2025

AUTOMOTIVE

SAMPLE REPORT

Get an in-depth analysis of the current state, trends, and future of the automotive technology market, including insights into key drivers, changing product lifecycles, and manufacturing challenges.

JABIL | MADE **POSSIBLE.** MADE **BETTER.**

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1. Overview

The automotive market entered 2025 with expectations of flat growth, amid a mix of stabilizing supply chains and persistent geopolitical and economic headwinds. Global automotive sales are projected to rise slightly to XX million units from XX million in 2024 (S&P), indicating a recovery in progress but tempered by policy uncertainty, trade frictions, and volatility, particularly in the US and EU markets. Shifting regulation, evolving tariff policies, and tightening emission standards are shaping OEM strategies and weighing on sentiment, contributing to the industry's cautions outlook.

Electric vehicles (EVs) remain central to the long-term evolution of the sector. While early 2025 experienced a slowdown in EV demand due to affordability concerns, regulatory ambiguity, and consumer hesitation, recovery is anticipated by mid-year. Battery electric vehicle (BEV) sales are projected to reach XX million units globally, up XX% year-over-year, capturing XX% of the market. In China, short-term confidence is buoyed by scrappage incentives and robust domestic demand, with NEV penetration expected to exceed 50% in 2025. Over the longer term, the EV segment is expected to maintain a compound annual growth rate (CAGR) of approximately XX% through 2030, supported by maturing supply chains, wider model availability, and regulatory pressure for decarbonization.

2. Market Overview

2.1 Global Automotive Market Outlook

3M reported strong Q1 2025 results, emphasizing its focus on strategic innovation and global supply chain resilience. 3M continues to invest in automotive, electronics, and medical adhesive solutions, including thermal management and EMI shielding tapes. At the 2025 Shanghai Auto Show, 3M showcased its latest innovations, aligning with key automotive trends. These included battery protection solutions, such as thermal interface materials and thermal runaway mitigation technologies, designed to enhance the life and range of EV batteries. Additionally, 3M VHB anti-rotation tapes allowed for easy stretch-release during efficient battery pack assembly and disassembly. Optical films were used to improve display brightness, contrast, and reduce glare.

In May 2025, 3M reached a $450 million settlement with the state of New Jersey to resolve claims related to environmental damage caused by PFAS (per- and polyfluoroalkyl substances). These "forever chemicals" are highly persistent in the environment and have been linked to widespread contamination of air, water, and soil, as well as potential health risks. While the settlement is financially manageable for 3M, it adds to the burden of a previously announced $10.5 billion agreement aimed at addressing PFAS contamination in US water systems. The long-term installment payments may impact the company's cash flow and financial reporting. 3M had already announced in 2022 its plan to exit PFAS manufacturing by the end of 2025. This move not only addresses legacy liabilities but also helps improve 3M's public image, enabling a stronger focus on sustainable and innovative product lines that reinforce its long-term growth strategy.

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2.2 Regional Outlook

2.2.1 The United States

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2.3 Market Growth Enablers

2.3.1 Government Regulations and Incentives

Emissions Targets, Incentives, and Infrastructure Shape the 2025 EV Landscape

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2.3.2 Green Financing and ESG-linked Investments

Green Finance Emerges as a Strategic Lever Driving the Auto Industry's Decarbonization and Investment Momentum.

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2.3.3 Consumer Incentives and Subscription Models

Flexible Ownership Models and Incentives Fueling Consumer Adoption of Sustainable Mobility.

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2.3.4 EV Charging Infrastructure Expansion

Growing networks remain critical, but progress is uneven.

2.4 Market Inhibitors

2.4.1 High Upfront Cost of EVs

Price disparity with ICE vehicles, though narrowing, remains a barrier for consumers globally.

BATTERY PRICE AND BATTERY ELECTRIC CAR PRICE CHANGES IN SELECTED COUNTRIES, 2023-2024

2.4.2 Limited EV Range

Some models still don't match the range of fuel vehicles, impacting long-distance travel suitability.

