

TECH

Elon Musk says tension between U.S. and China 'should be a concern for everyone'

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KEY POINTS

Elon Musk told CNBC's David Faber that the dynamic between China and the U.S. would be worse for many other companies than it would be for Tesla.

Tesla relies in part on Taiwan Semiconductor, and it has a Gigafactory facility in China.

In this article

TSLA -0.72 (-0.27%)



The Tesla Inc. Gigafactory stands in Shanghai, China, on Friday, Nov. 1, 2019.

Qilai Shen | Bloomberg | Getty Images

[Tesla](#) CEO Elon Musk said Tuesday that people ought to be worried about tension between the U.S. and China.

The comments come a year after President Joe Biden [said](#) the U.S. would be prepared to defend Taiwan if the Asian island off the Chinese coast were to be attacked. China believes Taiwan is part of its territory.

In an interview Tuesday following Tesla's annual shareholder meeting, CNBC's David Faber asked Musk if he was concerned about "the growing belligerence" between the U.S. and China.

"I think that should be a concern for everyone," replied Musk, who was born in South Africa and became a U.S. citizen in 2002.

Faber asked Musk if China will make a move to take control of Taiwan. "The official policy of China is that Taiwan should be integrated," Musk said. "One does not need to read between the lines."

When asked if China moving to control Taiwan would be bad for Tesla, or other companies, Musk said: “The Chinese economy and the rest of the global economy are like conjoined twins. It would be like trying to separate conjoined twins. That’s the severity of the situation. And it’s actually worse for a lot of other companies that it is for Tesla. I mean, I’m not sure where you’re going to get an iPhone, for example.”

[Apple](#) announced in September that it had begun assembling the [iPhone 14 in India](#) as it sought to reduce manufacturing reliance on China. Tesla [manufactures vehicles](#) in Shanghai, and it operates other factories in California, Texas and Germany.

“There are some constraints on our ability to expand in China, and so we’re making as many cars as we can,” Musk said. “It’s not a demand issue.”

He said Tesla depend on [Taiwan Semiconductor](#) to produce processors. Apple does as well.

Faber asked Musk if he thinks it’s inevitable that China would seek to take control of Taiwan.

“That is their policy, and I think you should take their word seriously,” Musk said.