# Focus shifts to pragmatic advances in level 4 autonomy at CES 2025



At the recently concluded CES 2025, a noticeable shift was observed in the autonomous vehicle industry’s approach towards self-driving technology. According to a report by S&P Global, the focus moved away from the ambitious goal of achieving Level 5 autonomy — fully autonomous vehicles that require no human intervention — towards more practical, incremental advancements, particularly in Level 4 autonomy. This level features vehicles capable of highly autonomous driving within specific conditions and geofenced areas.

Leading this pragmatic trend, companies like Waymo showcased their progress. Waymo reported having completed more than 4 million rides overall, with 150,000 paid rides each week. At the event, the firm displayed new models equipped with its technology, including Hyundai and Zeekr vehicles. Waymo is also expanding its ride-hailing operations to additional American cities, adapting to local regulations to ensure compliance. These developments underline the scalability of ride-hailing services as a feasible application of autonomous technology, as opposed to the full rollout of personal autonomous vehicles.

Complementing the findings from S&P Global, research from Goldman Sachs offers projections on the expected share of autonomous vehicles in new car sales by 2030. Level 3 autonomous cars, which permit hands-off and eyes-off driving in some conditions but still require driver readiness, are predicted to constitute about 10% of new sales globally, a slight decrease from previous estimates of 12%. In contrast, fully autonomous Level 4 vehicles are expected to increase their share to approximately 2.5%. Assisted driving systems classified as Level 2 and 2+, which mandate driver supervision, are projected to rise from 20% to 30% by 2027. The acceleration in adoption is anticipated to be supported by improvements in artificial intelligence and decreasing hardware costs, despite potential hurdles stemming from technological challenges, regulatory frameworks, and evolving business models.

Goldman Sachs further forecasts a booming market for robotaxi services, estimating its value could exceed $25 billion by 2030, driven predominantly by commercial autonomous vehicle fleets. Cost predictions suggest an autonomous vehicle mile could fall below one dollar by 2030 and decline further to $0.58 by 2040. The long-term outlook posits that autonomous vehicles could account for 60% of new light vehicle sales worldwide by 2040, with China expected to lead with a 90% share, followed by Europe at 80%, and the United States at 65%.

Supporting these projections, Grand View Research reports that the global autonomous vehicle market was valued at $68.09 billion in 2024 and is anticipated to grow at an annual rate of 19.9% from 2025 to 2030. Passenger vehicles dominate the sector, accounting for 69% of revenue in 2024, while North America holds the largest regional market share at over 37%.

Alongside established tech enterprises and traditional automakers, which continue to showcase autonomous shuttle concepts and incremental Advanced Driver Assistance Systems (ADAS) like Level 2+ and Level 3, innovative startups specialising in AI chips, sensor software, and linked vehicle data are forming partnerships with larger corporations possessing substantial manufacturing capabilities. This collaborative approach is becoming more prevalent, as smaller companies find independent operation challenging due to high research and development costs and complex regulatory requirements. These partnerships fuel a gradual shift from speculative innovation to practical implementations, with Level 4 geo-fenced services and delivery-focused applications identified as emerging growth areas.

Within this evolving landscape, publicly traded companies contributing to the autonomous vehicle sector are attracting considerable investment attention. "EMEA Tribune" has highlighted Microsoft Corporation (NASDAQ: MSFT) as a significant player, particularly through its role in developing support software, cloud services, and AI solutions that underpin autonomous vehicle technology.

Microsoft has forged collaborations with prominent names in the autonomous driving arena, including Wayve, a London-based startup focused on deep learning for self-driving cars, and Wejo Group Limited, a company specialising in connected vehicle data. Despite some recent challenges — such as Azure cloud revenue growth falling short of analyst forecasts for the third consecutive quarter in early 2025 — Microsoft’s AI-related sales surpassed expectations, contributing 13% to Azure’s quarterly growth. Company management reported increased operating profitability and lower tax rates while maintaining their fiscal third-quarter earnings outlook.

In the second quarter of 2025, Microsoft's cloud division achieved sales exceeding $40 billion, marking a 21% increase year-on-year and reinforcing the company’s leadership in cloud services. Notably, the firm’s AI segment demonstrated exceptional growth, with a yearly revenue run rate approaching $13 billion, reflecting a 175% increase from the prior year fueled by widespread enterprise adoption of AI technologies. Commercial bookings hit record highs, rising 67% overall, or 75% when measured in constant currency, largely due to substantial Azure commitments from OpenAI.

Evaluated against the backdrop of other self-driving technology stocks, Microsoft ranked 7th among the 11 companies with the highest upside potential as of April 22, 2025. While the company is not exclusively a self-driving car manufacturer, its integral involvement in providing AI and cloud-based infrastructure places it prominently in the autonomous vehicle ecosystem. Analysts remain optimistic that Microsoft will sustain its industry-leading position in AI development, even as the sector experiences oscillations.

As the autonomous vehicle market advances, the combination of incremental technical improvements, increased partnerships, and strategic investments by established technology firms such as Microsoft shape the trajectory towards a more integrated and commercially viable future for self-driving transport solutions worldwide.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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