Electric Power Steering - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

Market Report | 2025-07-01 | 150 pages | Mordor Intelligence

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Report description:

Electric Power Steering Market Analysis

The electric power steering market generated USD 29.13 billion in 2025 and will reach USD 37.36 billion by 2030, representing a 5.10% CAGR. Rising penetration of steer-by-wire, tighter fuel-efficiency rules, and the shift toward software-defined vehicles underpin this steady trajectory. Automakers now emphasize intelligent software calibration delivered through over-the-air updates, using the steering system as a gateway for mass customization. Suppliers are pivoting from purely mechanical expertise to integrated electronic architectures that comply with ISO/SAE 21434 and UN R155 cybersecurity rules. At the same time, Asia-Pacific's dominant share rests on China's EV scale and Japan's precision-component heritage. South America's accelerating EV adoption signals the next demand wave in cost-sensitive markets. Incumbent Tier-1s defend their position by bundling electronic control units, sensors, and motor designs into turnkey modules that can be validated against evolving ADAS mandates.

Global Electric Power Steering Market Trends and Insights

Rapid Electrification of Vehicle Platforms

Vehicle electrification fundamentally reshapes EPS adoption patterns by eliminating the parasitic losses inherent in hydraulic systems that drain ICE engine power. Electric vehicles demand energy-efficient steering solutions, with hybrid EPS systems demonstrating over 50% energy consumption reduction compared to conventional hydraulic power steering in commercial vehicle applications. The transition accelerates as automakers recognize EPS as an essential infrastructure for regenerative braking

integration and battery range optimization. NHTSA's Corporate Average Fuel Economy standards for model years 2027-2031 mandate 2% annual fuel efficiency improvements, making EPS adoption economically inevitable for ICE vehicles while providing competitive advantages for EVs. This regulatory pressure creates a dual-market dynamic where EPS becomes compliance-driven for traditional vehicles and performance-enhancing for electric platforms.

Increasing Demand for Fuel Efficiency and Emission Reduction

Fuel efficiency mandates drive EPS adoption through measurable consumption benefits, with National Research Council studies indicating 1.3% fuel reduction for midsize cars and 1.1% for large cars when replacing hydraulic systems. Efficiency gains compound across fleet operations, making EPS economically attractive for commercial vehicle operators facing rising fuel costs and carbon pricing mechanisms. European Union's General Safety Regulation II, effective July 2024, mandates advanced safety technologies that integrate seamlessly with EPS systems, creating regulatory synergies that accelerate adoption. The convergence of efficiency requirements and safety mandates EPS as a foundational technology rather than optional equipment. Fleet operators increasingly recognize EPS as an infrastructure investment that delivers immediate operational cost reductions while enabling future autonomous capabilities.

Higher Unit Cost vs. Hydraulic Systems in Low-Cost Cars

Cost competitiveness remains challenging in price-sensitive market segments where hydraulic systems maintain economic advantages despite operational inefficiencies. Indian automakers demonstrate varied approaches to cost management, with Tata Motors achieving 80% localization for Harrier EV components while companies like Ola Electric develop magnet-less motors to avoid rare-earth material dependencies. The cost differential becomes more pronounced as China's rare-earth export restrictions create supply chain pressures, with India considering the relaxation of 50% localization requirements to maintain EV manufacturing viability. Manufacturing scale economics favor established hydraulic system suppliers in volume segments, creating market bifurcation where premium vehicles adopt EPS while economy segments resist transition. The challenge intensifies in commercial vehicle applications where initial capital costs directly impact fleet profitability, requiring a clear operational savings demonstration to justify higher acquisition prices.

Other drivers and restraints analyzed in the detailed report include:

Regulatory Mandates for ADAS Integration / Steer-by-Wire R&D Breakthroughs / Limited Steering Feel and Safety Concerns in Emerging Markets /

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Column Type EPS systems commanded a 54.23% market share in 2024, reflecting their established integration advantages and cost-effectiveness for mainstream vehicle platforms. However, dual-pinion type configurations emerge as the fastest-growing segment at 11.50% CAGR through 2030, driven by precision requirements for autonomous driving applications and enhanced steering response characteristics. Pinion Type systems maintain a steady market presence in mid-range applications, offering balanced performance between cost and capability. The segment evolution reflects manufacturers' strategic positioning for future mobility requirements, where steering precision becomes critical for safety-critical autonomous functions.

