Middle East And Africa Lithium-ion Battery For Electric Vehicle - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The Middle East And Africa Lithium-ion Battery For Electric Vehicle Market size is estimated at USD 0.69 billion in 2025, and is expected to reach USD 1.71 billion by 2030, at a CAGR of 19.73% during the forecast period (2025-2030).

Key Highlights
- Over the medium term, declining lithium-ion battery prices and the increasing adoption of electric vehicles supported by government initiatives are expected to drive the Middle East and African lithium-ion battery for the electric vehicle market during the forecast period.
- On the other hand, the emerging alternative battery technologies and the demand-supply mismatch of raw materials are likely to hinder the market's growth during the forecast period.
- Nevertheless, rapid urbanization, coupled with smart city initiatives, offers the opportunity to integrate EVs into new urban mobility solutions, which will likely create vast opportunities for the Middle East and African lithium-ion batteries for the electric vehicle market.
- United Arab Emirates (UAE) is expected to witness significant growth for the Middle East and African lithium-ion batteries for the electric vehicle market due to the increasing adoption of electric vehicles in the country.

Middle East And Africa Lithium-ion Battery for Electric Vehicle Market Trends

Battery Electric Vehicle (BEV) Segment to Witness Growth

- Battery electric vehicles (BEVs) are also commonly referred to as electric vehicles with an electric motor. BEVs are fully electric vehicles that typically do not include an internal combustion engine (ICE), fuel tank, or exhaust pipe and rely on electricity for propulsion. The vehicle's energy comes from the battery pack, which is recharged from the grid. BEVs are zero-emission vehicles, as they do not generate harmful tailpipe emissions or air pollution hazards caused by traditional gasoline-powered vehicles.
- The automotive industry in the Middle East and Africa (MEA) region is still emerging compared to other parts of the world, such as Western and Asian countries. However, in recent years, EVs, particularly battery electric vehicles (BEVs), in the MEA region have experienced modest growth, driven by a combination of government policies, technological advancements, and growing environmental awareness.
- According to the International Energy Agency (IEA), countries such as the United Arab Emirates and South Africa have recorded notable sales growth of BEV cars over the years. For example, the UAE's BEV car sales stood at around 23,000 units in 2023, recording over 53% from around 15000 units of BEV cars sold in 2022. Similarly, the BEV car sales in South Africa reached around 810 units in 2023, increasing from around 500 BEV cars sold in 2022. Such increasing trends in BEV cars are likely to continue, and the demand for the lithium-ion battery market will increase during the forecast period.
- The governments in the region are implementing policies and incentives to accelerate the adoption of battery-electric vehicles. For example, the United Arab Emirates (UAE) introduced various initiatives, such as reduced registration fees for EVs on both the federal and local levels, dedicated free EV parking spaces, free Salik tag, and free charging through the public EV charging network of the Dubai Electricity and Water Authority (DEWA).
- Similarly, Saudi Arabia has also announced plans to establish charging infrastructure and promote the local manufacturing of electric vehicles as part of its Vision 2030 program. Saudi Arabia has also set a target of ensuring that 30% of the cars on its capital city's roads are electric by the end of 2030. These policies are crucial in reducing the initial cost barrier for consumers and promoting the adoption of BEVs. This, in turn, is expected to create a positive environment for the lithium-ion battery market to grow in the coming years.
- More recently, in 2023, Saudi Arabia signed a USD 5.6 billion deal with a Chinese company to manufacture electric vehicles. The Kingdom intends to lead the Arab world in expanding economic ties with Beijing. The memorandum of understanding (MoU) signed with electric and self-driving car maker Human Horizons on the development, manufacture, and sale of vehicles accounted for over half of the USD 10 billion in investments signed on the first day of a major business conference being held in the capital, Riyadh. In addition, Saudi Arabia has unveiled its homegrown brand of electric cars, called Ceer, which it expects to make electric SUVs and sedans by 2025 through a manufacturing plant that is now under construction. These developments are likely to boost the adoption of EV batteries like lithium-ion batteries during the forecast period.
- African countries like Morocco boast a vibrant vehicle manufacturing industry, including world-renowned car makers such as Renault and Stellantis. The country is targeting the production of one million cars of all types by 2025. In addition, part of the plan is to have EVs represent up to 60% of car exports by 2030. However, the ongoing investments in battery manufacturing could expedite these ambitions.
- In June 2024, the Moroccan government revealed that China's Gotion High Tech plans to build Morocco's first EV battery gigafactory for a total cost of around USD 1.3 billion. Gotion High Tech is the latest company to invest in EV battery manufacturing in Morocco, and it seeks to adapt its growing automotive sector to the rising demand for electric vehicles. The Moroccan government and Gotion High Tech signed an investment deal for the gigafactory, which will have an initial battery capacity of 20 gigawatts per hour (GWh). Such initiatives are likely to make the region a key market for lithium-ion batteries in the coming years.

