Mid-Year Update

2025

Automotive Manufacturing

Surplus Asset Market Trends Report

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LIQUIDITY SERVICES

Market Overview

- The global automotive supplier market rebounded strongly after COVID-19, valued at USD 651.9-662.5 billion in 2022. It's projected to grow to USD 1.1 trillion by 2030 with a CAGR of 6-6.8% (2023-2030).
- Demand driven by urbanization, rising car sales, and stricter vehicle emissions regulations encouraging fuel-efficient and sustainable innovations.
- Key focus areas include electric vehicles (EVs), autonomous technology, and advanced components like sensors, radar, and lidar.

Key Drivers of Growth

- Strong demand for electric and alternative fuel vehicles, especially in the European Union.
- Continuous innovation in components like transmission, drivetrain, brakes, and safety systems.
- Increased use of 3D printing and synthetic materials in part production.
- The growth of e-commerce platforms enhancing access to aftermarket auto parts.
- Challenges in Automotive Manufacturing
- Talent Shortage: High turnover rates, aging workforce, and skill redundancies.
- Rapid Innovation Needs: Balancing regulatory compliance with customer-centric product development.
- Electrification Transition: Requires specialized skills in software, robotics, and data analytics.
- Supply Chain Risks: Dependence on global suppliers, especially for batteries and semiconductors, poses risks to resilience and affordability.
- Competition: Increased pressure from EV-focused newcomers, particularly from China, impacting traditional OEMs and parts suppliers.

Regional Trends

- APAC dominates as a key player with 34% of global growth projected by 2032, led by China.
- Europe losing market share due to high energy and labor costs but remains a leader in EV innovation.
- US witnessing $312 billion invested in EV production, driven by federal programs like the Infrastructure Investment and Jobs Act.

Surplus Asset Management as a Strategic Imperative

- Capital investments in machinery and equipment are critical, with US assembly plants spending $6.18 billion in 2024, marking a 3% increase from 2023. However, rising investments necessitate effective management of surplus equipment to unlock value. Key points include:
- Digital Tools like IoT enable preventive maintenance and asset tracking to improve equipment life cycles.
- Cost Optimization can reduce capital costs for manufacturers, freeing up resources for strategic innovation.
- Platforms like Liquidity Services help manufacturers redeploy or sell surplus equipment, unlocking hidden value.

Potential Impact of the Trump Administrative Tariffs

The Trump-era tariffs on steel, aluminum, and Chinese imports will increase raw material and production costs across the automotive manufacturing sector. For many manufacturers, this has emphasized the need for agile supply chain strategies, localized production, and surplus asset management to offset increased costs. The tariffs' ripple effects, combined with the industry's EV transition, highlight the importance of managing surplus machinery and assets effectively to maintain competitiveness and financial stability.

Visit Liquidity Services to download the full 2025 Automotive Manufacturing Surplus Market Trends report.

Services

Consultative surplus asset management, valuation, and sales solutions

- Program management
- Sales and marketing
- Warehousing and transportation support
- Valuation services
- Buyer customer support
- Asset management
- Compliance and risk mitigation

About Liquidity Services

Your leader in surplus asset inventory

Every organization has surplus assets or inventory. Liquidity Services (NASDAQ:LQDT) works with clients to ensure surplus is intelligently transformed from a burden into a liquid opportunity that fuels the achievement of strategic goals.

Our superior service, unmatched scale, and ability to deliver results enable us to forge trusted, long-term relationships with over 8,000 clients, including Fortune 1000, Global 500 organizations, and government agencies. With $10 billion in completed transactions, five million registered buyers, and a global reach into 200+ countries and territories, we are the proven market leader in delivering smart surplus solutions. Let us build a better future for your surplus.

Contact Liquidity Services to leverage surplus asset strategies for optimized operations and improved ROI.

Ready to power the circular economy?

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