

Growth Opportunities in the Automotive Aftermarket, Global, 2026

Regional Demand Patterns Will Shape
Aftermarket Growth Through 2027

Global Automotive & Transportation
Research Team at Frost & Sullivan

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RESEARCH SCOPE

Base Year	 2025
Study Period	 2024–2030
Forecast Period	 2026–2030
Vehicle Type	 Light vehicles with a gross vehicle weight rating (GVWR) of up to 6 metric tons include passenger vehicles (sedans, hatchbacks, SUVs, multipurpose vehicles [MPVs], and vans) and light commercial vehicles (pickup trucks).
Geographic Scope	 Global, with separate discussions about the following regions: North America (Canada, the United States), Europe, China, India, Latin America (LATAM; Brazil, Mexico, Argentina, Chile, Colombia), the Gulf Cooperation Council (GCC; Saudi Arabia, United Arab Emirates, Oman, Qatar, Kuwait, Bahrain), and the Rest of the World (RoW), which is not discussed separately.
Revenue	 Revenue only includes parts and accessories and excludes services unless otherwise noted. All revenue is measured at the manufacturer level and expressed in US dollars (\$).
Parts Covered	 Tires, batteries, brake parts, filters, collision body parts, and starters and alternators Lighting, exhaust components, spark plugs, lubricants, and others Others include steering system hard parts; remanufactured engine and transmission; remanufactured rack and pinion steering gear; heating, ventilation, and air conditioning (HVAC) and engine cooling components; light vehicle exhaust emission control systems; fuel delivery systems; engine control units; ignition parts; automotive sensors; ignition wire sets; fuel pumps; selected automotive remanufactured pumps; sports compact under hood components; belt; hoses; gaskets and seals; batteries; carburetors; gauges; and internal engine hard parts, advanced driver-assistance system (ADAS) components, and EV components, including high-voltage batteries and accessories. It is not an exhaustive list.

GROWTH ENVIRONMENT



- The global automotive aftermarket is projected to reach **\$541.86 billion in 2026**, growing at 5%–7% across different markets—driven by structural fleet aging now averaging 12–14 years across major markets, not by new vehicle sales cycles.
- Persistent affordability constraints and tariff-driven supply disruptions are extending vehicle retention cycles globally, creating a **durable demand floor that insulates aftermarket revenue from macroeconomic volatility**.
- **China, India, and the GCC are the three highest-conviction growth markets**—each driven by a distinct mechanism: NEV parc maturation in China, IAM underpenetration in India, and Vision 2030-led automotive industrialization in the GCC.
- First-generation xEVs are crossing the out-of-warranty threshold today, **exposing a structural servicing readiness gap** across diagnostics, parts coverage, and technician capability that represents the single most significant near-term opportunity across the entire downstream channel.
- Data and diagnostics have replaced product breadth as the primary competitive differentiator. The Right to Repair legislative wave—active in the EU and gaining momentum in India and the United States—is the single most consequential policy development for the independent aftermarket (IAM), progressively dismantling OEM data lock-in and expanding independent channel access to the software-defined vehicle parc that will define the fleet of 2030.

TOP PREDICTIONS FOR 2026



Fleet age as a structural demand anchor: New vehicle sales in key markets is softening—not just stabilizing. With the global light vehicle parc averaging 12–13 years and most vehicles in LATAM and parts of APAC exceeding 10 years of age, aging fleets are no longer a tailwind—they are the market.

Macroheadwinds framing: In 2026, the macroenvironment will be defined by two compounding disruptions: the US tariff escalation, with Chinese auto parts imports facing effective rates exceeding 100%, and the Middle East instability, which is increasing freight cost volatility and logistics uncertainty across APAC and European supply corridors.