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2.4.3 Cybersecurity Risks

Cybersecurity Risks in Connected and Software-Defined Vehicles

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2.4.4 Challenges and Implications from Raw Material

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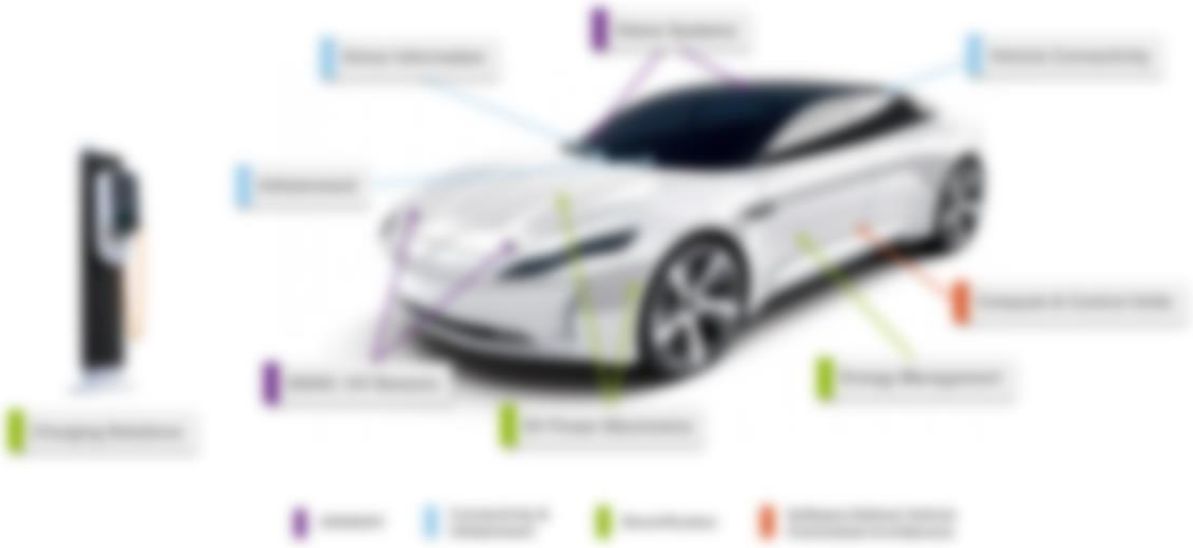
3. Technology Trends

In this report, the acronym ACES has been used to examine the core technology trends within the automotive industry. ACES stands for **A**dvanced Driver Assistance Systems (ADAS), **C**onnectivity, **E**lectrification, and **S**oftware-Defined Vehicles (SDVs). This framework enables systematic exploration of the technological advancements driving the industry forward.



