

## **Elon Musk says Tesla's new Austin factory will drive \$10 billion in total investment**

By John Egan - Dec 21, 2021



*Tesla's Austin factory could generate a \$10 billion local investment, according to Musk. Courtesy of Tesla*

With 66.8 million followers on Twitter, Elon Musk's tweets attract an outsized amount of attention. So, when Musk tweeted December 16 that the new Tesla factory east of Austin would represent a long-term investment of at least \$10 billion, generating over 20,000 direct jobs and 100,000 indirect jobs, it raised more than a few eyebrows.

Until that tweet appeared, Tesla — the Austin-based electric vehicle maker headed by Musk — had indicated it would invest \$1.1 billion in the plant and would create at least 5,000 jobs and potentially 10,000 jobs there. As such, was Musk's December 16 tweet promising far more than that a spot-on statement or a far-fetched embellishment? Musk hasn't elaborated on his tweet, but experts believe his pronouncement isn't in the wrong lane.

Corporate site consultant John Boyd doesn't think the tweet is "hyperbole from larger-than-life Musk," who is the world's richest person.

"The magnitude of the Austin campus, the sea change transforming the North American auto industry, and Musk's extensive business enterprises could easily support those kind of ... numbers," Boyd says. "I have found that the outspoken Musk is not prone to exaggeration and has no problem speaking his mind."

Moreover, Boyd foresees Musk bulking up the Austin factory site — which is now Tesla's corporate headquarters — with operations from his other ventures, such as SpaceX and Neuralink.

"Tesla is just a piece of the pie for Musk. Look for him to co-locate some of his other enterprises on his massive Austin site," Boyd says. "It would be hard for him to find a better labor market and a more favorable state business and tax climate than he now enjoys in Austin."

Tesla's production capacity at the Austin plant for its Model Y, Cybertruck, and Semi vehicles could warrant Musk's new claims about the size of the new factory's investment and workforce, says Matt Patton, executive vice president of Austin-based economic development consulting firm AngelouEconomics.

"The potential for expanding the factory is there," Patton says.