Automotive Torque Converter - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

Market Report | 2025-07-01 | 150 pages | Mordor Intelligence

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Report description:

Automotive Torque Converter Market Analysis

The Automotive Torque Converter Market reached USD 28.07 billion in 2025 and is forecast to climb to USD 33.62 billion by 2030, translating into a steady 3.67% CAGR. The measured headline pace belies a deep transition as hybrid powertrains, multi-speed automatics, and rising commercial-vehicle production reshape demand patterns. Automatic-transmission adoption in emerging economies keeps baseline volumes rising, while developed regions channel investment toward hybrid-dedicated converter architectures that improve fuel economy and emissions performance. Supply-chain near-shoring in North America, continued light-commercial expansion after the pandemic, and OEM pressure for eight- and ten-speed gearboxes add further momentum. Conversely, pure battery-electric drivetrains and the growing popularity of DCT and CVT technologies temper long-term outlooks in some passenger-car segments. Raw-material cost swings in aluminum and copper inject additional uncertainty into component margins.

Global Automotive Torque Converter Market Trends and Insights

Soaring Automatic-Transmission Penetration in Emerging Markets

Escalating urban congestion and rising disposable incomes sharply increase automatic-transmission uptake in large developing nations. China's automatic transmission is shifting millions of vehicles from manual to automatic transmission solutions. Similar momentum is visible in India, where Renault's competitively priced Kiger CVT places a fully automatic option within sub-10-lakh

budgets, eroding the long-standing manual bias.Scale effects follow: as local volumes grow, unit costs fall, unlocking further penetration. Allison Transmission's USD 100 million expansion in Chennai aims to double output by 2027, demonstrating supplier commitment to this demand wave. Regional champions such as Shaanxi Fast Auto Drive Group leverage entrenched manufacturing bases to capture incremental orders across commercial and passenger segments.

Hybrid & Mild-Hybrid Boom Drives Lock-up Torque-Converter Demand

Hybrid powertrains require converters with refined lock-up mechanisms that minimise slip during engine-off phases and enable seamless torque blending. Ford's Ranger PHEV places an e-motor and separator clutch ahead of the converter, highlighting new integration layouts that increase lock-up duty cycles. ZF's plug-in hybrid transmission for BMW's X5 xDrive40e replaces conventional converters with integrated motors, yet still demonstrates how hydraulic coupling principles evolve in electrified systems, cutting fuel use by up to 70%. Stellantis already fields 30 European hybrid models, each deploying electrified dual-clutch transmissions that deliver a 20% CO? cut. As hybrids bridge the affordability gap to full BEVs, the automotive torque converter market benefits from sustained lock-up component innovation.

BEV Drivetrains Eliminate Torque Converters

Pure electric vehicles use direct motor drive, sidelining traditional converters. BorgWarner's pivot to electric torque-vectoring modules for Polestar SUVs illustrates incumbent diversification away from hydraulic components. However, infrastructure gaps and battery costs keep hybrids and ICEs prevalent in emerging markets, softening the restraining effect until after 2030.

Other drivers and restraints analyzed in the detailed report include:

OEM Pressure for 8-/10-Speed Fuel-Efficiency Upgrades / Recovery of Global Light-Commercial Production Post-COVID / Rising DCT/CVT Share in Compact Cars /

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Hybrid-dedicated automatics are forecast to grow 10.62% annually, while hydraulic automatics still held 40.23% of the automotive torque converter market share in 2024. The dual structure means converters must span legacy ICE duty and new hybrid cycles, where frequent engine restarts test lock-up durability. OEMs such as ZF embed electric motors into eight-speed boxes, retaining a slimmed hydraulic coupling that smooths engine engagement and absorbs torsional spikes. Automated manuals linger in specialised heavy-duty fleets because fuel efficiency outweighs shift quality, whereas CVTs gain ground in cost-constrained small cars. Over the period, converters supporting integrated e-clutch modules will capture incremental value even as pure hydraulic units plateau because hybrids dominate mid-price electrification offerings.