3.1 Advanced Driver Assistance Systems (ADAS)

AUTONOMY LEVELS EXPLAINED

Data sourced from secondary research

3.1.1 Stride Towards Levels 2+, 3, and beyond

3.1.2 Innovations in ADAS

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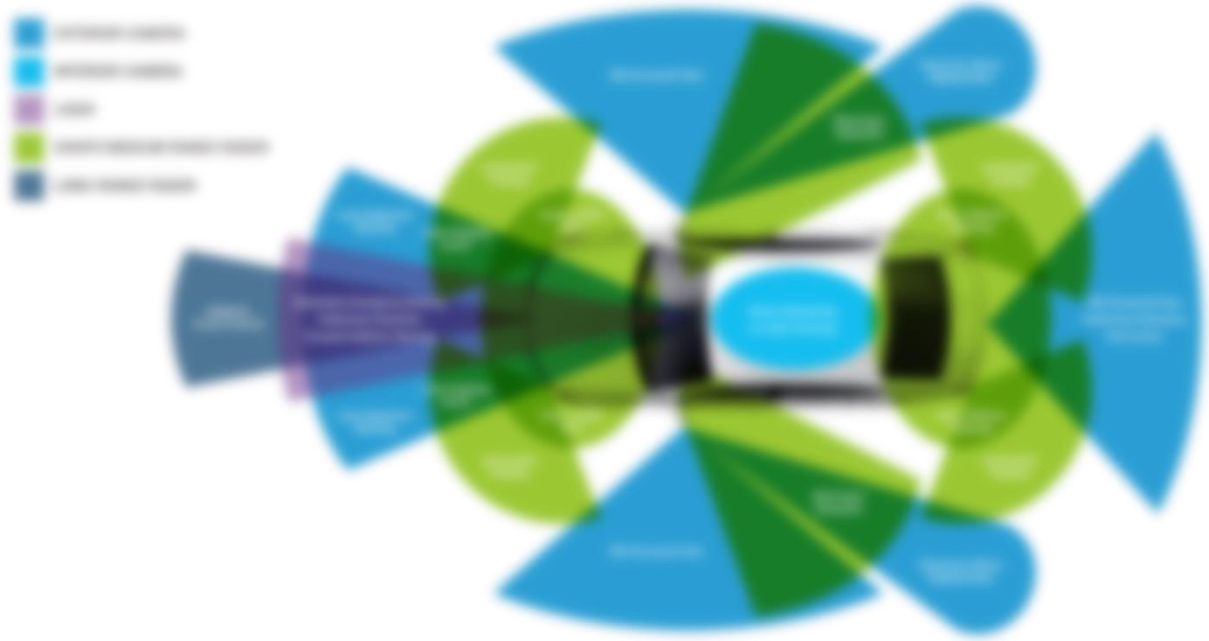
INTERIOR AND EXTERIOR SENSOR TECHNOLOGY



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3.1.3 Edge AI: Driving Intelligence to the Edge

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Data sourced from secondary research

3.2.1 Infotainment

Sensor fusion

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Computer vision

Computer vision plays a vital role in Amazon Go's operations. Advanced computer vision algorithms process the data captured by cameras in real-time, enabling the system to identify and track customers, detect items picked up or returned to shelves, and monitor overall store activity. Computer vision algorithms enable accurate item recognition and tracking, forming the Just Walk Out technology's basis and eliminating the need for traditional checkouts.

Deep learning algorithms

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3.2.2 Telematics

[illegible]

3.2.3 V2X

[illegible]

Electrification

3.2.4 Electric Vehicle Motor Configuration

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3.2.6 800V Architectures

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3.2.7 EV Charging Infrastructure

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EV CHARGING ECOSYSTEM

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3.2.9 Hydrogen Fuel Cell Technology

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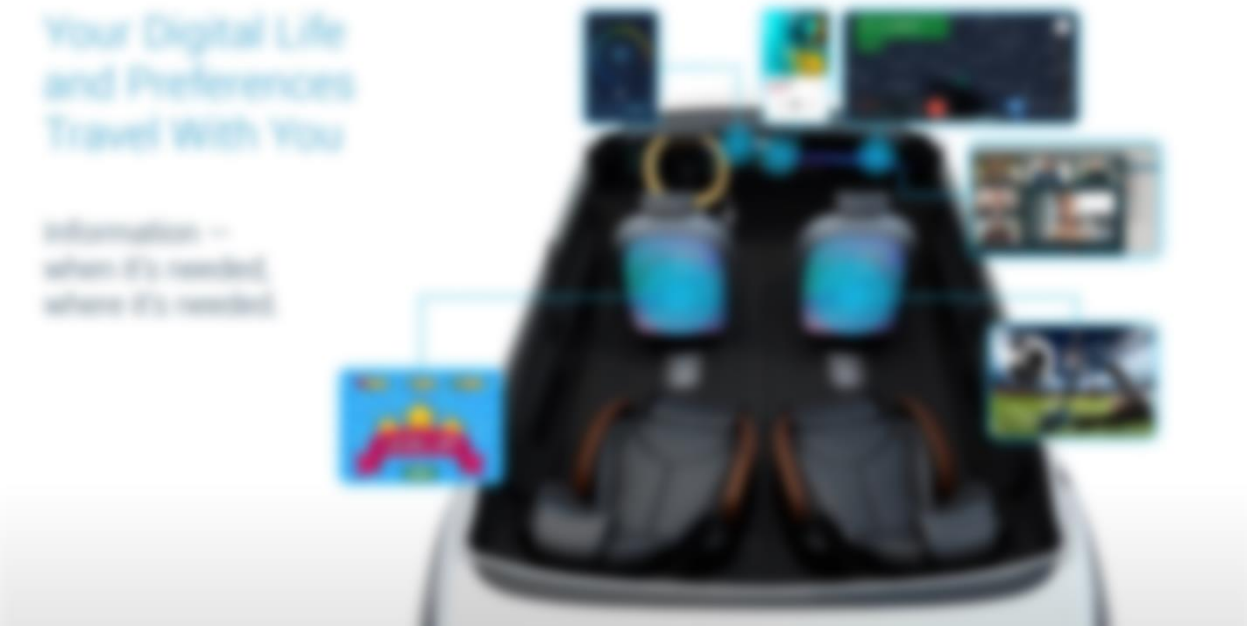
Operational Hydrogen-Powered Vehicles And Their Manufacturers