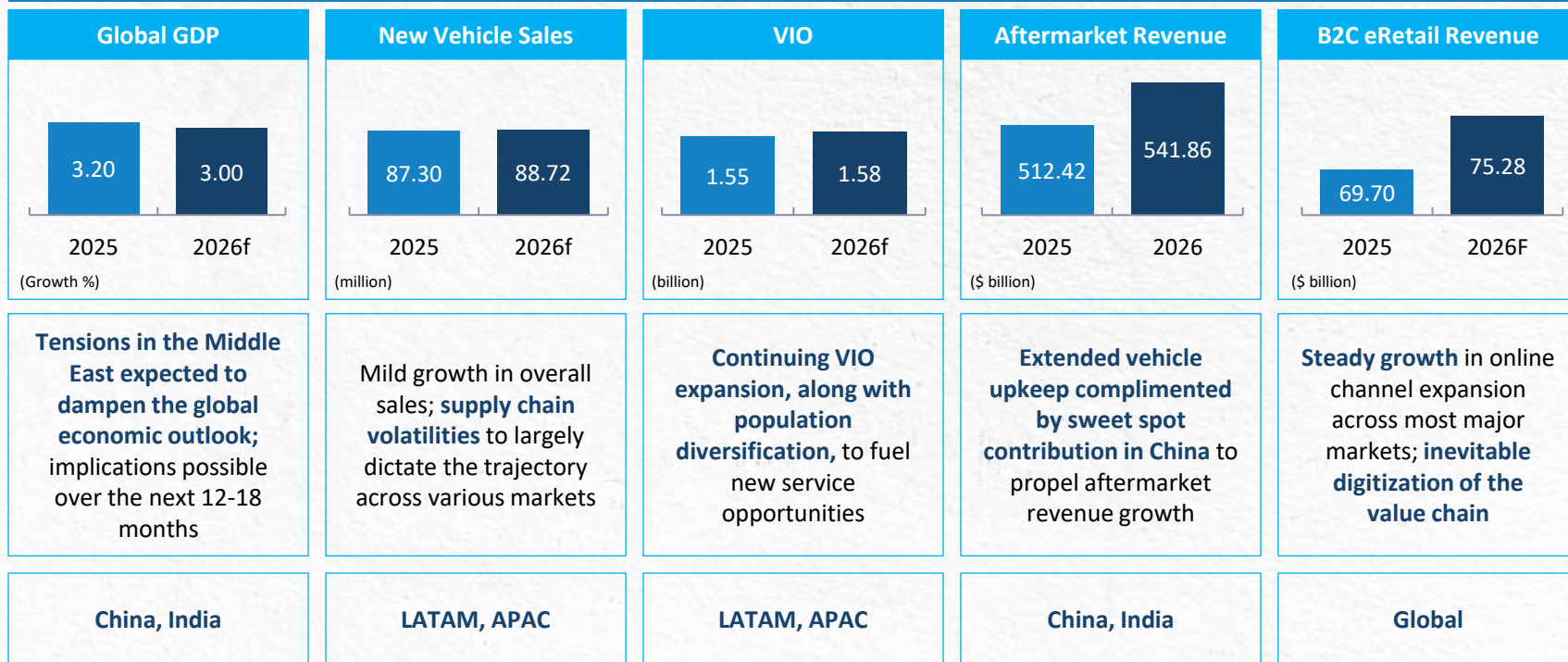
Growth outlook and regional leadership: The global aftermarket is projected to grow 5.7% in 2026, with resilience driven by an aging fleet, deferred maintenance releases, and emerging market expansion rather than new vehicle volume. China remains the largest absolute growth contributor.

Channel and business model disruption: Evolving customer buying preferences for product and channel will promote new business models and push all stakeholders to identify their levers to differentiate in the market.

xEV aftermarket transition: The xEV parc is entering the IAM before the aftermarket is ready for it—and this gap is precisely where the next wave of value creation sits.

