Sensor Fusion - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

Market Report | 2025-04-28 | 120 pages | Mordor Intelligence

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Report description:

The Sensor Fusion Market is expected to register a CAGR of 19.2% during the forecast period.

Key Highlights
- Resolving contradictions between sensors, synchronizing sensors, predicting the future positions of objects, and achieving automated driving safety requirements are some of the primary objectives of sensor fusion in an autonomous vehicle application. The growing integration of autonomous features in automobiles is expected to drive the growth of the studied market during the forecast period.
- According to the World Economic Forum (WEF), more than 12 million fully autonomous cars are expected to be sold annually by 2035, and autonomous vehicles will account for 25% of the global automotive market. Furthermore, according to Intel, a single autonomous vehicle can generate an average of 4 terabytes of data per day. Hence, sensor fusion solutions can play a significant role in utilizing this massive data in real time.
- Stringent government regulations across the globe are also fuelling the demand for the studied market products. For instance, in Europe, Euro NCAP (European New Car Assessment Program) mandates the deployment of at least one driver assistance system. Countries like Japan and the United States are also adopting similar criteria in their national NCAP rules.
- Furthermore, The rising adoption of 5G technology is further expanding the scope of sensor fusion towards heavy commercial vehicles and autonomous vehicles like drones and industrial robots. 5G will massively bring Vehicle-to-everything (V2X) technology to the automotive and transportation industry, increasing the demand for sensor fusion due to growth in the markets Mobility-as-a-Service (MaaS), smart bus, and robot taxis, among others.
- Many automotive manufacturers are also initiating sensor fusion development programs, mainly to leverage competitive advantage. For instance, in May 2022, LeddarTech, a provider of flexible, robust, and accurate ADAS and AD sensing technology, opened LeddarTech's Sensor Fusion and Perception Development Center in Tel Aviv.

- However, standardization is one of the major factors hindering the evolution of sensor fusion systems, as the absence of any specific global standard significantly hinders the further evolution and mass adoption of this technology.
- The recent recession in the global automotive sector owing to the COVID-19 outbreak has not only affected the demand in the studied market but can have a mid-term impact on the adoption rate considering the after-effects of the pandemic. However, in the long term, the growth of electric and autonomous vehicles will support the studied market's growth.

Sensor Fusion Market Trends

Growing Technological Trends in Automotive Sector to Boost the Market Growth

- The growing development in ADAS and increasing utilization of the principle of GPS-IMU (Inertial Measurement Unit) fusion is helping in solving accumulated errors of dead reckoning in intervals with absolute position readings. Tesla's Autopilot automated driving feature is an example of an ADAS that can perform functions such as keeping the vehicle center in a highway lane by determining the vehicle's precise position from data collected from a forward-facing camera and controlling the steering.
- Adaptive Cruise Control (ACC), Autonomous Emergency Braking (AEB), and Forward Collision Warning (FCW) are some of the most targeted applications in the studied market.For instance, Honda, the leading automobile manufacturer in 2022, announced their plans to launch the City Hybrid in the Indian market with Honda Sensing Tech, consisting of active and passive safety features. According to the company, it will also include features such as emergency braking, adaptive cruise control, lane departure warning system, which come with features like emergency braking, adaptive cruise control auto high beam assist, lane departure warning system, lane keep assist, and front collision warning system.
- The growing demand for electric vehicles also favors the studied market's growth as these vehicles contain a higher number of sensors and advanced features. According to IEA estimates, about 13% of a new cars sold in 2022 were expected to be electric. Furthermore, according to data provided by ACEA, the quarterly sales of battery electric vehicles in Europe were about 562.28 and 560.27 thousand units in Q1 and Q2 2022, respectively.
- Furthermore, the emergence of 5G is expected to be a game changer for the automobile industry as the fast connectivity, and higher coverage density offered by 5G will accelerate the growth of autonomous vehicles, creating a favorable scenario for the growth of the studied market.

Asia Pacific Region is Expected to Witness Significant Growth

- The Asia Pacific is one of the major regions for sensor fusion in autonomous applications, owing to the growing adoption of autonomous vehicles, stringent government regulation, and increasing dominance in the global semiconductor industry. Also, the region's massive investment in 5G, along with promoting C-V2X, is further expanding the scope of automotive applications such as autonomous driving, the Vehicle-to-Everything (V2X), and the MaaS market.
- China is one of the largest automotive manufacturing hubs in the world. The economic growth of the region has posed an impact on the sale of passenger cars and commercial vehicles. For instance, according to the China Association of Automobile Manufacturers (CAAM), in April 2022, about 996 thousand passenger vehicles and 210 thousand commercial vehicles were produced in China.
- China also leads the world in electric and autonomous vehicle development and adoption. For instance, in December 2022, Baidu, a Chinese automobile manufacturer, and Pony.ai, a startup company backed by Toyota motors, announced that they were granted their first license to test fully autonomous vehicles in Beijing.
- The regional government is also playing a significant role in market development. For instance, the Union Minister for Road and Highway Transport India announced that the country is planning to mandate ADAS in all cars by 2022. Several automobile

manufacturers have already started to launch automobiles with ADAS. For instance, in January 2023, MG Motor India unveiled the next generation of SUVs, Hector, with ADAS technology. According to the company, the SUV will also include features such as Traffic Jam Assist (TJA) and auto turn indicators. Such trends are creating a favorable scenario for the studied market's growth in the Asia Pacific region.

Sensor Fusion Industry Overview

The sensor fusion market is fragmented. It is a highly competitive market with several players, and no dominant player is present. However, with innovation and developments, many companies are increasing their market presence by tapping new markets. Some key market players include Robert Bosch GmbH, Infineon Technologies AG, NXP Semiconductor, and STMicroelectronics NV.

- January 2023 - Automotive supplier ZF presented its next camera generation with the Smart Camera 6. This new camera generation merges various sensor data in its Image Processing Module (IPM) to create a detailed 3D all-around vehicle view and the recognition and management of complex traffic situations. According to the company, this technology will be an important building block in developing automated driving and safety systems.
- November 2022 - STMicro launched its latest 6-axis IMU with embedded AI and sensor fusion features. Aimed at enabling low-power sensing applications such as wearables and AR/VR, it serves up sensor fusion blocks and machine learning (ML) cores.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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