

Automotive diagnostics market projected at USD 109.84 Bn by 2030, CAGR 10.5%

Automotive diagnostics are transforming vehicles into intelligent, self-monitoring systems that enhance safety, efficiency, and reliability

WILMINGTON, DE, UNITED STATES, September 5, 2025 /EINPresswire.com/ -- According to a new report published by Allied Market Research, titled, "Automotive Diagnostics Market by Type (On-board and Off-board), Device (Hand-held Tools, Mobile-based Tools, PC-based Tools, and Others), and Application (Passengers Cars, Light Commercial Vehicles, Heavy

Commercial Vehicles, and Electric Vehicles): Global Opportunity Analysis and Industry Forecast, 2021-2030" The global automotive diagnostics market was valued at USD 40.77 billion in 2020, and is projected to reach USD 109.84 billion by 2030, registering a CAGR of 10.5% from 2021 to 2030.

The automotive diagnostics market is evolving rapidly as vehicles become increasingly connected, digitized, and software-driven. Advanced diagnostic systems enable real-time fault detection, predictive maintenance, and compliance with stringent emission regulations. Rising adoption of electric vehicles (EVs), demand for advanced onboard diagnostics (OBD), and the push toward connected mobility solutions are accelerating market growth globally.

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1. Drivers

The rising complexity of automotive electronics and the shift toward connected cars are major growth drivers. Increasing need for real-time monitoring, predictive maintenance, and advanced telematics integration is boosting demand for robust diagnostic solutions. Furthermore, stringent government regulations related to vehicle safety and emissions have increased the



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adoption of OBD systems worldwide.

2. Restraints

Despite promising growth, the market faces challenges such as high costs associated with advanced diagnostic equipment and software integration. Limited awareness among small-scale workshops and aftermarket players also hinders adoption. Additionally, cybersecurity concerns surrounding connected diagnostics pose risks to data privacy and vehicle safety.

3. Opportunities

The surge in electric and hybrid vehicles offers new avenues for diagnostic system providers. EV-specific diagnostics, battery health monitoring, and AI-powered predictive maintenance tools are emerging opportunities. The growing integration of cloud-based diagnostics and over-the-air (OTA) updates further opens long-term revenue prospects for solution providers.

4. Trends

Key trends include the adoption of wireless diagnostics, use of big data analytics, and integration of artificial intelligence in fault detection. Automakers are increasingly partnering with tech firms to enhance connected diagnostic capabilities, while fleet operators are deploying telematics-based solutions to reduce downtime and optimize performance.

5. Future Outlook

With the automotive industry transitioning toward autonomous and connected mobility, diagnostics will play a central role in ensuring vehicle performance and safety. The market is set to expand significantly, driven by increasing digitalization, rising vehicle parc, and advancements in IoT-enabled diagnostic solutions.

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The global [automotive diagnostics market analysis](#) is segmented into type, device, application, and region. Depending on type, the market bifurcated into on-board and off-board diagnostic system. On the basis of device, it is segregated into hand-held tools, mobile-based tools, PC-based tools, and others. The applications covered in the study include passenger cars, light commercial vehicles, heavy commercial vehicles, and electric vehicles. Region wise, the market is analyzed across North America, Europe, Asia-Pacific, and LAMEA.

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North America and Europe lead the market due to early adoption of advanced automotive technologies, strict emission norms, and high penetration of connected cars. The presence of leading OEMs and strong regulatory frameworks further enhance market growth in these regions.

Asia-Pacific is projected to witness the fastest growth, fueled by expanding automotive

production, rising EV adoption, and supportive government policies for emission control and vehicle safety. Countries like China, Japan, and India are investing heavily in smart mobility solutions, boosting demand for diagnostics.

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The market is moderately consolidated, with global players focusing on innovation, AI integration, and partnerships with automakers. Companies are expanding their portfolios with cloud-based platforms, wireless tools, and advanced OBD solutions.

Key players include Vector Informatik GmbH, CONTINENTAL AG, HARMAN INTERNATIONAL, BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT, Pioneer Corporation, Snap-on Incorporated, Delphi Technologies (subsidiary of BorgWarner), DENSO CORPORATION, Magna International Inc., Robert Bosch GmbH. Strategic collaborations, mergers, and product launches remain central to their competitive strategies.

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- Increasing complexity of automotive electronics drives strong demand for advanced diagnostics.
- Electric and hybrid vehicle adoption creates new opportunities for EV-specific diagnostic systems.
- Cloud-based and wireless diagnostic tools are becoming mainstream trends.
- Asia-Pacific is expected to grow at the highest CAGR due to large-scale automotive manufacturing.
- Key market players are focusing on AI-powered and predictive maintenance solutions to stay competitive.

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