2026 IN NUMBERS

Automotive Aftermarket: Predictions in Numbers, Global, 2025–2026



2026 TRENDS

Automotive Aftermarket: Predictions in Trends, Global, 2026



Emergence of the AI Technician

Rapid adoption of AI in the workshop **enabling IAM competitiveness enhancement**

North America,
Europe, China



eCommerce in B2B Gaining Momentum

Evolving channel preferences making workshops the **new digital storefront**; the **battle for interface control will intensify**

Global



Market Consolidation Shaping Competitive Forces

Rapid structural consolidation across every layer of the value chain

North America, Europe



Aging Vehicle Tailwinds

Expanding IAM opportunities from the aging parc; product and channel preferences set to evolve

Europe, North America



Data and Diagnostics Becoming Competitive Assets

Shift from **parts to data and a service ecosystem-integrated environment** in the aftermarket

Global

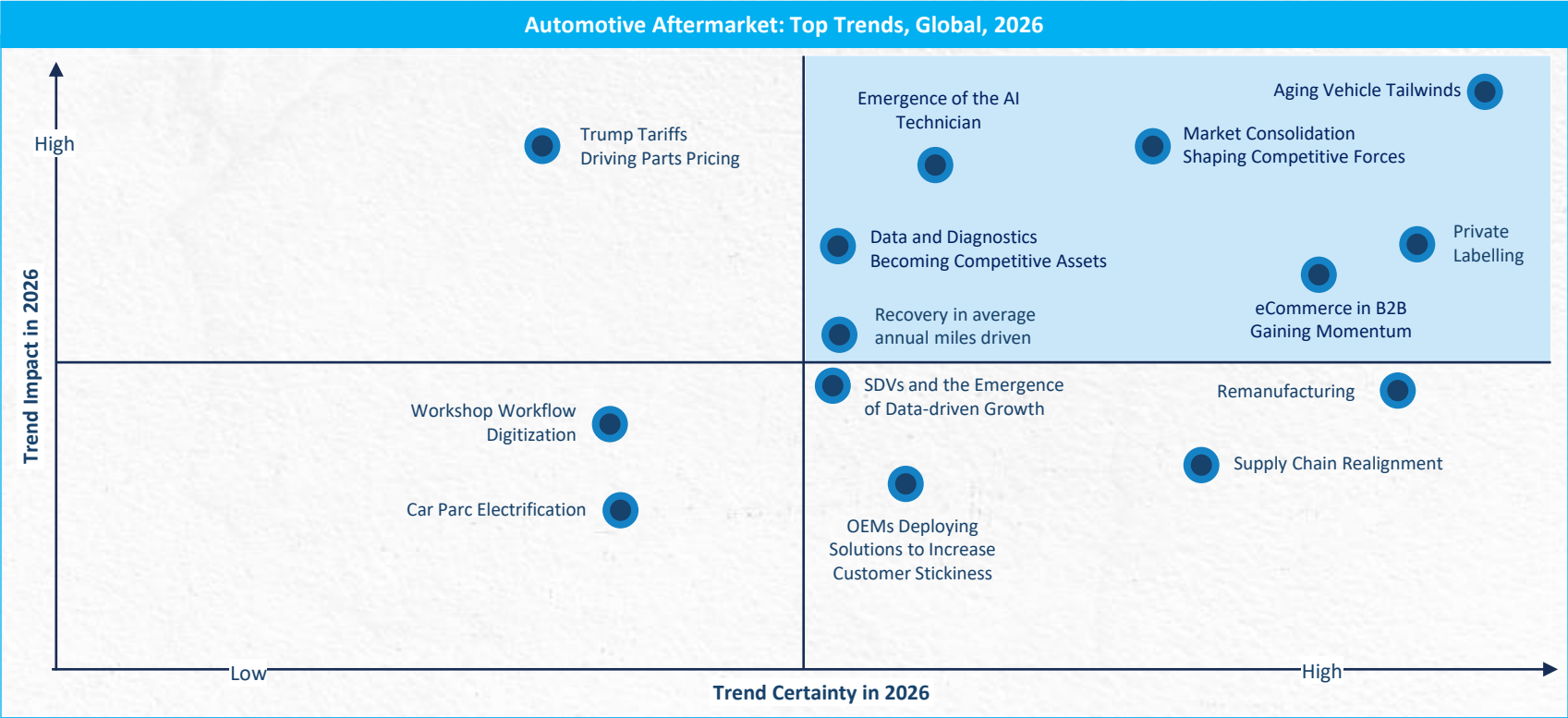
POLICY AND REGULATORY CHANGES IN 2025

Automotive Aftermarket: Policy and Regulatory Changes, Global, 2025				
Theme	Activity	Primary Stakeholder	Development	Aftermarket Implications
