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

Market Report | 2025-04-28 | 100 pages | Mordor Intelligence

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Report description:

The China Hybrid Electric Vehicle Battery Market size is estimated at USD 5.00 billion in 2025, and is expected to reach USD 13.58 billion by 2030, at a CAGR of 22.14% during the forecast period (2025-2030).

Key Highlights
- Over the medium term, rising adoption of electric vehicles (EV) and declining lithium-ion battery prices are expected to drive the demand for hybrid electric vehicle batteries during the forecast period.
- On the other hand, the availability of alternate technology like battery electric vehicles and plug-in hybrid electric vehicles are likely to hinder the battery market.
- Nevertheless, technological advancements in battery materials like higher energy density, faster charging times, improved safety, and longer lifespan are expected to create significant opportunities for hybrid electric vehicle battery market players in the near future.

China Hybrid Electric Vehicle Battery Market Trends

Lithium-Ion Battery Type Dominate the Market

- China's lithium-ion hybrid electric vehicle battery market is a dynamic arena, teeming with both opportunities and challenges. Lithium-ion hybrid EV batteries are outpacing other battery technologies in popularity, thanks to their favorable capacity-to-weight ratio. Their adoption is further fueled by advantages like superior performance (notably long life and low maintenance), an

extended shelf life, and declining prices.
- While lithium-ion batteries traditionally commanded a premium over their counterparts, leading market players have been ramping up investments. Their focus on achieving economies of scale and bolstering R&D efforts has intensified competition, subsequently driving down lithium-ion battery prices.
- In 2023, battery prices saw a notable dip, settling at USD 139/kWh-a drop exceeding 13%. With ongoing technological innovations and manufacturing refinements, projections suggest a further decline: targeting USD 113/kWh by 2025 and an ambitious USD 80/kWh by 2030.
- Moreover, relentless advancements in battery technology-spanning energy density, charging speed, and lifespan-are propelling the adoption of lithium-ion batteries in hybrid EVs nationwide. China is heavily investing in battery tech advancements, aiming to prolong battery life and champion hybrid EVs.
- For example, in May 2024, China earmarked a substantial 6 billion yuan (USD 845 million) for pioneering next-gen battery tech, with a spotlight on electric and hybrid vehicles. Solid-state batteries (ASSBs), an evolution of traditional lithium-ion batteries, boast enhanced safety (lower fire/explosion risk) and superior energy density. Such innovations are poised to bolster the demand for advanced lithium-ion batteries, subsequently fueling hybrid EV demand.
- Additionally, the intertwined dynamics of plummeting lithium-ion battery prices, surging demand, and the establishment of new production facilities across China are reshaping the energy and automotive landscapes.
- By 2023, Chinese firms are increasingly consolidating their supply chains-from extracting raw materials like lithium and cobalt to the final battery production-ensuring consistent supply and cost-effectiveness. This trend is set to gain momentum in the coming years.
- Given these developments, the forecast period anticipates a surge in hybrid EV production and a corresponding uptick in lithium-ion battery demand.

Passengers Cars Segment to Witness Significant Growth

- Driven by heightened consumer awareness of environmental concerns and a growing demand for fuel-efficient vehicles, the passenger hybrid car segment is witnessing robust growth. Hybrid cars, which merge an internal combustion engine with an electric motor, boast superior fuel efficiency and reduced emissions when stacked against traditional gasoline-powered vehicles.
- Moreover, as the adoption of electric vehicles (EVs) surges, so does the demand for hybrid electric vehicles (HEVs), encompassing passenger cars. For example, the International Energy Agency (IEA) reported that in 2023, EV sales in the country reached approximately 8.1 million, marking a 37.2% uptick from 2022. With the government rolling out multiple initiatives to bolster the sales and demand for hybrid cars, this sales trajectory is poised to ascend in the forthcoming years.
- China is championing the adoption of hybrid electric vehicles (HEVs), including passenger cars, through a slew of government initiatives. These measures align with a larger agenda to combat air pollution and curtail reliance on fossil fuels.
- As a case in point, in 2023, the government rolled out a scrappage scheme incentivizing drivers to swap their aging internal combustion engine (ICE) vehicles for newer electric or plug-in hybrid models. This initiative offers buyers a financial boost of up to 10,000 yuan (approximately USD 1,375) when acquiring a new EV or plug-in hybrid. Such moves are set to amplify the demand for hybrid passenger cars in the region and subsequently, the need for HEV batteries during the forecast period.
- Moreover, the Chinese government is actively backing research and development in battery technology, electric drivetrains, and other pivotal components for hybrid and electric vehicles. By partnering with research institutions and motivating private enterprises, the government aims to fast-track technological breakthroughs.
- For instance, in June 2024, China's Ministry of Industry and Information Technology unveiled fresh directives for the lithium-ion battery sector. These guidelines seek to elevate the industry, ensuring it aligns with the swift growth in sectors like automobiles, particularly those involving hybrid electric vehicles. Such proactive measures are anticipated to bolster the hybrid passenger car market and escalate the demand for hybrid batteries in the near future.
- These project advancements underscore the viability and significance of HEV battery solutions for passenger vehicles, hinting at

a burgeoning demand for HEV batteries nationwide in the upcoming year.

China Hybrid Electric Vehicle Battery Industry Overview

The China Hybrid Electric Vehicle battery market is semi-fragmented. Some of the key players (not in particular order) are LG Energy Solution Ltd, Toshiba Corporation, Panasonic Holdings Corporation, BYD Company, Contemporary Amperex Technology Co. Limited, among others.

Additional Benefits:

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

Table of Contents:

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