



Written by [denz](#) on January 29, 2026

## Elon Musk is betting Tesla's future isn't about cars at all

Tesla dominated the electric vehicle industry by the mid-2010s with sleek, fast cars that helped combat the public perception that EVs were severely limited by short ranges.

Now the company - and its controversial CEO, Elon Musk - face stiffer competition and political headwinds. Its [EV sales fell by](#) a record 9% in 2025, amid increasing rivalry from China and the expiration of the US EV sales tax credit.



But Musk has been steering the company toward an audacious bet. He believes Tesla's future won't ride on cars but on humanoid robots.

On Tesla's earnings call on Wednesday, Musk laid out a literal replacement of Tesla cars by robots - announcing Tesla would discontinue the Model S and Model X in favor of making more of its Optimus robots.



The humanoid robot "Optimus" from Tesla waves at the presentation in the Mall of Berlin, Germany, on December 20, 2025. Christoph Soeder/dpa/picture alliance/Getty Images

"We're gonna take the Model S and X production space in our Fremont factory and convert that into an



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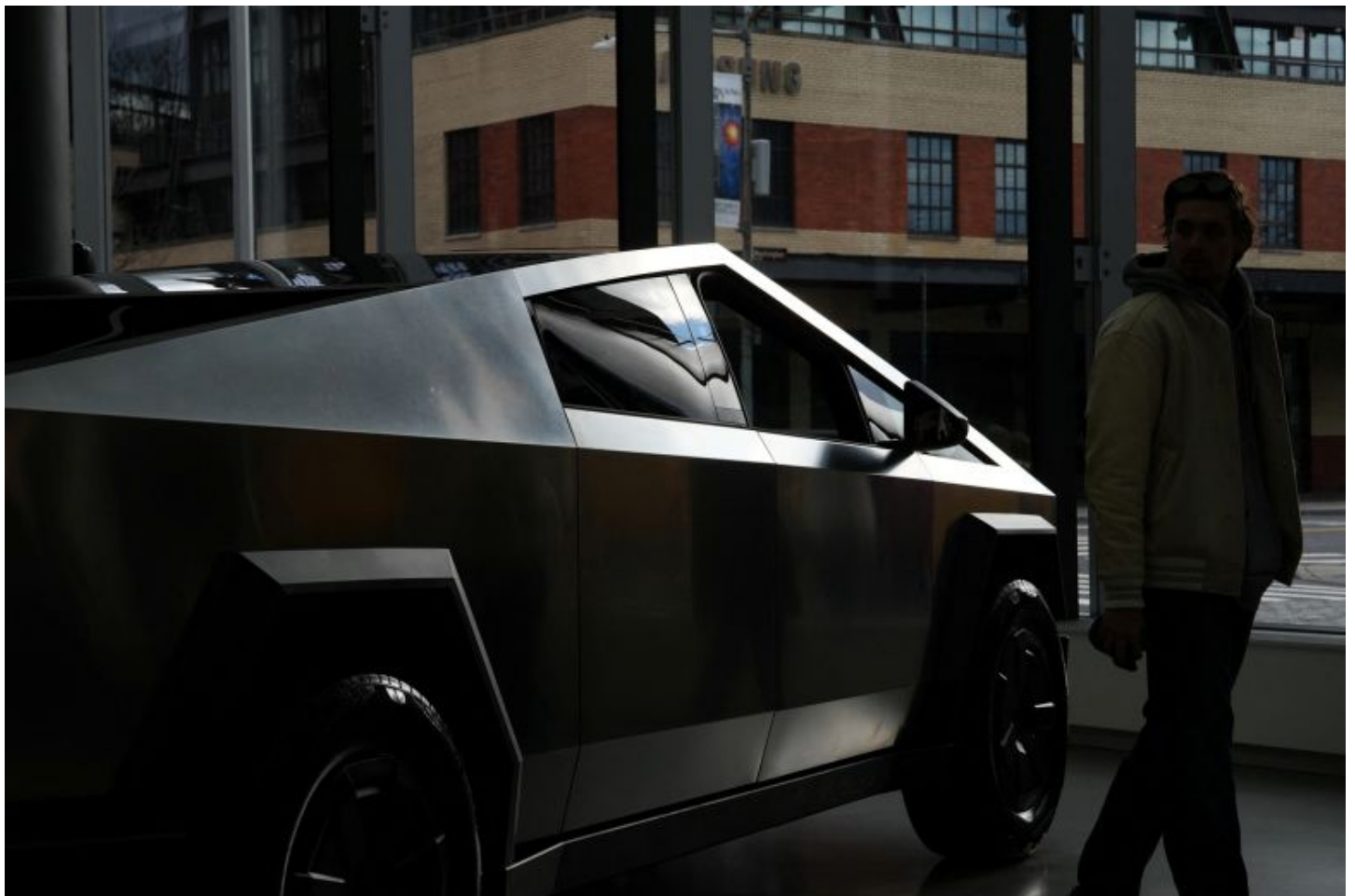
Optimus factory ... with the long-term goal of having 1 million units a year of Optimus robots in the current SX space in Fremont," he said.