Policies and Regulations	Vehicle Safety	EU	Mandatory installation of eCall, an emergency alarm system, in all new vehicles sold from January 2027	eCall becomes a safety-critical system the aftermarket must support, increasing technical complexity rather than parts volume.
	Emission Control	EU	The Euro 7 emissions standard will be introduced in November 2026.	Raises technical barriers for the aftermarket, favoring well-equipped, compliant service providers over low-cost repair options.
	Old Vehicle Replacement	Chinese Government	Expanded vehicle trade-in and scrappage policies	Stimulates new vehicle demand while accelerating fleet renewal and creating upstream and downstream impacts on used car flows and aftermarket services
	New Vehicle Sales		Loosened urban car purchase restrictions	Removes structural barriers to vehicle ownership, supporting demand growth—particularly for NEVs—in tightly regulated urban markets
	Market Pricing		Drafted rules to curb disorderly automotive price competition (proposal)	Increases regulatory oversight of OEM–dealer pricing practices and strengthens consumer protection across new car and aftersales transactions

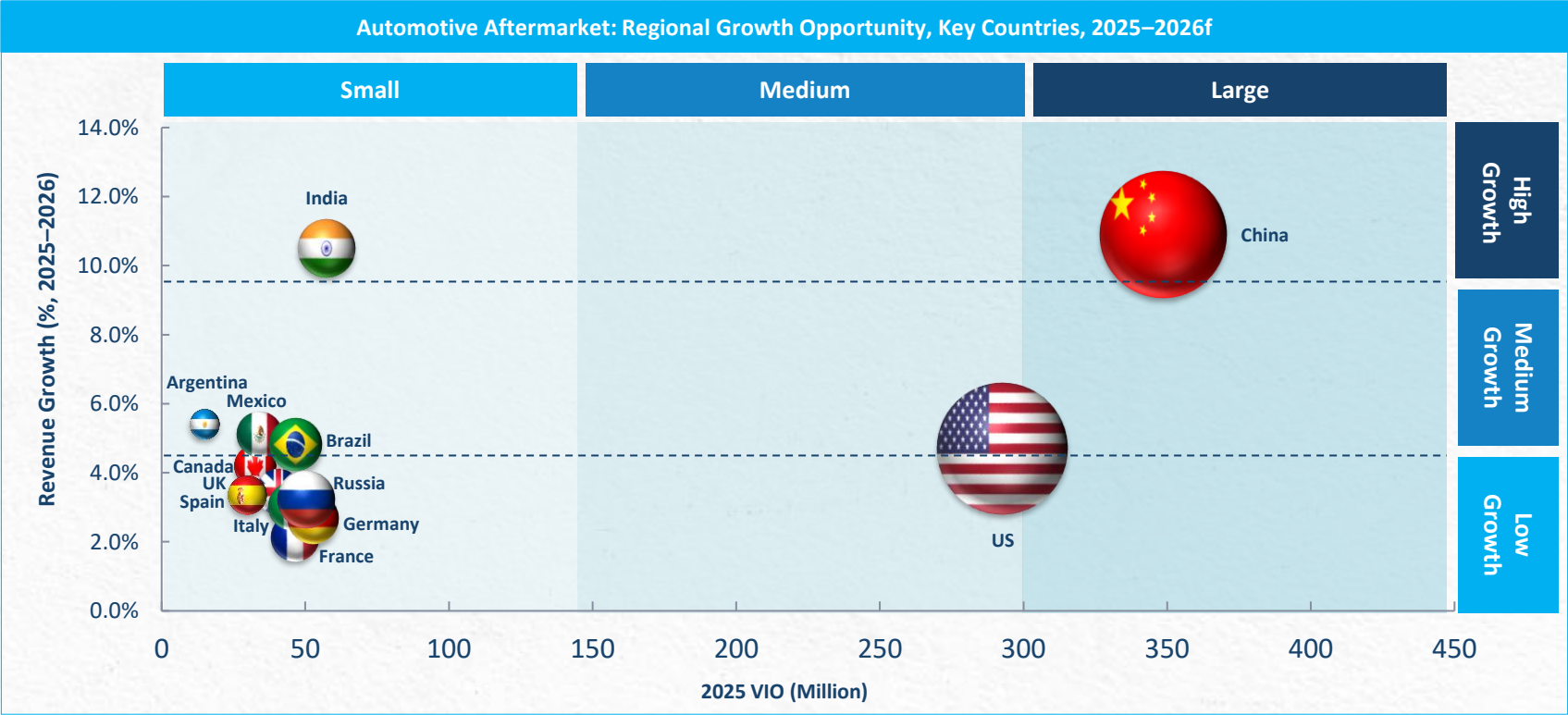
POLICY AND REGULATORY CHANGES IN 2025 (CONTINUED)