- Therefore, due to the factors mentioned above, the BEV segment is likely to witness notable growth in the Middle East and African lithium-ion battery for EV market over the forecast period.

United Arab Emirates (UAE) is Expected to Witness Significant Growth

- The lithium-ion batteries for electric vehicles in the United Arab Emirates (UAE) are expected to witness significant growth and

lead the region during the forecast period. This is driven by factors like rapid industrialization, the rising EV sector, technological advancements, and the country's strategic economic positioning in the region. These are creating a promising landscape for EV battery adoption and innovation in the UAE.
- In recent years, the UAE has been seeing a rapid adoption of electric vehicles (EVs). For example, according to the International Energy Agency (IEA), the total number of electric vehicle car sales (including BEV and PHEV) in the UAE reached about 28,900 units in 2023, up over 50% from around 18,900 units in 2022. Increasing EV adoption will likely contribute to the growth of lithium-ion batteries in the EV market.
- In addition, the UAE is targeting electric and hybrid vehicles to account for 50% of total vehicles on UAE roads by 2050. As the UAE invests heavily in EV infrastructure and promotes the adoption of EVs to combat climate change and reduce reliance on fossil fuels, the demand for high-capacity and long-lasting EV batteries is on the rise.
- With the growing demand for EV batteries, the country is also seeing progress in battery recycling. For example, in December 2023, India-based LOHUM Cleantech announced its expansion into the UAE market to build the UAE's first EV battery recycling plant through a partnership agreement with the Ministry of Energy & Infrastructure, UAE, and BEEAH, the Middle East's sustainability and digitalization pioneer. The partnership comes with considering UAE's COP28 agenda, aligning with the UAE's Net Zero by 2050 Strategic Initiative and Circular Economy Policy, and supporting emissions-free mobility with future-ready solutions. The venture will entail setting up an 80,000 sq. ft refurbishing and recycling Lithium batteries facility in the UAE. The facility will annually recycle 3000 tons of lithium-ion batteries and repurpose 15 MWh battery capacity into Energy Storage Systems (ESS) per annum. This is likely to account for over 80% of the current expected EV battery management demands.
- Apart from lithium-ion batteries, there is also growing progress in some of the advanced battery technologies for EVs in the country. For example, in April 2024, a US-based battery producer and a lithium-ion battery cell developer, Statevolt, announced plans to manufacture solid-state battery cells in the United Arab Emirates (UAE) by the end of 2026. The company is preparing to build a USD 3.2 billion gigafactory in Ras Al Khaimah. With an annual production capacity of up to 40 GWh, the project aims to tap into the emerging export markets for electric mobility in the Middle East region, including Africa and India. Such efforts are likely to allow the country to explore other battery technologies to cater to the demand for EVs.
- The country is also expected to see a surge in EV manufacturing. For example, Abu Dhabi announced plans to build an EV assembly facility that will manufacture thousands of cars annually from its industrial zone and has brought in smart electric firm NWTN as it looks to become an auto hub. Khalifa Industrial Zone Abu Dhabi (KIZAD) revealed in 2022 that it will construct a 25,000-square-meter facility, which NWTN will operate for the manufacturing, research and development, and vehicle testing of electric vehicles. Such initiatives are likely to attract and support the country's lithium-ion batteries market.
- Therefore, given the above-mentioned factors, the United Arab Emirates (UAE) is expected to witness significant growth in the Middle East and African lithium-ion batteries for the EV market during the forecast period.

Middle East And Africa Lithium-ion Battery For Electric Vehicle Industry Overview

The Middle East and African lithium-ion battery market for electric vehicles is semi-consolidated. Some of the key players in the market (not in any particular order) include Panasonic Corporation, Contemporary Amperex Technology Co. Limited, Samsung SDI Co. Ltd, BYD Company Limited, and LG Energy Solution Ltd.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
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