Data sourced from secondary research

3.3 Software Defined Vehicles (SDV)

Software-Defined Vehicles Simplified



Data sourced from secondary research

3.3.1 Key Technologies Enabling the SDV Revolution

Traditional Tiered Supply Chain Evolves into the Software-defined Vehicle Ecosystem

Data sourced from secondary research

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3.3.2 Drivers & Opportunities

- [illegible]
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3.3.3 Challenges and Considerations

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3.3.4 Use Cases

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3.4.1 Evolving Threat Landscape

The connected car is a complex web of Electronic Control Units (ECUs), sensors, and software, communicating both internally and with external networks. This expanding attack surface offers determined hackers numerous potential entry points. Recent incidents highlight these dangers:

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3.4.2 Emerging Best Practices

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- [illegible]

3.4.3 Regulatory Compliance and Evolving Standards

The automotive industry is subject to various cybersecurity regulations and standards. These include:

- [illegible]
- [illegible]
- [illegible]

3.4.4 Use Cases

- [illegible]
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- [illegible]
- [illegible]

4. Recent Developments

Recent developments in the automotive sector highlight a growing focus on electrification, autonomous mobility, and software-driven innovation. Leading manufacturers are strengthening strategic partnerships and accelerating product launches to improve their market positions and drive next-generation vehicle adoption.

Month & Year	Vehicle Supplier/ Manufacturer (Company 1)	End User (Company 2)	Development Type	Description	Deal Value
May-25	Mitsubishi Motors Corporation (Japan)	Nissan Motor (Japan)	Product Development & Launch	Mitsubishi Motors will launch a new battery electric vehicle (BEV) in North America in the second half of 2026, supplied by Nissan as an OEM model based on the next-generation LEAF. Reciprocally, Mitsubishi will leverage its PHEV expertise to supply an OEM model to Nissan in North America in 2026, strengthening their partnership and accelerating electrification efforts.	-
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

5. Supply Chain

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Resilience Amidst Disruptions

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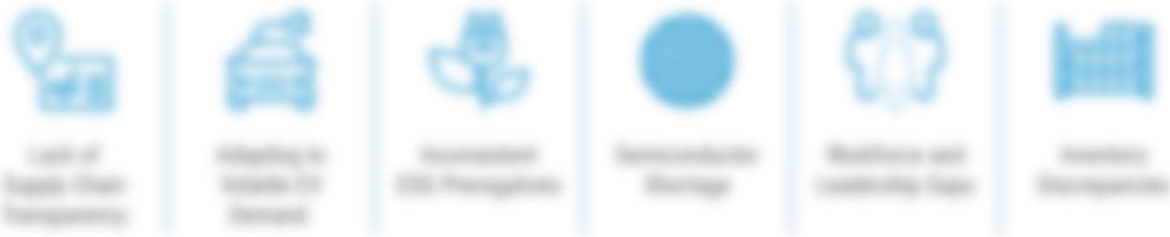
AUTOMOTIVE SUPPLY CHAIN CHALLENGES



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5.1 EV Supply Chain Policy

Governments worldwide are reshaping the EV ecosystem by tying incentives to local content, sustainability, and supply chain security, while battery technology continues to evolve rapidly toward next-generation materials.