Automotive Aftermarket: Policy and Regulatory Changes, Global, 2025				
Theme	Activity	Primary Stakeholder	Development	Aftermarket Implications
Policies and Regulations	Workshop Regulation	German Government	The Abgasuntersuchung (AU) guideline and the revised Equipment Guide 7 will be implemented from 1 January 2027.	Provides regulatory certainty for workshops by postponing investments in new emissions testing equipment and procedures
	Vehicle Emission	Indian Government	Preparing for CAFE 3 emissions regulations	Signals tighter future CO2 regulations, influencing powertrain strategies, vehicle design, and long-term OEM compliance planning
	Vehicle Repair	US Congress	The ADAS Functionality & Integrity Act was introduced in the US Congress.	Strengthens the regulatory position of independent repairers and modifiers, reducing OEM data control risks while supporting safe ADAS servicing and calibration
	Imports	Brazilian Government	The Brazilian government eliminated the import tax on auto parts that do not have equivalent national production and are used in the production of new vehicles (previously, there was a 2% import tax).	Expected to intensify local competition, expand supply, and potentially lower prices in the auto parts market for items without local production

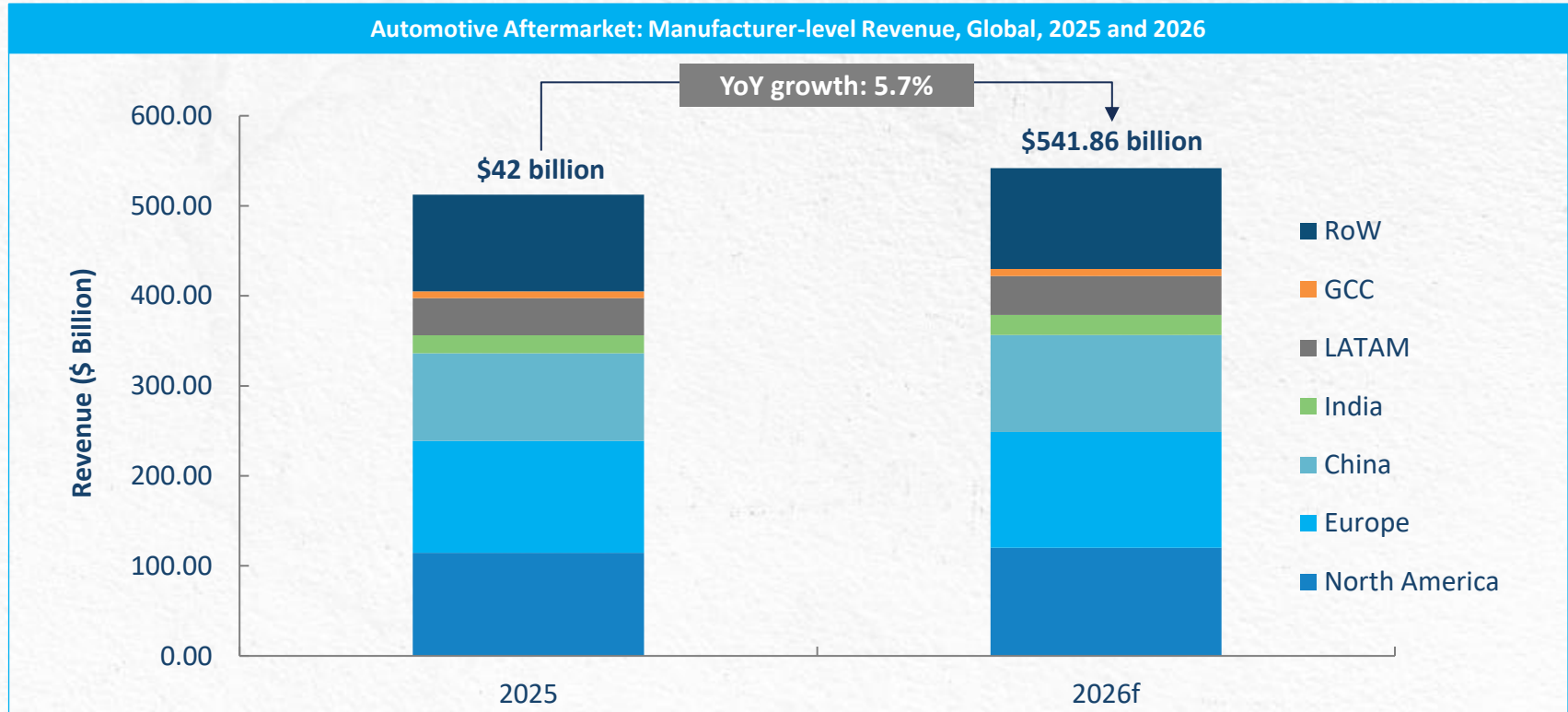
GLOBAL AUTOMOTIVE AFTERMARKET TOP TRENDS IN 2026



