

# Elon Musk hints Tesla may stop taking orders as supply chain problems bite

I [nflation](#) and supply chain issues continue to hit carmakers, with [Toyota](#) and [Tesla](#) both sounding the alarm.

Japan's Toyota warned today that "soaring material prices" will hit its profits, while Tesla CEO [Elon Musk](#) has hinted his company may put the brakes on accepting new orders.

Toyota forecast a 21% drop in profits this year, blaming "unprecedented increases in materials and logistics costs."

Separately, Musk said at a conference that supply chain problems could prompt Tesla to stop taking new orders.

"The frustration we're seeing from customers is being unable to get them a car," he said at an FT event.

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"We are actually probably going to stop taking orders beyond a certain period of time because some of the timing is a year away."

Many of the world's biggest carmakers have recently been forced to shut Chinese production facilities following a Covid lockdown, leading to shortages of parts and increased lead times on car deliveries. Tesla this week warned of disruption to its Shanghai factory, its biggest.

Issues have been exacerbated by a steep rise in the price of raw materials like Nickel, which is vital for the production of car batteries. Nickel prices have risen 45% since the beginning of the year, amid restrictions on trade with [Russia](#), the world's third largest producer of the metal.

A global semiconductors shortage, prompted by shutdowns at the start of the pandemic, is also weighing on the industry.

British car dealership [Vertu](#) today warned that "the available supply of new vehicles" would be a key deciding factor in its performance this year.

Vertu sounded the note of caution even as it announced record profits for the year just ended. The company reported profits of just shy of £2 billion in the year to February 2022, despite a 15% reduction in the number of cars sold.

"Consumers have been increasingly accepting of long lead times," the company said.