Industrial Automation Market to Hit $443.5 Billion by 2031, Driven by Smart Manufacturing

The industrial automation market is growing rapidly, driven by IoT adoption, smart manufacturing, and demand for higher productivity and efficiency.

WILMINGTON, DE, UNITED STATES, November 6, 2025 /EINPresswire.com/ -- According to a new report published by Allied Market Research, titled Industrial Automation Market By Component (Hardware, Software, Service), By Hardware (Industrial Sensors, Machine Vision Systems, Field Instruments, Industrial Robots, Human machine Interface, Industrial PCs, Others), By Software Type (Supervisory Control And Data Acquisition, Programmable Logic Controller, Distributed Control System, Manufacturing Execution System, Industrial Safety, Plant Asset Management), By Industry Vertical (Oil and Gas, Manufacturing, Automotive, Healthcare, Food and bevarages, Chemicals, Energy and Power, Metal and Mining, Others): Global Opportunity Analysis and Industry Forecast, 2021-2031, The global industrial automation market size was valued at USD 196.4 billion in 2021, and is projected to reach USD 443.5 billion by 2031, growing at a CAGR of 8.7% from 2022 to 2031.

The industrial automation market is witnessing significant growth as industries increasingly adopt advanced technologies to enhance productivity, efficiency, and safety. Automation solutions such as robotics, control systems, sensors, and software are transforming traditional manufacturing processes, enabling real-time data monitoring and streamlined operations. These technologies play a pivotal role in reducing human intervention, minimizing errors, and ensuring consistent product quality across industries.

Moreover, the growing emphasis on Industry 4.0, the Industrial Internet of Things (IIoT), and smart factories has accelerated the adoption of automation systems worldwide. Industries such as automotive, energy, pharmaceuticals, and food & beverage are investing heavily in automation to achieve operational excellence, optimize resource utilization, and maintain competitiveness in an evolving global landscape.

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The primary driver of the industrial automation market is the rising need for increased productivity and operational efficiency. Automation technologies help reduce production

downtime, enhance precision, and lower operational costs by automating repetitive and labor-intensive tasks. Manufacturers are leveraging automation to meet growing consumer demands while maintaining consistent quality and output.

Technological advancements such as artificial intelligence (AI), machine learning (ML), and edge computing are further fueling market growth. These technologies enable predictive maintenance, autonomous decision-making, and intelligent process optimization, enhancing the reliability and adaptability of automated systems. The integration of robotics and AI is also expanding automation applications across new sectors such as logistics and healthcare.

However, high initial investment costs and integration complexities pose challenges to market expansion. Small and medium-sized enterprises (SMEs), in particular, often face barriers in implementing advanced automation solutions due to financial constraints and lack of technical expertise. The need for skilled professionals capable of managing and maintaining automated systems also remains a critical concern.

Additionally, cybersecurity risks associated with connected automation systems have emerged as a key restraint. As factories become more digitized, the potential for cyber threats increases, compelling industries to invest in robust cybersecurity frameworks to safeguard critical operations. This challenge has prompted growing demand for secure and resilient automation networks.

On the other hand, increasing adoption of cloud-based automation and the growing focus on sustainable manufacturing present lucrative opportunities. Automation systems are being designed to reduce energy consumption, optimize material usage, and minimize waste, aligning with global sustainability goals. The integration of renewable energy sources and energy-efficient solutions in automated operations is expected to drive further market growth in the coming years.

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The industrial automation market is segmented by component, system type, industry vertical, and region. Based on components, the market includes hardware, software, and services. By system type, segments include distributed control systems (DCS), programmable logic controllers (PLC), supervisory control and data acquisition (SCADA), and industrial robots. Key industry verticals adopting automation include manufacturing, oil & gas, energy & utilities, automotive, and chemicals. Among these, the manufacturing sector holds the largest share due to its extensive use of robotics and process control systems.

Depending on hardware, the industrial sensors hold the largest industrial automation market share as it allows to detect, analyze, measure and process various changes in the production sites. However, industrial robots are expected to witness growth at the highest rate during the

forecast period as it helps to handle industrial processes and machinery, replacing manual labor and improving efficiency, speed, quality, and performance.

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Regionally, North America and Europe dominate the industrial automation market, driven by the early adoption of advanced technologies, robust industrial infrastructure, and strong presence of leading automation providers. The United States, Germany, and the United Kingdom are leading adopters of robotics and AI-powered automation systems, supported by government initiatives promoting smart manufacturing and digital transformation.

Meanwhile, the Asia-Pacific region is expected to witness the fastest growth during the forecast period. Rapid industrialization, expanding manufacturing bases in China, India, and South Korea, and increasing investments in smart factory initiatives are propelling regional growth. The region's strong focus on industrial modernization and cost-effective production solutions continues to attract automation investments from global players.

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The key players that operate in the industrial automation analysis are Accenture, Acorns Grow Incorporated, Active Intelligence Pte Ltd, Advicent Solutions, Deloitte, eMoney Advisor, LLC, Finastra Limited, Fiserv, Inc, Moneytree Software, Miles Software, Money Guide Inc, Orion Advisor Technology, Personal Capital Corporation, Quicken Inc, Right Capital Inc., SAP, Wolters Kluwer. These players have adopted various strategies to increase their market penetration and strengthen their position in the industrial automation industry.

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• By component, the software segment accounted for the largest industrial automation market share in 2021.
• By region, North America generated highest revenue in 2021.
• By industry vertical, the manufacturing segment generated the highest revenue of the industrial automation market forecast in 2021.

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