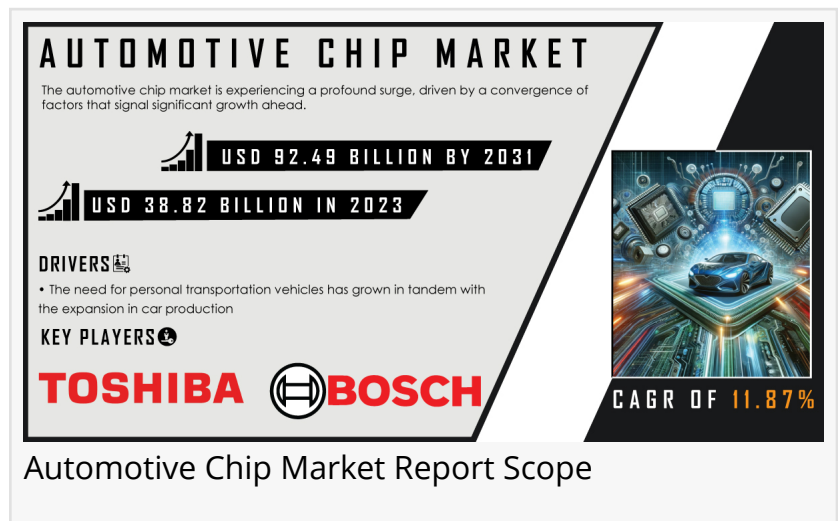


Automotive Chip Market to Hit USD 92.49 Billion by 2031, Fueled by Growth in Demand for Power Electronics

Automotive Chip Market Size, Share, Growth Analysis, Outlook, Competitors and Forecast 2024 to 2031

AUSTIN, TEXAS, UNITED STATES, May 24, 2024 /EINPresswire.com/ --

According to SNS Insider, The Automotive Chip Market Analysis, valued at USD 38.82 Billion in 2023, is poised for exponential growth, projected to reach USD 92.49 Billion by 2031. This remarkable expansion, with a compound annual growth rate (CAGR) of 11.87% from 2024 to 2031, is attributed to various catalysts driving innovation and demand in the automotive sector.



Market Scope:

The Automotive Chip Market is witnessing an unprecedented surge, fueled by the increasing consumer demand for intelligent vehicles equipped with advanced features such as Advanced Driver-Assistance Systems (ADAS) and autonomous driving capabilities. This surge in demand necessitates sophisticated chips capable of processing vast amounts of sensor data in real-time. Forecasts indicate that the global automotive semiconductor market is set to exceed \$115 billion by 2035, with a projected annual growth rate of 10%. Such growth is instrumental in propelling the automotive chip market forward during the forecast period.

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Government initiatives further bolster this expansion. For instance, the CHIPS Act in the United States allocates \$52 billion to enhance domestic chip production, recognizing its pivotal role in the automotive sector. Similarly, China has unveiled a \$150 billion initiative aimed at advancing its chip industry. These substantial investments, combined with ongoing automotive innovation,

underscore the imminent surge in demand for automotive chips.

Moreover, automotive chips enable voice-controlled navigation and infotainment systems, enhancing the driving experience while ensuring safety and convenience for users.

Top Key Players of Automotive Chip Market

Robert Bosch GmbH (Germany)

NXP Semiconductors (Netherlands)

STMicroelectronics (Switzerland)

Toshiba Corporation (Japan)

ON Semiconductor (US)

Renesas Electronics (Japan)

Infineon Technologies (Germany)

Texas Instruments Incorporated (US)

ROHM Semiconductor (Japan)

Denso Corporation (Japan)

Market Analysis:

The automotive chip market is experiencing unparalleled growth driven by the rising demand for feature-rich electric vehicles (EVs) and advanced driver-assistance systems (ADAS). These chips play a crucial role in modern automobiles, overseeing functions such as engine performance, fuel efficiency, in-car entertainment, and autonomous driving capabilities. Government initiatives globally, such as the European Union's €43 billion investment scheme, further fuel market growth by strengthening domestic chip manufacturing. This surge in demand is transforming the transportation landscape, with autonomous vehicles powered by cutting-edge automotive chips poised to redefine mobility.

Market Segmentation

By Component:

Logic ICs

Analog ICs

Microcontrollers & Microprocessors

Memory

By Application:

Chassis

Powertrain

Safety

Telematics & Infotainment
Body Electronics

By Vehicle Type:

Passenger cars
Commercial vehicles

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Segment Analysis:

Logic ICs hold a significant share of the automotive chip market, driven by their prevalence in driver assistance systems, instrument clusters, and infotainment units. Powertrain applications dominate the market due to the increasing complexity of combustion engines and the rise of electric vehicles, necessitating advanced chipsets for efficient power management. Chassis applications, safety features, telematics, and infotainment systems also contribute to market growth, reflecting the automotive industry's focus on safety, efficiency, and enhancing the driver experience. Passenger cars command the largest market share, driven by consumer preference for personal transportation solutions and the integration of advanced functionalities.

Impact of Russia-Ukraine War:

The conflict in Ukraine has intensified disruptions in the automotive chip market, particularly affecting the supply chain. While chip production itself remains largely unaffected, shortages of critical raw materials have worsened due to the war. Russia's role as a major supplier of neon and Ukraine's expertise in neon purification have both been impacted, leading to extended lead times and higher chip prices. Looking ahead, there's an expected geographical reshuffle in the chip industry, with governments prioritizing domestic chip production to enhance supply chain resilience.

Impact of Economic Slowdown:

An economic downturn can have cascading effects on the automotive chip sector, impacting major chip producers and vehicle manufacturers. Reduced consumer spending leads to a decline in car sales, diminishing the demand for automotive chips. However, this presents opportunities for industry consolidation and strategic investments. Government initiatives worldwide, coupled with potential mergers and acquisitions, aim to strengthen domestic chip production and reshape the market landscape for a more resilient future.

Key Regional Developments:

North America dominates the automotive chip market due to its concentration of automobile manufacturers and a well-established semiconductor industry. Europe follows closely, driven by renowned automakers and investments in EV infrastructure. The Asia-Pacific region, propelled by rapid urbanization and increasing disposable incomes, exhibits significant growth potential, with China leading the market.

Recent Developments:

Continental expanded its sensor portfolio with new solutions focused on protecting electrified vehicle batteries.

AMD introduced two new automotive chips, the Versal AI Edge XA adaptable SoC and the Ryzen Embedded V2000A, aimed at enhancing vehicle information, entertainment, safety, and autonomous driving services.

Key Takeaways from the Report:

Comprehensive insights into the evolving automotive chip market landscape

Understanding of key growth drivers and market dynamics

Analysis of segment-wise market trends and opportunities

Regional outlook highlighting dominant markets and growth prospects

Impact assessment of geopolitical and economic factors on market dynamics

Strategic recommendations for stakeholders to capitalize on emerging opportunities

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Akash Anand

SNS Insider Pvt. Ltd

+1 415-230-0044

info@snsinsider.com

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