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

Market Report | 2025-04-28 | 120 pages | Mordor Intelligence

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Report description:

The Hybrid Electric Vehicle Battery Market size is estimated at USD 11.09 billion in 2025, and is expected to reach USD 28.64 billion by 2030, at a CAGR of 20.9% 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 lack of raw material reserves can significantly restrain the growth of the hybrid electric vehicle 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.
- Asia Pacific is the fastest-growing region in the global hybrid electric vehicle battery market during the forecast period due to the rising adoption of electric vehicle.

Hybrid Electric Vehicle Battery Market Trends

Lithium-Ion Battery Type Dominate the Market

- The lithium-ion electric vehicle battery market worldwide presents a fascinating landscape of opportunities and challenges. Due

to their favorable capacity-to-weight ratio, lithium-ion rechargeable batteries are gaining more popularity than other battery technologies. Other factors contributing to boosting their adoption include better performance (long life and low maintenance), better shelf life, and decreasing price.
- The price of lithium-ion batteries is usually higher than that of other batteries. However, major players across the market have been investing to gain economies of scale and R&D activities to enhance their performance, increasing the competition and, in turn, resulting in declining prices of lithium-ion batteries.?
- Owing to the increasing average battery pack prices of electric vehicles (EV) and battery energy storage systems (BESS), the battery prices declined in 2023 to USD 139 /kWh, a decrease of over 13%. The trajectory of technological innovation and manufacturing enhancements is anticipated to decrease the battery pack prices further, projecting the price to reach USD 113/kWh in 2025 and USD 80/kWh in 2030.
- Furthermore, governments all over the world are significantly promoting electric vehicles due to rising environmental concerns. The government is significantly focused on net zero carbon emission targets. Lithium is a vital element in batteries that provides the storage capacity for EVs. The leading companies around the globe are extracting lithium to fulfill the rising demand for lithium-ion batteries.
- For instance, in November 2023, Exxon Mobil Corporation announced that it was likely to start the first phase of North American lithium production in southwest Arkansas, an area known to hold significant lithium deposits. The first production is targeted for 2027. Such projects are likely to accelerate the production of lithium and fulfill the rising demand for lithium-ion batteries during the forecast period.
- Additionally, the government worldwide has implemented various policies and incentives to promote electric vehicles. These policies have positively impacted the demand for lithium-ion batteries. The government announced numerous initiatives to promote EVs across the region.
- For instance, the United Kingdom has established a ZEV mandate that requires 80% of new cars and 70% of new vans sold to be zero-emission by 2030, reaching 100% by 2035. Furthermore, the sale of new petrol and diesel cars and vans is likely to be banned by 2030, with all new cars and vans required to be zero-emission at the tailpipe by 2035. Such initiatives are likely to accelerate the production and demand of EVs across the country in the coming years and are likely to raise the demand for lithium-ion batteries in the forecast period.
- Such type of projects and investments likely to increase the EV production across the region and rising demand of lithium-ion battery during the forecast period.

Asia Pacific to Witness Significant Growth

- The Asia Pacific hybrid electric vehicle (HEV) battery market is a rapidly growing sector driven by increasing environmental awareness, supportive government policies, and technological advancements.
- The Asia Pacific region, including countries like China, Japan, South Korea, and India, is experiencing significant growth in the HEV battery market. This is due to rising demand for eco-friendly vehicles and a robust governmental push towards reducing carbon emissions.
- The demand for hybrid electric vehicles (HEV) is rising significantly across the region. China is the leading producer of HEV in the region. For instance, according to the International Energy Agency (IEA), in 2023, the sale of Plug-in Hybrid Electric Vehicles was 2.7 million units, followed by Japan with 52 thousand units. EV Sales are rising in the coming years as numerous EV production plants are set up across the Asian Pacific region, and the demand for hybrid electric vehicle (HEV) batteries is increasing.
- Governments in the region are implementing various policies and incentives to promote the adoption of hybrid and electric vehicles. These include subsidies, tax benefits, and stringent emission norms which encourage manufacturers to produce more HEVs.
- The Australian government has introduced tax incentives and rebates to make EVs more affordable. This includes reducing the

import duty on EVs and offering grants for infrastructure development. Several states have their own EV incentives. For instance, New South Wales offers a USD 3,000 rebate for the first 25,000 EVs sold under USD 68,750 and aims for its entire passenger fleet to be electric by 2030. Victoria provides a USD 3,000 subsidy for the first 20,000 EVs sold under USD 68,740, along with stamp duty exemptions.
- Morover, The Indian government set an ambitious target for new vehicle sales after 2030 to be fully electric. The Indian government set a target of EV sales accounting for 30% of private cars, 70% of commercial vehicles, and 80% of two and three wheelers by 2030. Further, the government has also offered subsidy incentives from INR 10,000 per kWh (USD 120) to INR 15,000 per kWh (USD 180). Such initiatives are likely to accelerate the production and demand of EVs across the country in the coming years and are likely to raise the demand for HEV batteries during the forecast period.
- Such project developments showcase the feasibility and importance of HEV battery solutions for battery energy storage systems in EVs and are likely to raise the demand for HEV batteries across the country in the coming year.

Hybrid Electric Vehicle Battery Industry Overview

The hybrid electric vehicle battery market is semi-fragmented. Some key players (not in particular order) are BYD Company Ltd, Duracell Inc., Exide Industries Ltd, EnerSys, and Panasonic Holdings Corporation, among others.

Additional Benefits:

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

Table of Contents:

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