

Automotive Engineering Services Market Size Expected To Reach USD 271.86 Billion at a CAGR of 8.50% By 2028

Automotive Engineering Services Market Size- USD 140.63 Billion in 2020, Market Growth- CAGR of 8.50%.

NEW YORK, NY, UNITED STATES, August 3, 2022 /EINPresswire.com/ -- The technological advancement of autonomous vehicles, introduction of 5G network will drive the market at a high CAGR during the forecast period.



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Market trends- Increasing spend on vehicle electrification, vehicle connectivity; Emission less transportation, APAC expected to register the highest market share

The [automotive engineering services market](#) was valued at USD 140.63 Billion in 2020 and is expected to reach USD 271.86 Billion by year 2028, at a CAGR of 8.50% CAGR during the forecast period (from 2018 – 2026). The major drivers responsible for the growth of the automotive engineering services market include a rise in the spending of the automotive R&D, the increased outsourcing activities by automotive OEMs, and growing ER&D investment by software and telecom companies in connected and autonomous verticals. Vehicle electrification, smart mobility, and Internet of Things (IoT) are the key technology-driven trends in the global automotive industry and is positively impacting the automotive engineering services market. Further, automotive engineering service providers are increasingly being analysed as critical partners, who can help accelerate the product development cycles and reduce costs and time in this fast-changing automotive landscape.

Automotive companies around the globe are witnessing the need to grow their engineering capabilities, to keep pace with rising customer demand for new products and technology. While such demands are usually beneficial for business, but it poses bigger challenges.

The continuous pressure to quickly design, prototype, manufacture, and launch new products in the market, in response to always declining product lifecycles and higher demand, is placing a strain on the in-house engineering workforces and operating processes of auto OEMs.

Automotive OEMs significantly contribute to the key share of the total engineering services outsourcing to the automotive engineering service providers. The key global engineering outsourcers, like BMW, Volkswagen, Renault, Daimler, and Ford, among the others, have an aggregated automotive engineering services spending of ~\$8 billion, per year. Hence, auto OEMs' existing engineering capabilities coupled with outsourced services, to meet current product development needs, OEMs are decreasing operating costs and bet on their higher sustained growth. Further, growing intense competition in the automobile industry and auto OEMs increasing focus on concentrating on their key capabilities boosting the global automotive engineering services market.

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Further key findings from the report suggest-

- The embedded system segment is projected to witness the highest growth over the forecast period.
- The increasing concerns regarding passenger's and driver's safety in cars, increasing AI integration in the entire automotive ecosystem for driving assistance & automation, and stringent government regulations are the major factors fueling the demand of embedded systems
- Electronics and electrical systems play a critical role in handling all functions dedicated to passenger and driver comfort and convenience. Services in automotive electronics consist of climate control, power management module, and similar offerings. This trend is anticipated to grow owing to the adoption of complex electronics and electric vehicles
- Automotive engineering service providers like Harman, L&T Technology Services and FEV have invested huge resources to develop electronics electrical, and body control solutions in automotive engineering services market
- European region is anticipated to occupy the highest share in the automotive engineering services market, followed by Asia Pacific and North America region. Most of the automotive engineering service companies are concentrated in Europe.
- Within European region, Germany is expected to be the major market for engineering services. In Asia-Pacific region, India is expected to be the market with the highest share of the engineering services market.
- India accounts for ~30% of all the entire business process outsourcing (BPO) and engineering service outsourcing (ESO) and talent, among the lesser cost countries.
- The engineering service outsourcing segment, in the country, is shifting from the conventional back-office services of the past to the high-end technology work, and is now serving multiple growing sectors, including automotive
- In 2019, Geely Auto (China-based company automobile manufacture) partnered with Ricardo (UK based, global engineering and strategic, technical and environmental consultancy)
- The partnership is aimed to build advance hybrid transmission precisely for range-extended PHEV (plug-in hybrid electric vehicles)

• Many companies like Harman, Capgemini, AVL, Bertrandt, Alten Cresttek, L&T Technology Services, FEV, Akka Technologies, HCL Technologies, IAV Automotive Engineering, Altran, Ricardo and others. Automotive Engineering Services marketplace.

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For the purpose of this study, Reports and Data have segmented the industry by Service Type, by Nature, by Application, by Location and by Region:

Automotive Engineering Services by Service Type (Revenue, USD Million; 2018–2028)

- Concept/ Research
- Designing
- Manufacturing Support
- Validation and Predictive Engineering Analytics
- Prototyping
- System Integrator
- Testing

Automotive Engineering Services by Nature (Revenue, USD Million; 2018–2028)

- Body-Leasing
- Turn-Key

Automotive Engineering Services by Application (Revenue, USD Million; 2018–2028)

Electrical, Electronics and Body Controls
Chassis
Embedded Systems and Infotainment

- o HMI Platform
- o Media Subsystem
- o Telematics Solution
- o Instrument Clusters

Interior and Exterior Body
Powertrain and Exhaust
Simulation

Automotive Engineering Services by Location (Revenue, USD Million; 2018–2028)

- Offshore
- Onshore

Automotive Engineering Services by Region (Revenue, USD Million; 2018–2028)

- North America
- Europe
- Asia Pacific
- Middle East and Africa
- Latin America

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