



**Guidehouse**  
INSIGHTS

Research Report

**Executive Summary:**

**Advanced Driver Assistance Systems**

Level 1, Level 2 Hands-on, Level 2 Hands-Free, and Level 3 Technologies across Light Duty Vehicles, Global Market Forecasts: 2022-2031

**NOTE:** This document is a free excerpt of a larger report. Click on the link above to purchase the full report.

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# Section 1

## Executive Summary

### 1.1 Market Overview

The structure of the advanced driver assistance system (ADAS) market is based on a classification system developed by SAE International. It ranges from Level 0, meaning no driver support or automated driving features, to Level 5, meaning automated driving in all conditions that requires no human involvement. ADAS equipment suppliers and vehicle manufacturers are currently advancing their development most vigorously in Levels 1, 2, and 3 (L1-L3), which reflect the inclusion of driver support functions, partial automation, and conditional automation, respectively.

The market for all three levels is being driven by consumer demand, vehicle manufacturer innovation, and the need for greater safety to prevent automobile accidents. While this technology can help with the latter goal, it can only do so if drivers feel safe with the systems themselves. Consumer acceptance is growing, but stories of malfunctioning systems have left many with doubts. Still, vehicle manufacturers are moving forward with the intention of integrating an ever-growing selection of ADAS features in the coming years.

While the market as a whole is expected to rise steadily, several factors are limiting that growth. They include uncertainty about the economy and the regulatory environment, the global chip shortage, and pricing that is elevated enough to keep some vehicle manufacturers from fully embracing higher level ADAS technology.

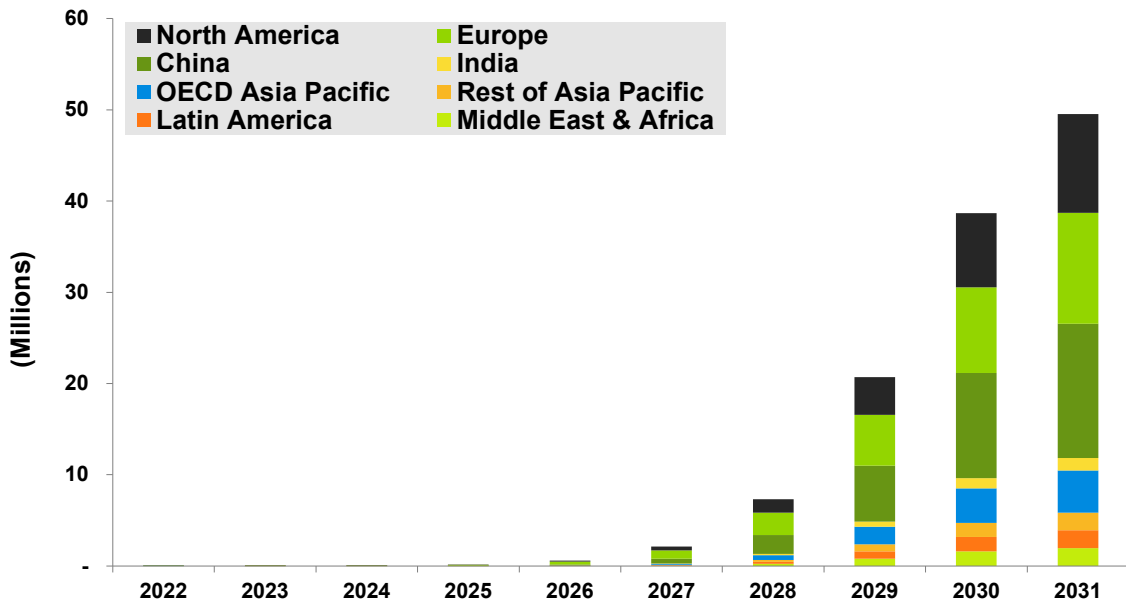
### 1.2 Scope

This report evaluates the potential sales of L1, L2 hands-on, L2 hands-free (also known as L2+), and L3 technologies across light duty vehicles (LDVs) from 2022 to 2031. Breakdowns by global region and specific L1 technologies are included.

**1.3 Market Forecasts**

While L1 and L2 implementations are growing most quickly, the big story in the ADAS market right now is L3, which represents the crossover from driver support to automated driving. Many vehicle manufacturers are implementing L1 and L2 while working aggressively to incorporate L3 technologies and secure contracts with suppliers to ensure the ability to deliver when their operations become ready for inclusive production starting around 2026. China is expected to grow from an estimated 350 units in 2022 to a forecast 14.7 million units in 2031, at a compound annual growth rate (CAGR) of 226.3%, outpacing Europe (expected to reach 12.2 million units in 2031) or North America (expected to reach 10.8 million units in 2031).

**Chart 1-1. Annual AD L3 LDV Sales by Region, World Markets: 2022-2031**



(Source: Guidehouse Insights)