

# Automotive lighting market growing at 5.7% CAGR from \$27.7bn in 2017 to \$35.9bn in 2022

**Faster-than-expected growth being driven by widespread LED adoption, says Yole Développement.**

The automotive lighting market is rising at a compound annual growth rate (CAGR) of 5.7%, from \$25.7bn in 2016 to nearly \$27.7bn in 2017 and \$35.9bn in 2022, estimates market research firm Yole Développement in its report 'Automotive Lighting: Technology, Industry and Market Trends 2017'.

Growth is driven by natural LED cost erosion, increasing the LED penetration rate. Standardization of LED modules and their optimization are key factors behind the decreasing costs. This has resulted in more vehicles equipped with LED technology, says the report.

The automotive lighting market is facing unexpectedly fast growth combined with a technology revolution that will reshape the industry, says Yole. Since the first

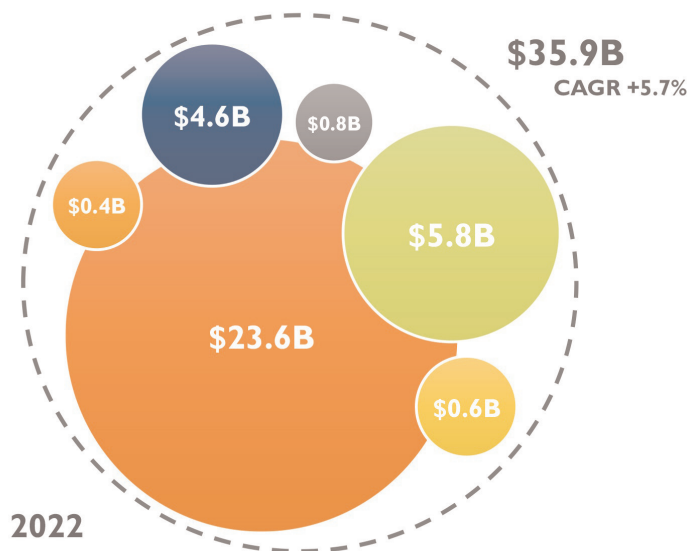
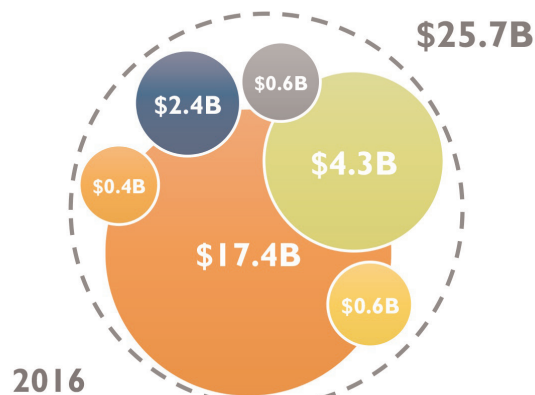
full LED headlamp was introduced in 2007, LED technology has gradually penetrated headlamp design. LED technology has allowed lighting to become a distinctive feature and enabled innovative functions such as glare-free adaptive high beam, introduced in 2013. The use of LED technology had been limited to high-end vehicles and has had to compete with traditional light sources, namely halogen and high-intensity discharge (HID/Xenon). Improved LED performance, lower power consumption and flexible design were the first enablers. Then, cost reductions helped LED technology to spread to all vehicle categories.

Automotive lighting is driven by exterior lighting and especially headlamps, generating more than two-thirds

## Automotive lighting market size 2016-2022

(Source: Automotive Lighting: Technology, Industry and Market Trends 2017 report, Yole Développement, October 2017)