GROWTH OPPORTUNITY BY COUNTRY



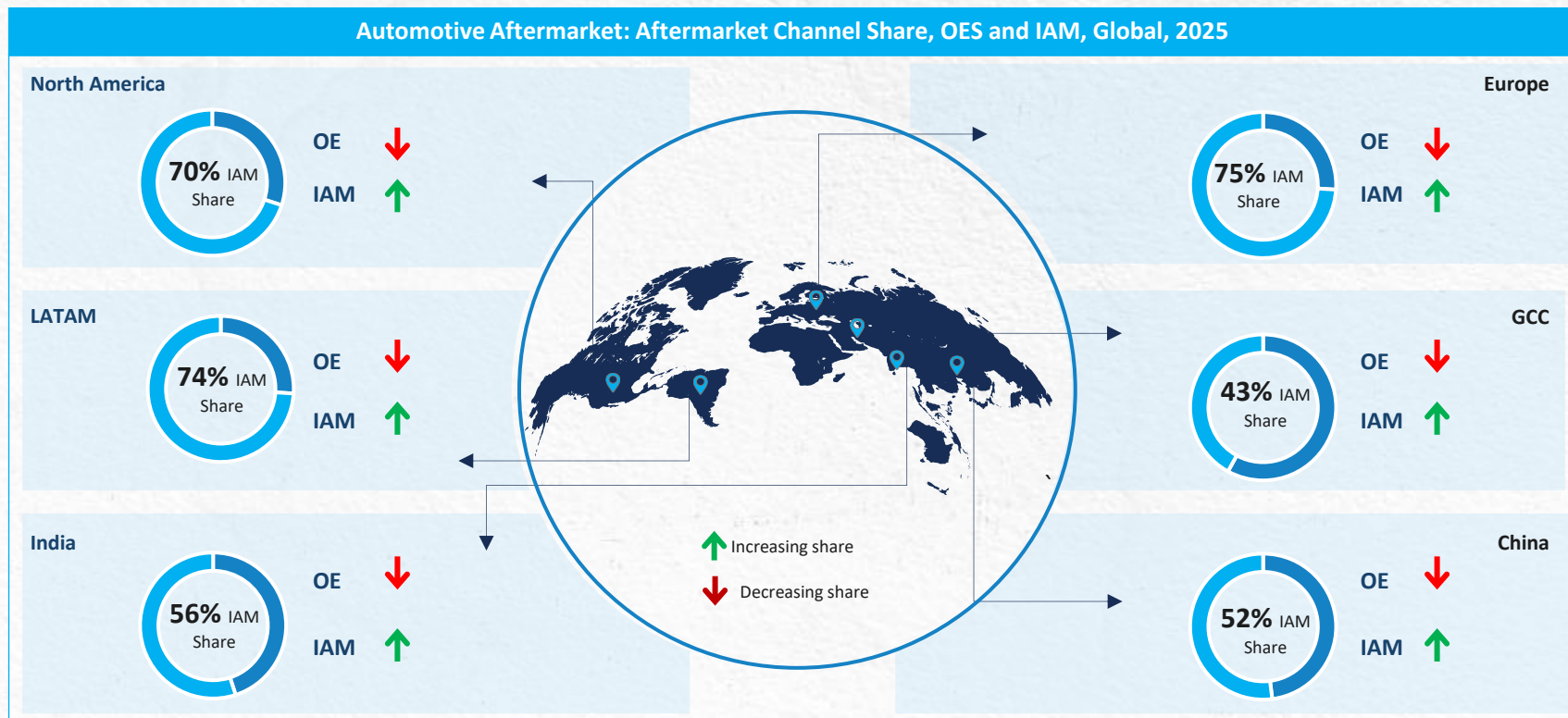
GLOBAL AUTOMOTIVE AFTERMARKET REVENUE OUTLOOK