5.2 Reshoring/Nearshoring Automotive Supply Chains

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5.4 The “China+1” Strategy for Global Supply Chains

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Computer vision

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5.5 Use Cases – Using Super Trends as Part of Supply Chain

3M reported strong Q1 2025 results, emphasizing its focus on strategic innovation and global supply chain resilience. 3M continues to invest in automotive, electronics, and medical adhesive solutions, including thermal management and EMI shielding tapes. At the 2025 Shanghai Auto Show, 3M showcased its latest innovations, aligning with key automotive trends. These included battery protection solutions, such as thermal interface materials and thermal runaway mitigation technologies, designed to enhance the life and range of EV batteries. Additionally, 3M VHB anti-rotation tapes allowed for easy stretch-release during efficient battery pack assembly and disassembly. Optical films were used to improve display brightness, contrast, and reduce glare.

5.5.1 Blockchain in the Automotive Supply Chain

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5.5.2 AI for Supply Chain Resilience

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5.5.3 Supplier Diversification and Multi-sourcing strategies

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Performance Indicators

- **2022–2023** U.S. vehicle sales increased by **XX%** year-over-year
- **2023–2024** U.S. vehicle sales increased by **XX%** year-over-year

Toyota's Strategy

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5.6 Tariff Impact

5.6.1 Tariff Timelines

3M reported strong Q1 2025 results, emphasizing its focus on strategic innovation and global supply chain resilience. 3M continues to invest in automotive, electronics, and medical adhesive solutions, including thermal management and EMI shielding tapes. At the 2025 Shanghai Auto Show, 3M showcased its latest innovations, aligning with key automotive trends. These included battery protection solutions, such as thermal interface materials and thermal runaway mitigation technologies, designed to enhance the life and range of EV batteries. Additionally, 3M VHB anti-vibration tapes allowed for easy stretch-release during efficient battery pack assembly and disassembly. Optical films were used to improve display brightness, contrast, and reduce glare.

Date	Tariff/Measure
Feb. 1, 2025	Imposed an additional 10% tariff on all goods imported from mainland China, citing national security concerns.
Mar. 1, 2025	Increased the additional tariff on all goods from mainland China by another 10%, bringing the total additional tariff to 20%.
Mar. 1, 2025	Imposed a 25% tariff on imports from Canada and Mexico that are not USMCA-compliant, affecting both automotive and non-automotive goods.
Mar. 12, 2025	Applied a 25% tariff on steel and aluminum imports from all countries under Section 232, aiming to protect domestic industries.
Apr. 3, 2025	Enacted a 25% tariff on all light vehicle imports from all countries under Section 232. The signatory for USMCA-compliant vehicle imports ended. For USMCA-compliant vehicles, the tariff is additive and can be based on the vehicle's value less the value of any U.S.-sourced content.
Apr. 9, 2025	Paused certain reciprocal tariffs for the European Union, the United Kingdom, Japan, South Korea, South Africa, ASEAN, and India for 90 days. During this period, a universal 10% tariff applies to imports from these regions.
Apr. 10, 2025	Increased tariffs on all goods from mainland China, Hong Kong SAR, and Macau by 125%, bringing the total additional tariff to 145%. This action was in response to mainland China's imposition of an 84% tariff on U.S. goods.
May 3, 2025	Implemented a 25% tariff on auto parts imports. USMCA-compliant parts are exempt until the Commerce Department determines the method for identifying U.S.-sourced value. Once resolved, the import value for USMCA-compliant parts will be determined net of U.S. content. The tariff is additive.
May 12, 2025	The U.S. and China declared a 90-day tariff pause. During this window, the U.S. reduced its tariff on Chinese goods from 145% to 30%, and China lowered its tariffs on U.S. imports from 125% to 10%.