Hybrid transmission growth compels suppliers to redesign pumps for lower parasitic drag and develop multi-mode lock-ups that engage under electrically assisted low-torque conditions. Converter casings migrate toward high-strength steels and clad aluminium to manage added heat from rapid clutch cycling. Software integration becomes critical as torque hand-off between motor and engine intensifies. Tier-ones that provide complete hydraulic controls alongside hardware retain pricing power, while stand-alone converter makers face margin pressure. The automotive torque converter market therefore rewards firms able to validate hybrid-ready designs quickly for global platforms.

Passenger cars dominated revenue with a 63.57% of the automotive torque converter market share in 2024, yet light commercial vehicles are growing fastest at an 8.28% CAGR. Urban freight, food delivery, and e-commerce logistics prioritise automatic

gearboxes that cut driver fatigue in stop-start routes. Fleet managers focus on total cost of ownership, boosting demand for converters paired with eight-speed boxes that promise fuel savings without steep acquisition costs. In emerging markets, ride-hailing services also push for automatic transmissions that appeal to younger drivers unfamiliar with manuals. Conversely, premium European passenger-car buyers increasingly choose hybrids or BEVs where traditional converters may be absent, creating a nuanced demand balance.

Heavy commercial vehicles, though the smallest subgroup, require bespoke high-capacity converters that withstand extreme torque and high thermal loads. Due to range and power density constraints, applications such as mining haulage or municipal snow removal are resistant to full electrification. Allison's latest series offers first-gear lock-up and twin torsional dampers, delivering smoother launches and reducing clutch wear. Such attributes encourage operators to shift from manuals despite higher upfront costs. The automotive torque converter market therefore benefits from commercial-segment resilience even as passenger-car electrification accelerates.

The Automotive Torque Converter Market Report is Segmented by Transmission Type (Automated Manual Transmission, Dual-Clutch Transmission, and More), Vehicle Type (Passenger Vehicle, Light Commercial Vehicles, and More), Component (Pump, Turbine, and More), Hybridization Level (ICE-Only, and More), Sales Channel (OEM, and Aftermarket) and Geography. The Market Forecasts are Provided in Terms of Value (USD).

Geography Analysis

Asia-Pacific held 38.76% of the automotive torque converter market revenue in 2024 and should grow 7.27% per year to 2030, supported by China's ascent as the top vehicle exporter and sustained commercial-vehicle demand. Local champions such as Shaanxi Fast Auto Drive Group broaden converter portfolios for hybrid trucks, while Japan supplies cutting-edge CVT output via JATCO's one million-unit Guangzhou plant. India's accelerating automatic-transmission uptake, highlighted by Allison's Chennai capacity doubling, further cements the region's central role. Cost-competitive manufacturing and deep supply chains make APAC the nexus of global sourcing for mature hydraulic and new hybrid converter designs.

North America presents a mixed landscape: high baseline automatic penetration keeps unit volumes solid, yet electrification pushes converters into more specialised niches. Commercial-vehicle segments remain robust as urban freight fleets seek reliability upgrades over manual gearboxes, and OEMs such as PACCAR integrate fuel-saving lock-up features across eight-speed boxes. Europe's stringent CO? rules quicken the pivot toward hybrids and BEVs. ZF's plug-in hybrid units for BMW models exemplify the region's leadership in integrating electric motors inside transmissions, sustaining converter demand in progressively evolved forms. Both markets illustrate how regulation simultaneously restrains and reshapes the automotive torque converter market rather than eliminating it outright.

South America, the Middle East, and Africa trail on automatic-transmission penetration yet promise catch-up demand as urbanisation deepens. Local assembly to bypass import tariffs gains momentum, with tier-ones scouting joint ventures for cost-sensitive offerings. Fleet operators in Brazil and the Gulf increasingly choose automatic gearboxes for driver retention and uptime, even where road-fuel subsidies persist. Although small today, these regions complement mainstream revenue centres and diversify geographic risk for converter suppliers.

List of Companies Covered in this Report:

Aisin Corporation / BorgWarner Inc. / ZF Friedrichshafen AG / Schaeffler AG (LuK) / Jatco Ltd. / Allison Transmission Holdings / Hyundai Transys Co., Ltd. / Continental AG / Valeo SA / Punch Powertrain / Exedy Corporation / Kapec Co. Ltd. / Precision Industries / Sonnax Transmission Company / Voith GmbH & Co. KGaA / Subaru Corporation / Robert Bosch GmbH / General Motors (GM Powertrain) /

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