Revenue includes only parts and accessories and excludes services, unless otherwise noted; all revenue is measured at the manufacturer level and expressed in US dollars (\$).

Note: All figures are rounded. The base year is 2025. Source: Frost & Sullivan

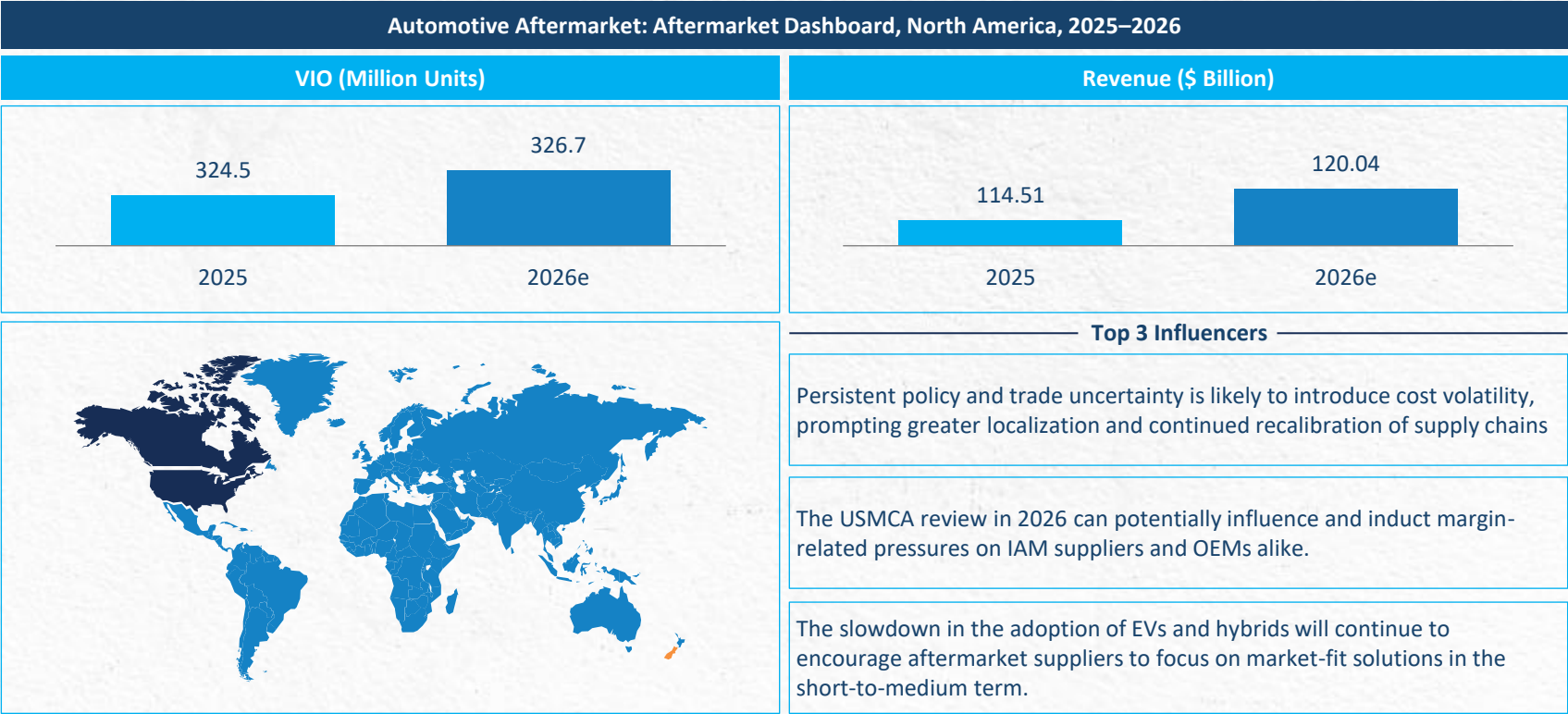
AUTOMOTIVE AFTERMARKET CHANNEL SHARE



NOTEABLE AFTERMARKET SUPPLIER ACTIVITY IN 2025

Automotive Aftermarket: Supplier Activity, Global, 2025				
Theme	Activity	Primary Stakeholder	Development	Aftermarket Implications
Supplier Activity	New Product Launch	Mahle	Mahle launched high-voltage charging solutions such as input filters and onboard chargers, primarily aimed at workshop solutions.	Enabling aftermarket workshop capabilities to service Evs
			It launched RemotePRO Air Diagnostics, a remote diagnostics solution.	Increasing IAM workshops' competitiveness
	Restructuring	ZF	ZF sold its ADAS business portfolio to Harman.	Restructuring will allow the company to focus on its core product categories; a market-driven approach will benefit channel partners
	New Product Launch		It launched workshop solutions, including ZF [pro]Diagnostics and ZF MultiScan.	Increasing IAM workshops' competitiveness
	New Product Launch	ZF	ZF launched Vandy, a fleet management solution.	Expanded market offerings will increase customer stickiness
	Acquisition	Frasle Mobility	Frasle concluded the acquisition of Kuo Refacciones, the automotive aftermarket division of the Mexican group KUO, in January 2025.	Strengthened Frasle's presence in the LATAM market
	Logistical Expansion	Inchcape Colombia	Distributor of auto parts of different OEMs, such as Mercedes-Benz, Suzuki, GWM, and Citroen; launched a multi-OEM auto parts distribution center in Cundinamarca, Colombia	Launch will directly impact network optimization, making operations more efficient and agile

