Canada Electric Vehicle Battery Electrolyte - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

Market Report | 2025-04-28 | 95 pages | Mordor Intelligence

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Report description:

The Canada Electric Vehicle Battery Electrolyte Market size is estimated at USD 2.03 million in 2025, and is expected to reach USD 3.69 million by 2030, at a CAGR of 12.71% during the forecast period (2025-2030).

Key Highlights
- Over the medium term, factors such as the rising electric vehicle (EV) adoption and suppotive government initiatives are expected to drive the market during the forecast period.
- On the other hand, supply chain disruptions are likely to hinder market growth during the forecast period.
- Nevertheless, innovations in electrolyte formulations are expected to provide significant opportunities for the market in the coming years.

Canada Electric Vehicle Battery Electrolyte Market Trends

Rising Electric Vehicle (EV) Adoption

- In recent years, both federal and provincial levels of the Canadian government have made significant strides in outlining and supporting actions against climate change. Under the Paris Climate Agreement, the federal government has committed to reducing greenhouse gas (GHG) emissions by 30% from 2005 levels by 2030. This translates to a reduction of 200 to 300 megatons from projected emission levels.
- Given that the transportation sector ranks as Canada's second-largest GHG emitter, the widespread adoption of electric vehicle

(EV) technology offers a substantial opportunity for provinces and territories to meet their GHG reduction targets. Provinces like British Columbia, Quebec, and Ontario are at the forefront, championing EV adoption.
- Canada aims for 100% of vehicle sales to be zero-emission by 2035, with both federal and provincial governments playing pivotal roles in this transition. As the government actively promotes electric vehicles, this push is anticipated to bolster domestic demand. Consequently, this surge in demand is likely to elevate the need for battery electrolytes within Canada.
- Data from the Canada Energy Regulator highlights a surge in electric vehicle (EV) sales across the nation. In 2023, Canada registered 139,521 battery electric vehicles, marking a 41% increase from 2022's 98,589. To put this in perspective, 2019 saw 56,165 registrations (2.9% of total), and 2017 had 19,696 (1% of total).
- The Canadian automotive landscape is undergoing a transformation, with many manufacturers shifting focus towards electrification. This shift is evident as they either establish new plants or repurpose existing ones for EV production.
- For example, in January 2024, Honda Motor Co. unveiled plans for a USD 13.83 billion electric vehicle factory in Canada, which will also feature in-house battery production. Honda is eyeing multiple potential sites, notably one next to its current Ontario factory. A decision is expected by the close of 2024, with operations slated to commence by 2028.
- Given the rising EV manufacturing and the uptick in light electric vehicle adoption, there's a burgeoning demand for EV batteries. This trend is poised to catalyze the growth of the battery electrolyte market in Canada during the forecast period.

Lithium-Ion Batteries Segment to Dominate the Market

- In Canada, the lithium-ion battery segment stands as a pivotal player in the electric vehicle (EV) battery electrolyte market, propelled by the swift uptake of electric vehicles and breakthroughs in battery technology.
- With the Canadian government championing greener transportation and a growing consumer preference for EVs, the appetite for efficient, high-performance batteries is on the rise. In this landscape, electrolytes play a vital role, bolstering battery performance, safety, and longevity.
- A key driver behind the lithium-ion battery segment's expansion is the marked decline in battery costs. For example, in 2023, the average price of lithium-ion batteries dipped to approximately USD 139 per kilowatt-hour (kWh), showcasing a remarkable drop of over 82% since 2013. Forecasts suggest prices might plummet to below USD 113/kWh by 2025 and could touch USD 80/kWh by 2030.
- This downward trajectory in battery prices not only broadens the accessibility of electric vehicles for consumers but also spurs manufacturers to channel investments into cutting-edge battery technologies and premium electrolytes, amplifying market demand.
- Moreover, sustainability is emerging as a pivotal force in the lithium-ion battery segment. With a surge in environmental consciousness, manufacturers are pivoting towards eco-friendly electrolyte solutions crafted from sustainable materials. This green shift not only resonates with consumer preferences but also dovetails with regulatory mandates aimed at curbing the environmental footprint of battery production.
- In April 2024, Asahi Kesai unveiled plans for a lithium-ion battery component manufacturing plant. With a hefty investment of around USD 1.3 billion, the facility is poised to complement Honda's EV operations in the nation. Such strategic investments bolster the lithium-ion battery landscape in Canada.
- In summary, as the market landscape transforms, the clamor for high-performance electrolytes is set to intensify, spurring innovation and propelling the broader electric vehicle sector's growth in Canada.

Canada Electric Vehicle Battery Electrolyte Industry Overview

The Canada electric vehicle battery electrolyte market is semi-consolidated. Some of the major players include (not in particular order) Mitsubishi Chemical Group, 3M, Umicore N.V, Solvay SA, and BASF SE, among others.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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