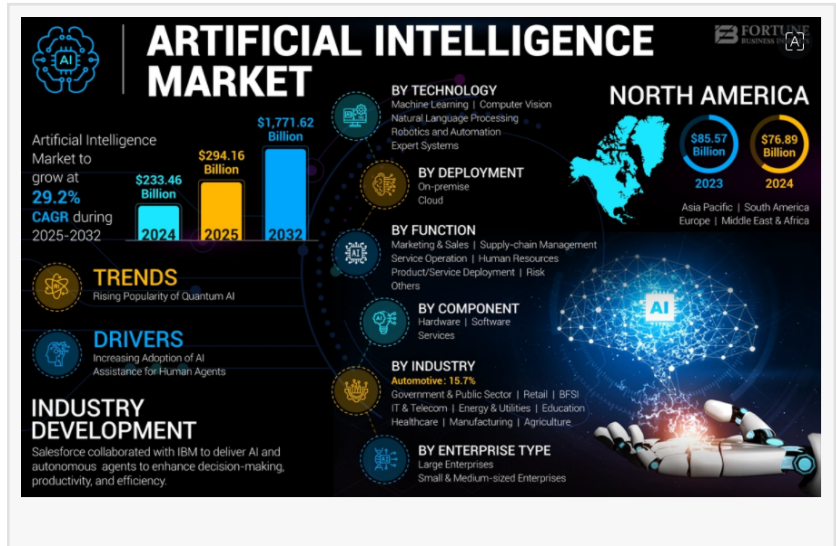


# Artificial Intelligence Market Size to Reach USD 1,771.62 Billion by 2032

Global AI market size is poised to grow from USD 294.16 billion in 2025 to USD 1,771.62 billion by 2032, growing at a CAGR of 29.2% during the forecast period

PUNE, MAHARASHTRA, INDIA, February 21, 2025 /EINPresswire.com/ -- The [artificial intelligence market size](#) was valued at USD 233.46 billion in 2024 and is expected to be worth USD 294.16 billion in 2025. The market is projected to reach USD 1,771.62 billion by 2032, recording a CAGR of 29.2% during the forecast period.



Artificial intelligence, popularly known as AI, is a technology that utilizes machines and advanced hardware and software to simulate human intelligence and help users make informed decisions. It analyzes vast amounts of data to identify patterns and generate useful results to reduce repetitive tasks and improve the overall efficiency of organizations. This advantage is expected to increase the use of AI in many industries, thereby boosting the market's growth.

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Generative AI Impact:

Launch of ChatGPT to Accelerate Market Growth

OpenAI announced the launch of ChatGPT, which is a chatbot that uses generative AI to produce human-like texts, such as short stories, solving math problems, and translating scripts written in foreign languages. This launch has compelled some of the biggest technology companies to launch their own AI-powered chatbots to compete with ChatGPT. This scenario has also increased investments in AI technologies by many folds. Hence, generative AI-powered solutions will have a positive impact on the artificial intelligence market growth.

## Drivers and Restraints:

### Increasing Popularity of Quantum AI to Propel Market Progress

Quantum AI, a technology that integrates artificial intelligence with the principles of quantum physics, is gaining massive traction in various industry verticals as it can improve AI algorithms. It also plays a key role in enhancing the functioning of machine learning models by handling large datasets effectively and carrying out computations that cannot be done by traditional computers. These advantages will fuel the use of quantum AI in industries, such as finance, pharmaceuticals, and cybersecurity, thereby spurring the market's development. However, there is a severe lack of professionals that specializes in AI technologies, which can impede the artificial intelligence market growth.

## Regional Insights:

### North America Holds Largest Market Share Due to Rising Investments in AI Startups

North America has accounted for the biggest global market share as the U.S. is increasing their investments in AI startups. Moreover, many hyper scalers, such as IBM Corporation and Microsoft Corporation are investing in AI technologies due to rising awareness regarding their benefits. These factors will help the regional market grow.

Europe is also expected to show substantial growth in the global market as industries across the region produce vast volumes of public and industrial data, which will increase the demand for AI technologies to analyze these datasets.

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## List of Top Artificial Intelligence Companies:

- Microsoft Corporation (U.S.)
- Amazon.com, Inc. (U.S.)
- IBM Corporation (U.S.)
- Alphabet Inc. (Google LLC) (U.S.)
- Salesforce.com, Inc. (U.S.)
- Baidu, Inc. (China)
- NVIDIA Corporation (U.S.)
- H2O.ai (U.S.)
- Oracle Corporation (U.S.)
- Hewlett Packard Enterprise Development LP (U.S.)
- Cisco (U.S.)
- Alibaba Cloud (China)
- Huawei (China)
- Appier (Taiwan)
- Gamaya (Switzerland)
- Hailo (Israel)

- Lumen5 (Canada)
- Graphcore (U.K.)

#### Segmentation:

##### Need for Simplifying Training of AI Models Fueled Use of AI Software/Platforms

Based on components, the market is segmented into hardware, software, and services. The software/platform segment held the largest market share in 2024 as organizations are using AI-powered software and platforms to make the training processes of AI models simpler and more efficient.

##### Increased Use of Cloud Computing Solutions Boosted Demand for Cloud-based AI Models

Based on deployment, the market is segmented into cloud and on-premise. The cloud segment dominated the global artificial intelligence market share in 2024 as the use of cloud computing technologies and solutions skyrocketed during the COVID-19 pandemic, thereby increasing the demand for cloud-based deployment of AI models.

##### Need for Better Productivity Fueled Use of AI Among Large Enterprises

Based on enterprise type, the market is bifurcated into large enterprises and small and medium-sized enterprises. The large enterprises segment held the biggest market share in 2024 as these companies are looking for various ways to enhance their overall productivity and efficiency.

##### Role of AI Increased in Service Operations to Improve Operational Efficiency

Based on function, the market is categorized into human resources, marketing & sales, product/service deployment, service operation, risk, supply-chain management, and others. The service operation segment dominated the market in 2024 as several companies are integrating artificial intelligence technologies into their IT operations management and IT service management solutions to increase their operational efficiency.

##### Machine Learning Gained Major Traction Due to Its Ability to Enhance Operational Accuracy and Precision

By technology, the market is segmented into machine learning, natural language processing, computer vision, robotics and automation, expert systems. The machine learning segment dominated the market as this technology can play a key role in increasing the precision and accuracy of various tasks.

##### Increasing Transition to Cloud-Propelled Use of AI in IT & Telecom Industry

Based on industry, the market has been divided into healthcare, automotive, retail, BFSI, manufacturing, agriculture, government and public sector, IT & telecom, energy & utilities, and education. The IT & telecom segment held the largest market share in 2024 as several IT companies are switching to cloud platforms, which has led to the production of vast volumes of data. This factor is expected to increase the use of AI to analyze these large datasets. With respect to region, the market covers North America, Europe, Asia Pacific, South America,

and the Middle East & Africa.

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Competitive Landscape:

Leading Players to Enter Partnership & Acquisition Deals to Improve Market Dominance

Some of the top companies operating in this market are focusing on signing partnership & acquisition agreements to develop advanced AI solutions and help them cater to the unique technological requirements of their customers.

Notable Industry Development:

September 2024: Oracle announced the launch of its powerful Generative AI RAG Agent and improved AI solutions. These offerings will assist customers in addressing and overcoming their business problems.

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