It's the quintessential, science-fiction dream of the future: Musk says Tesla's Optimus robots, will do everything from clean your house to perform surgery.

He's called Optimus the key to eliminating world poverty, making human work optional and reaching Mars.

"Every human on earth is going to have their own personal R2-D2, C3PO," Musk said in November, referring to the personal robots from Star Wars. "But actually, Optimus will be better than that."

But critics say these are fever-dream distractions from Tesla's core automotive business. And plenty of companies, like Boston Dynamics and Figure, are already deep into the humanoid robot business.



A person looks at a Tesla Cybertruck at a Tesla showroom in New York. Adam Gray/Reuters



Elon Musk looks on as President Donald Trump speaks at the US-Saudi Investment Forum. Brendan Smialowski/AFP/Getty Images

Musk's own success and pay are directly at stake. Tesla must deliver one million Optimus robots within 10 years for Musk to fully realize [an almost \\$1 trillion Tesla pay plan](#) approved by shareholders late last year.

"Elon is a big thinker, and he wants to be pushing the edge of people's imagination," a former Tesla senior engineer told CNN in an interview.

But the EV and robot markets are very different, the engineer said. "With electric vehicles, Tesla was really the only one working on this hard problem. There's a lot of companies now and tons of competition."

## 'Infinite money glitch'

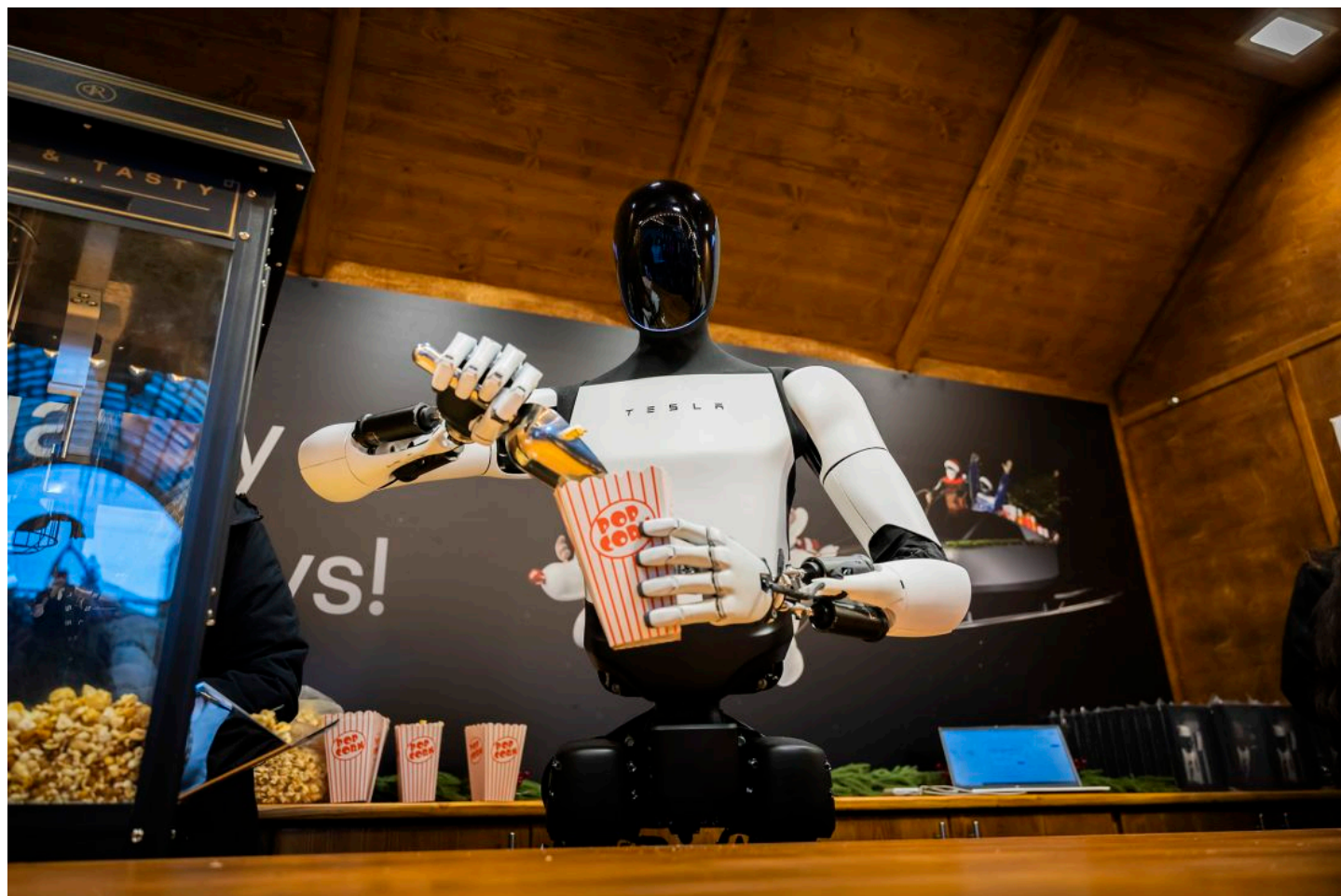
Tesla first unveiled its humanoid robot project [at a 2021 event](#), where a silvery figure danced to thumping techno music on a stage. It was an actor in a robot suit, complete with a face that looked like a screen. "Obviously, that's not real," Musk said as the costumed figure left the stage.

