

# Automotive Electronics Market Trends



A wrap-up of the top automotive electronics news and trends happening right now.

Lower demand for electric vehicles (EVs) could cool off that segment of the automotive manufacturing market as we head into 2024, although overall demand for vehicles with non-combustible engines is expected to remain steady. Ford is the latest automaker to announce changes in this area, according to [WSJ](#), which says the company is downsizing its plan for a battery factory in Michigan.

“The U.S. electric-vehicle supply chain is starting to contract even before it’s fully built out,” Paul Page writes in [The Logistics Report](#). “Ford is reducing the scale of its planned battery plant in Michigan, citing a pullback in the outlook for future electric-vehicle demand.”

Ford now plans to produce roughly 40% fewer batteries than originally planned and has cut employment projections by nearly a third, [WSJ](#) reports, noting that sales of electric vehicles still are growing rapidly. “But the pace of growth has cooled, and automakers have responded by dialing back their electric-vehicle investments or the pace of their new-model rollouts.”

Also this month, EV startup Fisker cut its 2023 production guidance as it “struggles to ramp up deliveries and flagged weakness in internal controls over financial reporting,” [Reuters](#) reports. The automaker now expects production of 13,000 to 17,000 EVs in 2023, down from its prior projection of 20,000 to 23,000 vehicles.

“Fisker’s latest cut comes amid fears of a slowdown in EV demand, with market leader Tesla CEO Elon Musk warning that high interest rates, meant to cool stubborn inflation, are souring consumer sentiment and cautious commentary from Ford and General Motors,” according to Reuters, which points out that luxury EV maker Lucid has also reduced its own production forecast to align with the lower number of deliveries.

## Automotive Printed Electronics are in Demand

Also called flexible or printed electronics, automotive printed electronics are printed onto flexible substrates like glass or plastic. Then, they’re integrated into automotive systems (i.e., lighting, displays and sensors). These electronics are in high demand right now—a trend that’s expected to last at least through 2030.

According to a new report from [Fairfield Market Research](#), the global market for automotive printed electronics encompasses the manufacturing and sale of various electronic products, including electronic circuits, displays, antennas, electronic skin patches and sensors. The company is projecting a 22.1% compound annual growth rate (CAGR) for the market between now and 2030, at which point the market will be valued at \$13 billion (USD).

“The biggest advantage that has been creating end-user interest in printed electronics is the remarkable cost efficiency,” a company analyst said. “A growing urge to create thinner and more wearable electronic devices, offering both precision and cost-efficiency, is primarily driving the demand in this market.”

Fairfield Market Research says the automotive printed electronics market is currently led by the Asia Pacific region and that Europe's market is anticipated to demonstrate robust growth through 2030. Screen printing technology that's widely used in sensors has been the "dominant force in the market," the company adds.

### **Global Microcontroller Market is Hot**

Also "hot" right now is the global microcontroller market, which is on track to exceed \$42 billion by 2027—up from just \$16.5 billion in 2019—as it expands at a CAGR of 11.5%, [Allied Market Research](#) reports. The growth is due to several factors: the rapid expansion and development of the automotive industry; the rise in the use of automated machines and equipment; and the broadening of the use of electronics products and technologies.

More specifically, the company says the 32-bit microcontroller segment holds the major market and is expected to lead the trail by 2027. "The segment is experiencing a surge in growth due to the increasing prevalence of automated machinery and equipment, as well as the increasing demand for automobiles and smartphones," Allied Market Research reports.

The automotive segment currently represents 25% of the global microcontroller industry revenue and is expected to maintain its lead position during the forecast timeframe. "The same segment is anticipated to register the fastest CAGR of 14.2% from 2020 to 2027," the company adds. "The growth is attributed to the increasing number of microcontrollers used in the automotive electronics system and the electronic control units."