, and national subsidies aimed at spurring consumption this year have benefited its rivals more, said Vinci Zhang, an analyst at research and analytics firm M Science.

Chen told analysts the overarching factor contributing to the first-quarter profit slide was the expanded subsidy initiative.

PDD plans to invest more than $13 billion over the next three years to support its merchants.

Much of the Tuesday earnings call was dominated by management's pledge to support and retain merchants, who have expressed resentment about being squeezed by the company. As a result, "our profitability is likely to face challenges in the near term and potentially in the longer term," said Liu Jun, PDD's vice president of finance.

Xiaomi quarterly revenue



*Includes AI and other initiatives; 100 billion yuan = $139 million

Sources: S&P Capital IQ; the company

CFOTO/DDP/ZUMA PRESS

Xiaomi launched its 15 Ultra phone in Shanghai in February.

Xiaomi Posts Jump in Profit On Strong Phone and Car Sales

By Jiahui Huang

Xiaomi reported another quarter of strong earnings, buoyed by robust sales of its smartphones and electric vehicles despite demand headwinds.

The Beijing-based company said Tuesday that first-quarter net profit more than doubled from a year earlier to 10.92 billion yuan, equivalent to $1.52 billion. Revenue climbed 47% to 111.29 billion yuan.

Analysts polled by Visible Alpha had expected the Chinese smartphone and electronics maker to post profit of 8.23 billion yuan on revenue of 109.06 billion yuan.

Xiaomi's smartphone business remained the largest revenue driver, with sales rising 8.9% to 50.6 billion yuan, driven by stronger market share in mainland China and continued demand for its smartphones globally.

A helping hand from Chinese government policies to boost consumption lifted sales of Xiaomi's other electronics during the quarter.

Revenue from the Internet-of-Things and lifestyle products segment hit a record at 32.3 billion yuan, rising 59% compared with a year earlier as subsidies encouraged the purchase of home appliances, tablets and wearables, such as smartwatches.

Electric vehicles, the company's newest business, added to its solid showing at the start of the year despite some concerns about the brand's image following a car crash involving a Xiaomi EV.

Xiaomi's electric-vehicle, AI and other new initiatives business reported total revenue of 18.6 billion yuan in the first quarter, with a gross profit margin of 23.2%.

Known initially for consumer electronics, Xiaomi has carved out a space for itself in China's crowded auto market. It is preparing to launch a new sport-utility vehicle that is expected to compete with **Tesla**'s Model Y.

Its shares have gained 48% so far this year, reflecting investors' expectations of a robust performance across all major segments.

Last week, Xiaomi said it would invest nearly $7 billion in chip design over a decade.