Note: Tariff updates recorded as of June 2025

5.6.2 Tariff Structure in the Automotive Industry

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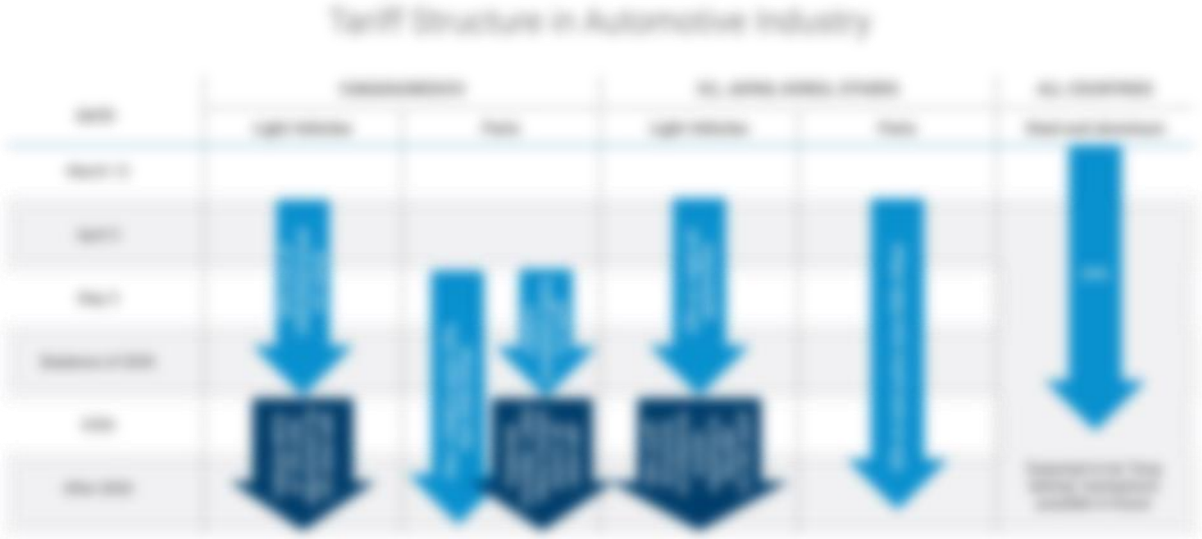
In May 2025, 3M reached a $450 million settlement with the state of New Jersey to resolve claims related to environmental damage caused by PFAS (per- and polyfluoroalkyl substances). These "forever chemicals" are highly persistent in the environment and have been linked to widespread contamination of air, water, and soil, as well as potential health risks. While the settlement is financially manageable for 3M, it adds to the burden of a previously announced $10.5 billion agreement aimed at addressing PFAS contamination in US water systems. The long-term installment payments may impact the company's cash flow and financial reporting. 3M had already announced in 2022 its plan to exit PFAS manufacturing by the end of 2025. This move not only addresses legacy liabilities but also helps improve 3M's public image, enabling a stronger focus on sustainable and innovative product lines that reinforce its long-term growth strategy.

Avery Dennison has officially opened its first RFID inlay and label production facility in Pune, India, which supports the growing demand for products in the apparel, pharmaceutical, FMCG, logistics, and retail sectors. This marks a significant milestone under the 'Make in India' initiative and position. Avery Dennison, as the first ARC certified RFID inlay manufacturer in India, introduced a new RFID inlay called AD Cobra, specifically designed to meet the environmental and operational challenges of the Indian market and enhance supply chain responsiveness, thereby reducing lead times for Indian customers.



5.6.3 Tariff Structure: Key Developments in the Automotive Industry

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6. Jabil Insights

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Electrification Outlook: Resetting Expectations

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Tariff Disruptions

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Charging Infrastructure Lag

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Technology Transformation and Risk Dynamics

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Aftermarket Surge and Vehicle Retention

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Regional Outlook Highlights

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6.1 Key Takeaways

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7. Appendix

Key References

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- Automotive Tariffs: Reshaping Vehicles, Sales, Pricing, and Production
- Electric Vehicle Consumer Preference
- Roadblocks to EV ownership
- Range Performance across different EV models
- EVS:2025 Smart Mobility Report
- Automotive & Smart Mobility Cybersecurity Report