ZF's steer-by-wire technology deployment in NIO's ET9 demonstrates how advanced architecture enables new steering wheel designs and improved maneuverability, particularly benefiting electric vehicle platforms. Column Type systems retain advantages in retrofit applications and cost-sensitive segments, while Dual Pinion configurations attract premium manufacturers seeking

differentiated driving experiences. Technology progression suggests market bifurcation where volume segments prioritize proven Column Type reliability while performance-oriented applications migrate toward Dual Pinion precision capabilities.

Steering Rack/Column components maintained 42.61% market share in 2024, representing the mechanical foundation of EPS systems across all vehicle types. Sensor components accelerate fastest at 10.20% CAGR through 2030, reflecting the increasing sophistication of feedback mechanisms required for advanced driver assistance systems integration. Steering Motor segments provide consistent performance as the primary actuation component, while Other Component Types encompass emerging technologies like cybersecurity modules and OTA update capabilities. The component mix evolution indicates market maturation beyond basic electrification toward intelligent system architectures.

The sensor growth trajectory aligns with regulatory requirements for enhanced vehicle safety systems, where precise feedback enables emergency steering interventions and lane-keeping assistance functions. NSK's development of Force Feedback Actuators and Road Wheel Actuators for steer-by-wire applications exemplifies the component sophistication required for next-generation steering systems. Traditional mechanical components face commoditization pressure while electronic components command premium pricing through advanced functionality, reshaping supplier value propositions and competitive dynamics.

The Electric Power Steering Market Report is Segmented by Type (Column Type, Pinion Type, and Dual Pinion Type), Component Type (Steering Rack/Column, Sensor, Steering Motor, and More), Vehicle Type (Passenger Cars and Commercial Vehicles), Propulsion Type (Internal Combustion Engine Vehicles, Battery Electric Vehicles, and More), and Geography. The Market Forecasts are Provided in Terms of Value (USD) and Volume (Units).

Geography Analysis

Asia-Pacific anchored 46.80% of the electric power steering market revenue in 2024. China's vertically integrated EV ecosystem packages domestic motor controllers, vehicle domains, and steering gears into cost-competitive modules serving local and export programs. NIO's adoption of steer-by-wire from ZF underscores China's readiness to leap directly into advanced architectures. Japan, meanwhile, protects leadership in high-precision bearings and angle sensors, enabling local suppliers to sell critical sub-assemblies to global Tier-1s. Government incentives for carbon neutrality accelerate demand, and regional capacity ensures component availability.

Europe represents a mature but regulation-driven arena. The EU General Safety Regulation II forces OEMs to fit lane-keeping and pedestrian-avoidance functions that rely on EPS precision. Suppliers gain from stable planning cycles as implementation dates are locked. Mid-decade cybersecurity rules further elevate barriers, consolidating volume among companies with dedicated software teams.

North America focuses on efficiency mandates. NHTSA's CAFE standards impose 2% annual gains for passenger fleets through 2031. South America, led by Brazil, is the fastest-expanding region with a 9% CAGR through 2030. A 90% spike in EV sales in 2024 demonstrated pent-up demand once taxes were waived for imported battery modules. Stellantis followed with a EUR 5.6 billion commitment to develop Bio-Hybrid powertrains that integrate EPS for dual-fuel flexibility. The region's growth illustrates tech leapfrogging, bypassing hydraulic incumbency.

List of Companies Covered in this Report:

JTEKT Corporation / Robert Bosch GmbH / Nexteer Automotive / ZF Friedrichshafen AG / Denso Corporation / NSK Ltd. / Hyundai Mobis Co. Ltd. / Mitsubishi Electric Corporation / Hitachi Astemo Ltd. / Thyssenkrupp Presta AG / Mando Corporation / Continental AG /

Additional Benefits:

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

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