Autonomous Vehicle Sales Set to Reach 21 Million Globally by 2035, IHS Says

SOUTHFIELD, Mich. (June 7, 2016) – The latest forecast from IHS Automotive calls for sales of nearly 21 million autonomous vehicles by 2035. This is a substantial increase from previous estimates, and is influenced by recent research and development by automotive OEMs, supplier and technology companies who are investing in this area. The new forecast is also based on a wave of recent developments and investments in this sector of the market, as well as activity within various regulatory environments.

The United States will lead the world in initial deployment and early adoption of autonomous vehicles, while Japan will simultaneously ramp up industry coordination and investment ahead of the Summer Olympics in Tokyo in 2020.

“Global sales of autonomous vehicles will reach nearly 600,000 units in 2025,” said Egil Juliussen, Ph.D. and director of research at IHS Automotive. “Our new forecast reflects a 43 percent compound annual growth rate between 2025 and 2035 – a decade of substantial growth, as driverless and self-driving cars alike are more widely adopted in all key global automotive markets,” he said.

The latest analysis from business information provider IHS Automotive, part of IHS Inc. (NYSE: IHS) takes into account key factors influencing this growth. New mobility solutions such as ride sharing and car sharing programs, increasing investment in autonomy by OEMs, suppliers and technology companies alike, research and development centers underway and improved efficiencies are expected to impact the further proliferation of automotive technologies. The IHS analysis also considers unique insight into various mobility trends forming around the world.

IHS forecasts incorporate a multitude of factors, including current market development of foundational technologies and considerable R&D announcements and collaboration projects under way. These include discussions and initiatives among OEMs and their suppliers, between OEMs and ridesharing companies, technology company initiatives and increased investment in autonomy and mobility by other entities as well.

"Future mobility will connect and combine many different modes and technologies, and autonomous vehicles will play a central role," said Jeremy Carlson, principal analyst at IHS Automotive. “IHS expects entirely new vehicle segments to be created, in addition to traditional vehicles adding autonomous
capabilities. Consumers gain new choices in personal mobility to complement mass transit, and these new choices will increasingly use battery electric and other efficient means of propulsion.”

**United States first to deploy autonomy**

The U.S. market is expected to see the earliest deployment of autonomous vehicles as it works through challenges posed by regulation, liability and consumer acceptance. Deployment in the U.S. will begin with several thousand autonomous vehicles in 2020, which will grow to nearly 4.5 million vehicles by 2035, according to IHS Automotive forecasts. As in many other markets, a variety of use cases and business models are expected to develop around consumer demand for personal mobility.

**China leads in technology deployment volumes**

Despite a later start, IHS Automotive forecasts more than 5.7 million vehicles sold in China in 2035 will be equipped with some level of autonomy, the single largest market for the technology, according to analysts. The sheer volume of vehicles expected to be sold there as well as consumer demand for new technologies will drive growth, with more upside possible as regulators assess the potential of autonomous mobility to address safety and environmental concerns.

**Western European markets lead EMEA region**

Major markets in Western Europe will maintain industry technology leadership through the premium segment, with a little more than 3 million autonomous vehicles expected to be sold in 2035 and another 1.2 million vehicles in Eastern Europe. IHS Automotive also forecasts more than 1 million vehicles with some level of autonomy in the Middle East and Africa in 2035, with the potential for new and innovative business models and use cases.

**Japan and South Korea driven by demand for technology**

In Japan and South Korea collectively, IHS Automotive forecasts indicate nearly 1.2 million vehicles will be enabled with some form of autonomous driving capability by 2035. Demographics and an affinity for technology and innovative solutions help both markets, as the Japanese auto industry unites to close the gap with U.S. and European rivals and as South Korea continues its development of world-class capabilities.

**Regulatory environment, cybersecurity and software are key development influencers**

The IHS Automotive analysis also indicates that continued challenges to autonomous vehicle deployment include potential technology risks for software reliability and cybersecurity, though both of these are showing improvements as technology evolves and the industry recognizes the threat. In addition, the implementation of local and federal guidelines and regulatory standards, as well as a legal framework for self-driving cars, continue to prove challenging. Various states and regions have taken appropriate measures to begin to develop these frameworks, while others are still crafting their approach.

“The future fleets of driverless vehicles will provide mobility services for anyone and anything, creating exciting and new opportunities for the automotive industry,” said Juliussen. “Increasing competition from the high-tech and other industries is accelerating the auto industry’s autonomous software and
cybersecurity development efforts,” he said. Carlson added, “Those who don’t adjust to a changing world will unfortunately be left behind, or will at least face a very different industry.”

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