NORTH AMERICAN AFTERMARKET DASHBOARD



AUTOMOTIVE AFTERMARKET OPPORTUNITY AREAS

Automotive Aftermarket: Opportunity Areas, Europe, 2026

ADAS Calibration and Repair as a High-Value Service Category



With more than 100 million cars on the road with some level of ADAS penetration, service opportunities from every collision, windshield repair, or underbody repair will fuel revenues from this emerging category.

EU Right to Repair Directive



Dismantling OEM data lock-in, this development can massively expand workshop access to repair procedures and create a level playing field for the IAM channel.

Remanufacturing as a Margin Opportunity



As customer price sensitivity increases under macroeconomic pressures, remanufacturing can gain traction as a medium to increase value in their purchase and provide a higher margin opportunity to sellers.

Chinese OEM Fleets Expanding Their Market Presence



Their rapidly growing share in the vehicle population presents opportunities for various service types, addressing new parts demand, and establishing supply relationships with stakeholders outside the legacy network.

Concentrated Demand in Select Regions



Driven by the accelerated aging of the vehicle population, markets in Eastern and Central Europe offer a significant growth potential for aftermarket revenues.

Impact of the US- IRAN war on the automotive industry

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Appendix

How does your
organization identify and
prioritize
Growth Opportunities?



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