Just months later, in January 2022, Musk said he thought Optimus could be "more significant than the vehicle business" for Tesla over time.

Tesla says Optimus can now sort objects, serve popcorn, throw out trash and dance. It does "some basic tasks in the factory," Musk said Wednesday - progress, but still a far cry from Musk's futuristic vision - even as he predicted Optimus could eventually generate \$10 trillion of revenue.



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Tesla's humanoid robot "Optimus" distributes popcorn at a Christmas market stall. Christoph Soeder/dpa/picture alliance/Getty Images

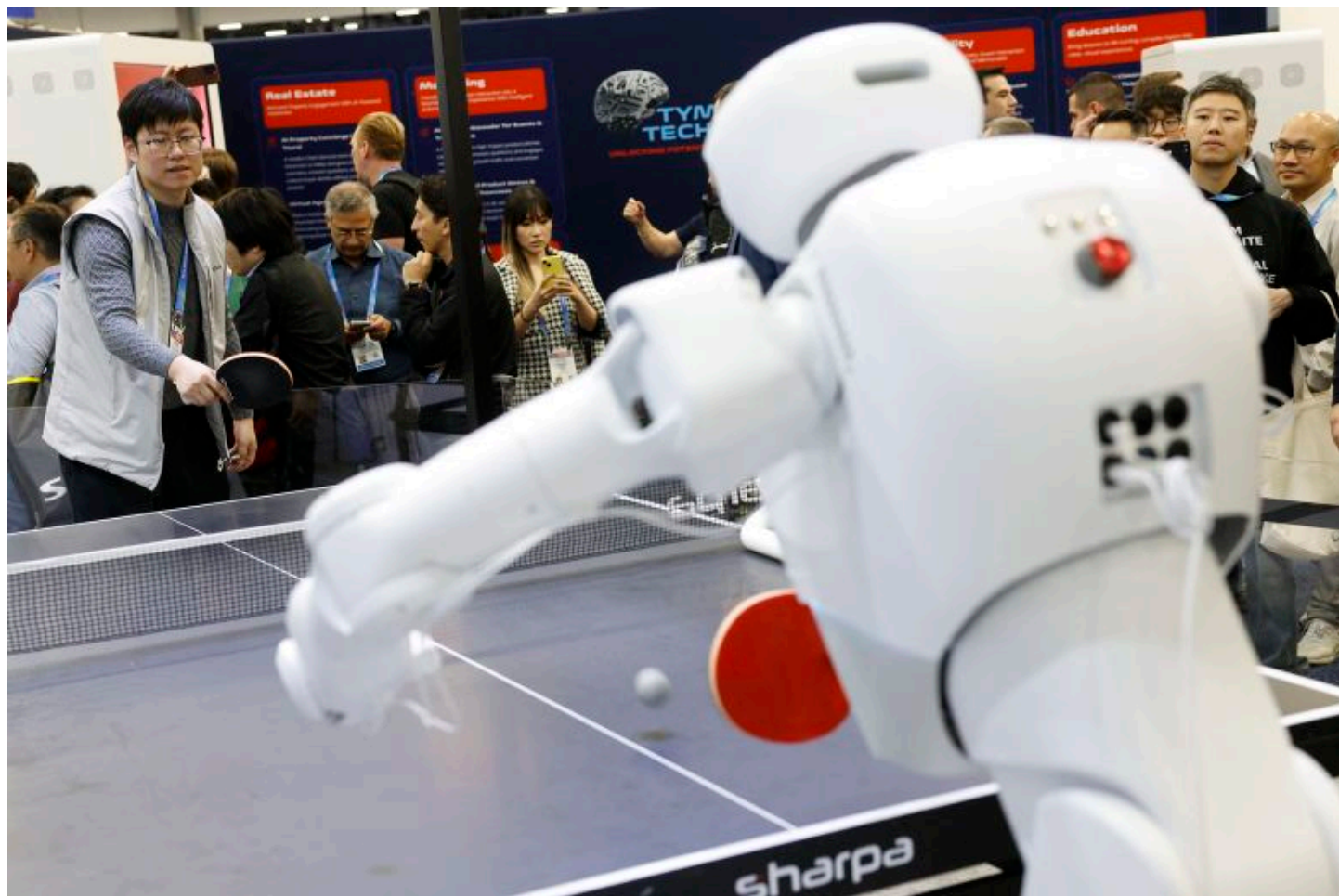
It's a lofty goal, one experts say may be tougher than Musk's bets on electric vehicles or SpaceX. Humanoid robots are among the most complex machines imaginable, and the race to build them is already heating up.

