

# Global Air Conditioning System Market Expands at 4.8% CAGR, forecasted to Reach \$216.4 Billion by 2034

*Air conditioning system market driven by energy efficiency, IoT smart systems, and rising demand in residential, commercial, and industrial sectors.*

ROCKVILLE, MD, UNITED STATES, February 14, 2025 /EINPresswire.com/ -- According to a new report by Fact.MR, the global [air conditioning system market](#) is valued at US\$ 135.4 billion in 2024 and is projected to grow at a 4.8% CAGR by 2034. Rising demand for comfort-driven, advanced systems is driving innovation. The increasing popularity of portable, energy-efficient ACs offers major growth opportunities, making white space evaluation crucial for manufacturers worldwide.



Air conditioning systems are widely used in retail malls, residences, offices, and entertainment venues. Despite concerns over the cost of eco-friendly products, AC remains in high demand, particularly in underdeveloped nations. In hot and dry regions, air conditioning has transformed indoor environments, becoming essential to modern infrastructure. With economic growth in emerging nations, demand for AC is expected to rise, boosting market expansion. The growing tourism and construction sectors, along with the increasing preference for portable and energy-efficient systems, are further driving market growth.

The Indian government has introduced the Super-Efficient Air Conditioning scheme to promote energy-efficient technology and reduce energy consumption. Additionally, advancements such as IoT-enabled smart systems, automation, and strong marketing campaigns by key players are attracting customers, fueling air conditioning system market growth.

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The expansion of the HVAC market is largely driven by the growth of the construction sector, fueled by urbanization, population growth, and industrial development. Increased building activities have significantly boosted the demand for HVAC systems in residential and commercial spaces. A survey by PICKHVAC revealed that 83% of participants consider HVAC systems essential, with 38% emphasizing system reliability. Rapid advancements in IoT technology have transformed the HVAC industry, enabling the development of smart systems that can be remotely controlled and managed, presenting significant growth opportunities.

Rising urban population densities and awareness of air conditioning's health benefits, such as improved air quality and humidity control, are increasing demand. Businesses are prioritizing worker comfort, productivity, and equipment cooling, further driving HVAC adoption across offices, healthcare, retail, and manufacturing sectors.

#### Key Takeaways from the Market Study:

The global air conditioning system market is projected to reach US\$ 216.4 billion by 2034, growing at a CAGR of 4.8% from 2024 to 2034.

The air conditioning system market in China is set to grow at a CAGR of 4.9% from 2024 to 2034, capturing a significant 47.8% share of the East Asian market by 2034. Meanwhile, Canada is emerging as a lucrative market, driven by the increasing demand for energy-efficient cooling solutions. The Canadian market, valued at US\$ 3.3 billion in 2024, is expected to reach US\$ 5.3 billion by 2034, growing at a 5% CAGR. Energy efficiency remains a top priority, with consumers and businesses focusing on reducing energy consumption and operating costs. This trend is fostering the adoption of low-global warming potential (GWP) refrigerants, variable refrigerant flow (VRF) systems, and inverter technology. The growing popularity of multi-zone air conditioning systems, including VRF technology and ductless mini-splits, enables precise zoning, minimizing energy waste while enhancing comfort, making Canada a promising market for air conditioning suppliers.

In Japan, the air conditioning system market is witnessing growth due to the expansion of the construction sector and the establishment of new data centers. The Japanese market, valued at US\$ 9.5 billion in 2024, is projected to reach US\$ 15.4 billion by 2034, with a CAGR of 4.9%. The demand for air conditioning systems in data centers is rising as these facilities require optimal temperature control for efficient operations. This growing need presents significant opportunities for manufacturers and suppliers. With the ongoing development of commercial and residential buildings, along with the increasing reliance on data centers, Japan continues to be a key player in the global air conditioning system market.

#### Key players in Air Conditioning System Market:

Key players in the air conditioning system market are Daikin Industries Ltd.; Mitsubishi; Qingdao Haier; Samsung Electronics; Electrolux; LG Electronics; Panasonic; UTC; Hitachi; Gree Electric

Appliances; Sharp Corp.; Midea Group Co. Ltd.; Carrier Corp.; Fuji Electric; Honeywell International; Ingersoll Rand.

#### Rising Demand for Energy-Efficient Split Air Conditioning Systems:

The growing emphasis on energy efficiency is a key factor driving the market for split air conditioning systems. Government regulations are encouraging the replacement of older, less efficient air conditioning units with modern, energy-saving models, shaping the future of air conditioning technology. Consumers are increasingly seeking HVAC solutions that minimize energy consumption while providing superior cooling performance.

HVAC systems play a crucial role in maintaining healthy and comfortable indoor environments by regulating temperature, humidity, and air quality. These systems integrate advanced mechanical and electrical technologies to optimize climate control in residential, commercial, and industrial buildings. As sustainability and efficiency become top priorities, the adoption of energy-efficient split air conditioning systems is rising. This trend is further supported by technological advancements, such as smart thermostats and inverter-driven compressors, which enhance performance while reducing operating costs. These factors collectively contribute to the increasing sales and expansion of the HVAC market.

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#### Competitive Landscape:

Leading air conditioning system manufacturers are aligning with market trends, focusing on innovations such as portable and wearable air conditioners. Companies are investing in advanced technologies to enhance efficiency, comfort, and user experience. In May 2022, Daikin Industries, Ltd. invested in London-based startup Wlab Ltd., whose Sensio Air division developed AI and IoT-powered sensors to detect airborne allergens in real-time. Similarly, Mitsubishi Electric Corporation introduced a new airflow-control technology in April 2022 that optimizes comfort by analyzing and visualizing temperature distribution and airflow. Godrej Appliances made a significant breakthrough in February 2023 with the launch of India's first leak-proof split air conditioner, integrating anti-leak technology to enhance reliability. At the 2022 AHR exhibition in Las Vegas, LG Electronics USA showcased a comprehensive range of ventilation, heating, and air conditioning solutions for residential, commercial, and industrial applications. These developments highlight the industry's commitment to innovation and sustainability.

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