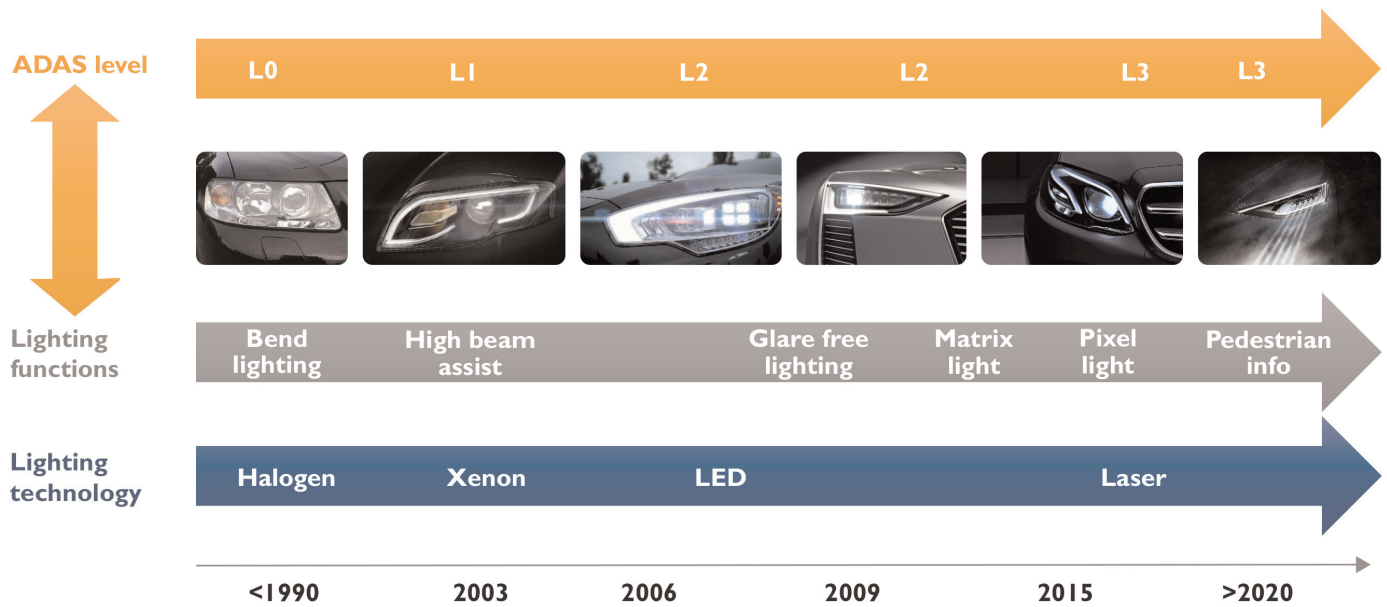
- Headlamp
- Rear lighting
- Interior lighting
- Small lamps
- CHMSL\*
- Fog lamps



\*Center High Mounted Signal Light

## Synergies between ADAS and lighting technologies since the 90s

(Source: Automotive Lighting: Technology, Industry and Market Trends 2017 report, Yole Développement, October 2017)



ADAS levels: L0: Driver only - L1: Driver assistance - L2: Partial automation - L3: Conditional automation - L4: High automation - L5: Full automation

of total market revenue. Rear lighting is the second largest area, at 17%. Interior lighting represents almost 10% of revenue, but growth is expected to be linked to the development of autonomous vehicles and the creation of vehicles as 'living homes'. Other types of lighting, such as fog lamps, center high-mounted signal light (CHMSL) or small lamps, comprised the remaining 7% of revenue in 2016.

"More than 100 million vehicles will be sold in 2022, but this has only a limited impact on the lighting market," comments technology & market analyst Pierrick

Boulay. "The main reason for lighting growth is that the penetration of LED technology is spreading from high-end cars to mid-range and low-end cars," he adds. "LED technology propagation and more generally SSL [solid-state lighting] technologies will enable the development of new functionalities."

Yole will attend ForumLED 2017 in Lyon, France (13-14 December), where business unit manager Pars Mukish is chairing a session 'The market for LED lighting: State of the art & market trends' on 13 December (11am). [www.yole.fr/AutomotiveLighting\\_MarketTrends.aspx](http://www.yole.fr/AutomotiveLighting_MarketTrends.aspx)

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