Tesla is not the only company in this space. Hyundai and Google DeepMind are also deploying their Atlas humanoid robot internally in the coming months before rolling it out to customers. Meanwhile the [CES tech show](#) in January was full of companies — including Nvidia, Qualcomm and Intel — showing off humanoid robots powered by their chips and technologies.

More than 90 companies have a humanoid robot product, according to Ani Kelkar, a partner at McKinsey & Company who leads the firms' advanced automation and autonomy sector. More are coming, especially in the United States and China.



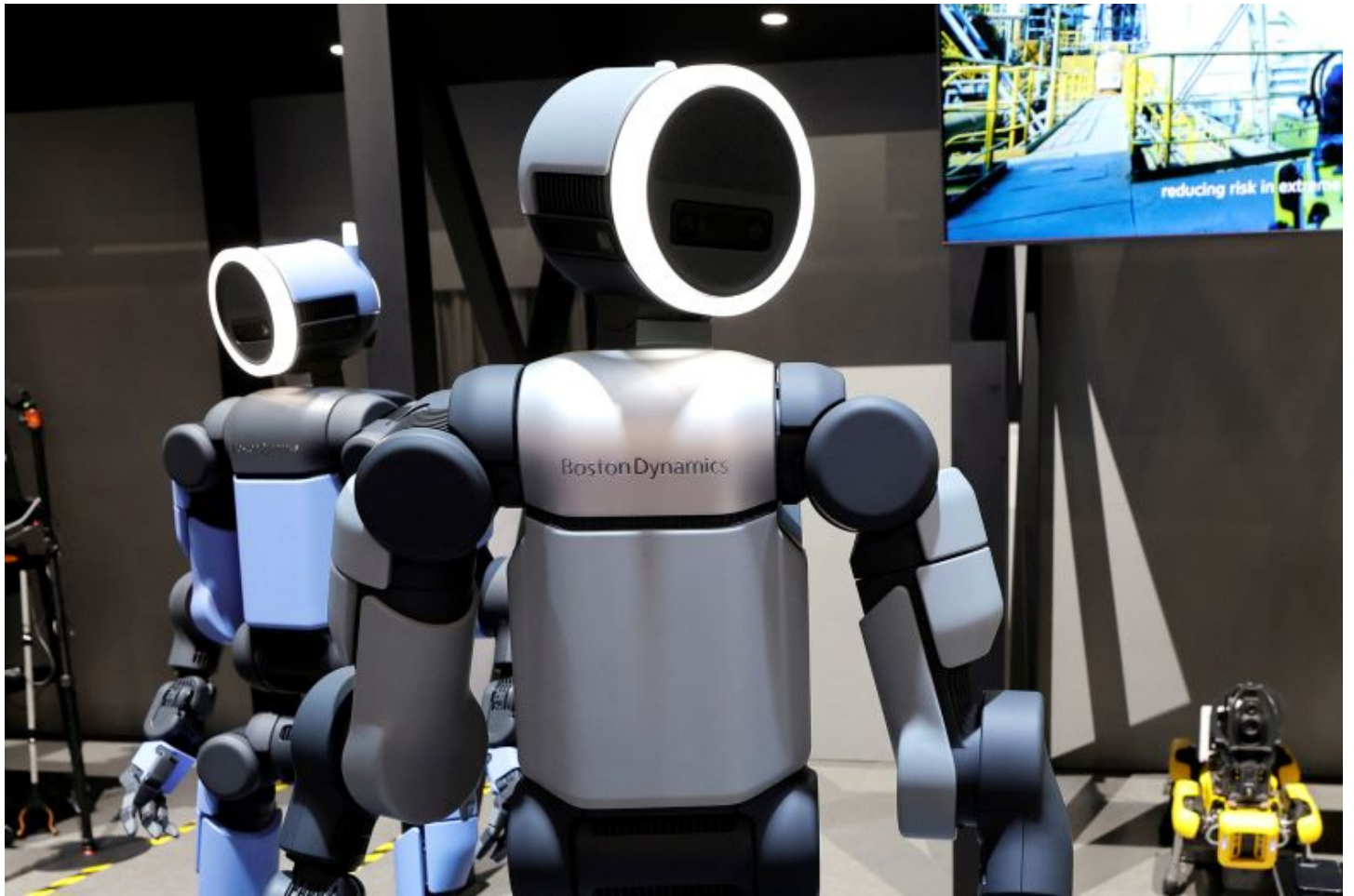
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An attendee plays table tennis with a Sharpa robot during the annual Consumer Electronics Show in Las Vegas, on January 7. Caroline Brehman/AFP/Getty Images



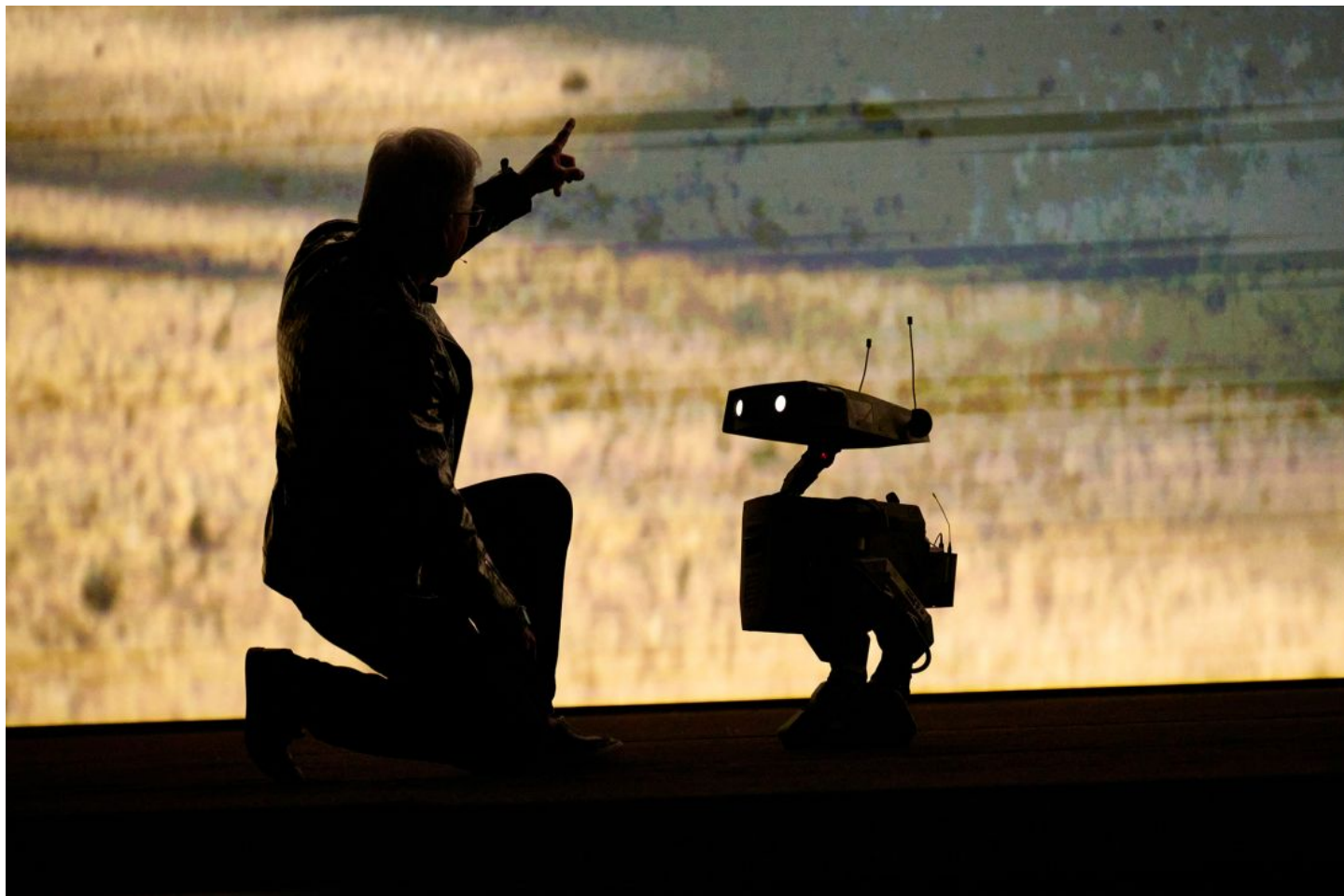
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Boston Dynamics Atlas robots are displayed in the Hyundai Motor Group booth during CES 2026, an annual consumer electronics trade show, in Las Vegas, Nevada, on January 6, 2026. Steve Marcus/Reuters



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Jensen Huang, chief executive officer of Nvidia Corp., on stage with a small robot during the Nvidia Live event at CES. Bridget Bennett/Bloomberg/Getty Images

Experts from McKinsey, Goldman Sachs and Morgan Stanley estimate the humanoid robot market could eventually be worth anywhere from \$370 billion by 2040 to \$5 trillion by 2050.

Tesla does have critical advantages in its expertise in motors, batteries and mechanisms, said Ken Goldberg, a professor who supervises research in robotics and automation at the University of California, Berkeley.

“They also understand how to make something advanced in high volume - with cost effectiveness, and that’s really important,” Goldberg said.

The company could also benefit from using Optimus internally and selling it externally, giving it a “cost advantage” that could see Tesla making “several thousand dollars per robot,” Goldman Sachs said in an October report.

But most experts agree it’ll be at least a decade before humanoid robots are widely deployed.

“A giant leap may happen, but we don’t know when,” Goldberg said. “Most technology develops as a slow burn over time, so I think the expectations about having fully general humanoids seems over-inflated.”



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A Tesla humanoid robot is displayed inside a Tesla store in Chengdu, China. Cheng Xin/Getty Images

Others are skeptical about whether humanoid robots will ever be broadly useful in society. Bill Ray, an analyst following emerging technologies and robotics for market research firm Gartner, previously told CNN that humanoid robots face too many limitations to be practical.

## Optimus challenges

Musk has swung big with timelines before - and missed. He previously said Tesla cars would be fully autonomous by 2018 that SpaceX would start sending rockets to Mars by 2018 - neither of which have happened yet.

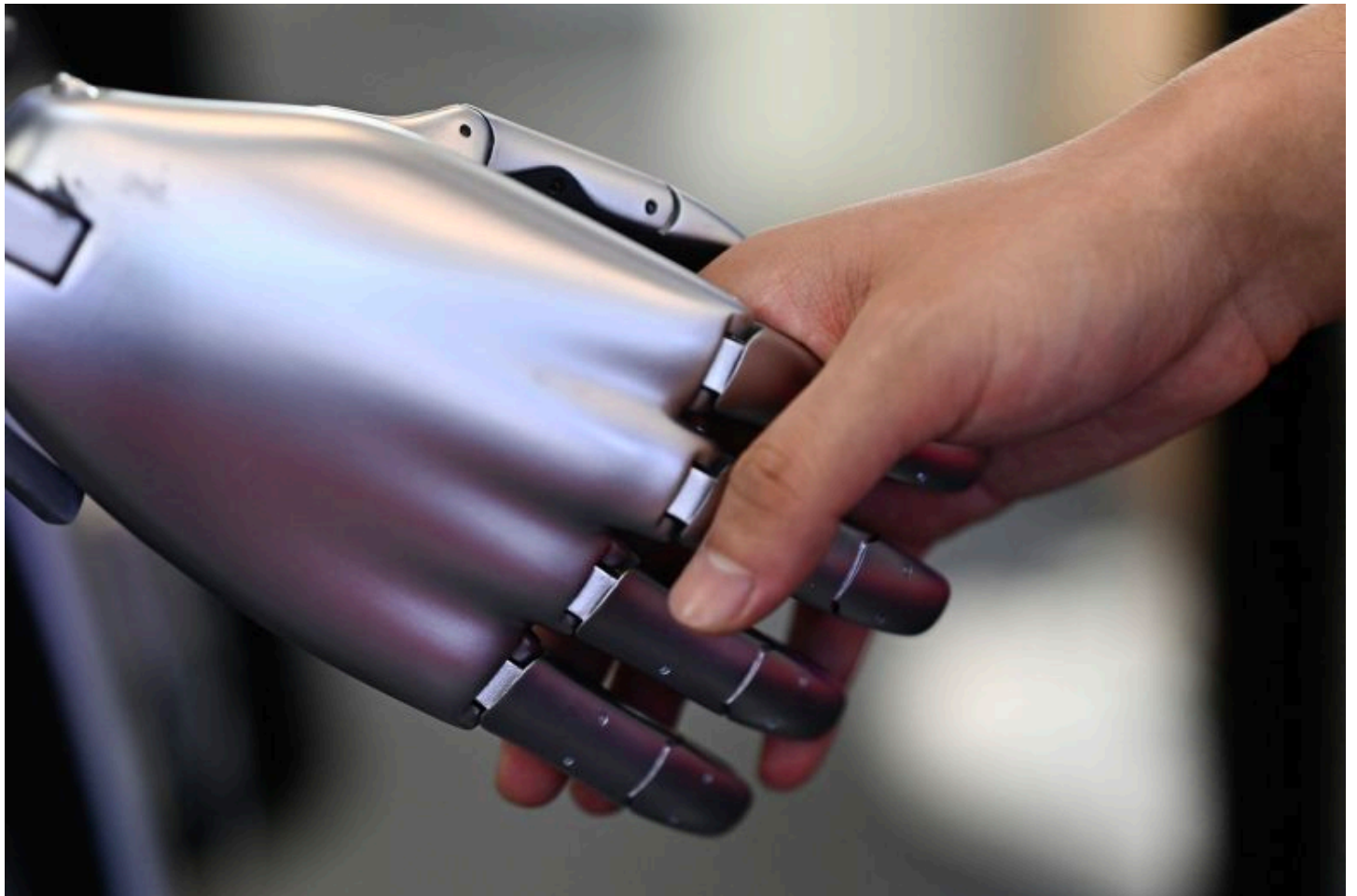
And already with Optimus, Tesla has missed its leader's ambitious schedule. Musk had initially set internal goals for Tesla to produce at least 5,000 Optimus units in 2025, according to [The Information](#). That goal was slashed to 2,000 a few months later and has been lowered again since, [The Information](#) reported in October. Tesla did not respond to CNN's request for comment.

Musk has acknowledged his goals are not easy.

"Right now, we're struggling with the final design of the hardware," especially of the arm and hand, Musk said at the All In Summit in September. Human-like hands are notoriously hard for robots to emulate. Unlike people, robots have a hard time knowing how to grip different objects like a wet glass versus a piece of metal.



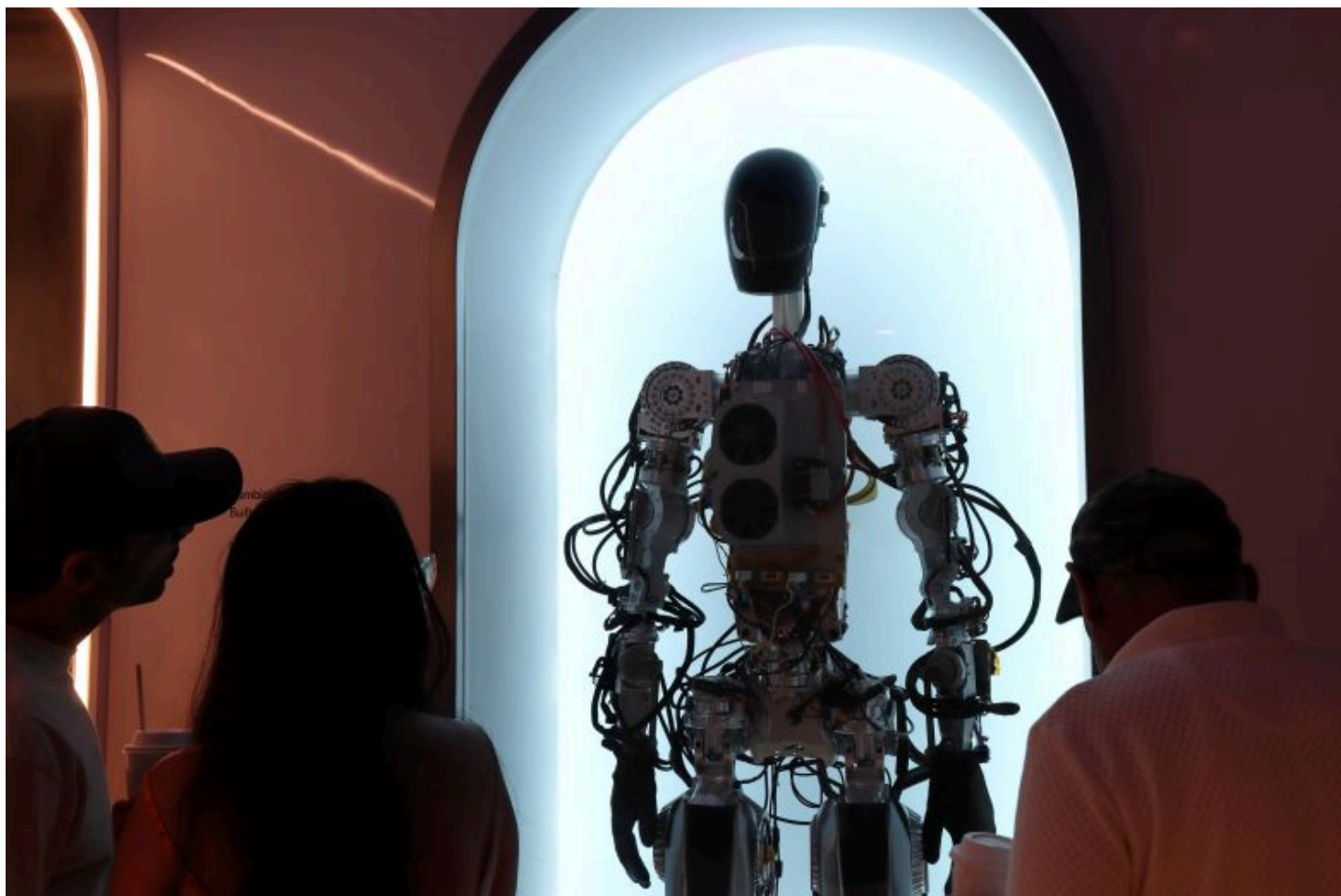
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A man shakes hands with a Tesla humanoid robot on display during the World Intelligence Expo in Tianjin. Pedro Pardo/AFP/Getty Images



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Customers view a humanoid robot at the Tesla Diner and Drive-In restaurant in Los Angeles. I RYU/VCG/Getty Images

“People think of space travel as extraordinarily difficult and it is, no doubt, but it turns out that getting a robot to reliably tie a sneaker is harder than getting a rocket out of the atmosphere,” Goldberg said.

Musk’s political commentary and support of President Donald Trump has also made him a polarizing figure, resulting in protests and vandalism at Tesla dealerships across the country.

“If they won’t buy his cars, why would they buy a huge robot for their home from him?” [posted](#) Ross Gerber, an early Tesla investor and CEO of investment firm Gerber Kawasaki, who is now a prominent critic of Musk.



President Donald Trump, accompanied by Elon Musk, speaks next to a Tesla Model S on the South Lawn of the White House on March 11, 2025. Andrew Harnik/Getty Images

Musk acknowledged the “many who doubt our ambitions for creating amazing abundance” on Wednesday’s earnings call.

“But we’re confident it can be done, and that we’re making the right moves technologically to ensure that it does. And Tesla’s obviously never been a company to shy away from solving some of the hardest problems,” he added.

But Musk’s version of the future won’t happen instantly - and maybe not for a long time.

“Elon is a visionary, but he promises things that sometimes may take more time than his engineers can deliver,” said Goldberg. “The research community all over the world is working very hard on this, but it’s not going to get solved overnight.”

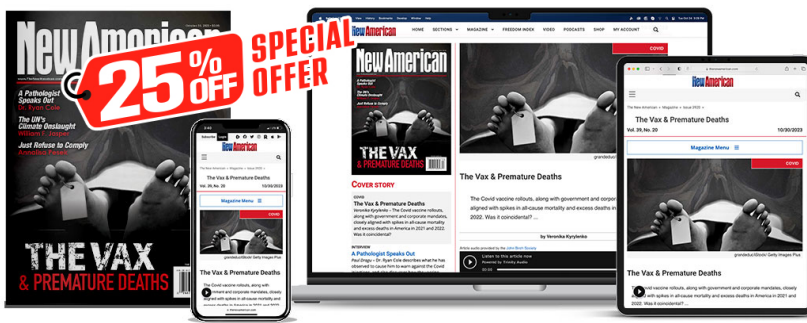


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