Europe Battery Market Forecast 2025-2032

Market Report | 2025-11-17 | 140 pages | Inkwood Research

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KEY FINDINGS
The Europe battery market size is valued at $31.27 billion as of 2025 and is expected to reach $92.30 billion by 2032, progressing with a CAGR of 16.72% during the forecast years, 2025-2032.
Europe's battery market experiences transformative growth driven by stringent emissions regulations and accelerating electric vehicle adoption. The European Alternative Fuels Observatory reports that battery electric vehicle registrations surged 34% in the first half of 2025 compared to 2024. Regulatory frameworks, including CO2 emission targets and zero-emission vehicle mandates, catalyze this expansion.
MARKET INSIGHTS
According to the European Automobile Manufacturers' Association, battery-electric vehicles captured 15.8% market share through August 2025, up from 12.6% the previous year. Gigafactory construction accelerates across the continent as manufacturers establish local production capabilities.
However, the International Energy Agency notes that European battery demand stalled in 2024, contrasting sharply with growth in the United States and China. Korean manufacturers face market share pressure, declining from 80% in 2022 to 60% in 2024 as Chinese producers gain ground through lithium iron phosphate chemistry advantages. Grid-scale energy storage deployment intensifies to manage renewable energy integration challenges.
REGIONAL ANALYSIS
The Europe battery market growth assessment includes the analysis of the United Kingdom, Germany, France, Italy, Spain, Belgium, Poland, and Rest of Europe.
The United Kingdom leads European markets through aggressive zero-emission vehicle mandates and strategic policy frameworks. The UK government implemented the ZEV mandate requiring 22% of new cars sold in 2024 to be zero-emission, rising annually to 100% by 2035. This regulatory certainty drives remarkable results. According to the International Council on Clean Transportation, the UK achieved 19% battery electric vehicle market share in 2024, overtaking Germany despite having a smaller overall car market.
The Society of Motor Manufacturers and Traders confirms that electric vehicles represented 19.6% of new car sales in 2024, with momentum continuing into 2025. Charging infrastructure expands rapidly, surpassing 82,000 public stations. Manufacturing investments follow, with major announcements from Nissan, BMW, and Tata securing battery production capabilities.
Nevertheless, challenges persist, including consumer affordability concerns and infrastructure gaps in rural areas. Tax policy shifts

also introduced vehicle excise duty for electric vehicles starting April 2025, removing previous exemptions.
Further, policy certainty proves critical for sustained growth. Trading schemes enable manufacturers to bank compliance credits when exceeding targets, providing flexibility during market fluctuations. Borrowing provisions allow up to 75% of annual targets in early years, declining to 25% by 2026, and major automakers commit billions to UK operations, recognizing regulatory stability and market potential.
In this regard, BMW announced over £600 million investment in its Oxford plant transformation, while Tata committed £4 billion for gigafactory construction. Similarly, Nissan and AESC pledged £1 billion for their Sunderland EV manufacturing hub. These strategic investments position the United Kingdom as Europe's leading electric vehicle market despite broader economic uncertainties.
Furthermore, expanding charging networks addresses range anxiety concerns, particularly along motorways and in urban centers, as private sector confidence remains strong given long-term policy commitments extending through 2035.
Germany maintains its position as Europe's largest battery electric vehicle market through manufacturing prowess and substantial infrastructure investments. Reports assert that German EV sales increased 39.2% for January through August 2025. Multiple gigafactory projects advance across the country; Swedish manufacturer Northvolt secured EUR902 million in German state aid for its 60 GWh Northvolt Drei facility in Heide, Schleswig-Holstein. Volkswagen partners with Northvolt on battery cell production in Salzgitter, targeting 40 GWh capacity by 2025.
On the other hand, Automotive Cells Company plans facilities in Kaiserslautern with 24 GWh capacity, though timeline adjustments reflect market dynamics. Chinese manufacturer CATL operates in Erfurt, though expansion plans face delays. Tesla's Grunheide facility represents another significant investment in German battery manufacturing capabilities. These developments strengthen Germany's automotive supply chain resilience and reduce import dependencies.
France accelerates battery production through substantial public and private investments targeting domestic manufacturing capabilities. Verkor secured EUR1.3 billion in green financing for its Dunkirk gigafactory with 16 GWh initial capacity, operational in 2025. The European Investment Bank contributed EUR400 million to this project alone. ACC, the Franco-German consortium comprising Stellantis, Mercedes, and TotalEnergies, develops production in Douvrin with 24 GWh planned capacity. ProLogium, a Taiwanese solid-state battery specialist, selected Hauts-de-France for its first international manufacturing plant with 48 GWh projected capacity starting in 2026.
Additionally, the European Commission allocated EUR2.9 billion to France specifically for ramping battery production alongside renewable energy equipment. These strategic investments position France as a crucial battery manufacturing hub. Renault Group benefits directly from domestic supply chain development, securing batteries from Verkor and other regional producers. Government support through subsidies and infrastructure development accelerates this industrial transformation across French regions.
SEGMENTATION ANALYSIS
The Europe battery market by end use is segmented into aerospace, automobile, consumer electronics, grid-scale energy storage, telecom, power tools, military & defense, and other end uses. The automobile segment is further categorized into ICE engines and electric vehicles.
Electric vehicles are set to play a pivotal role in the automobile segment through unprecedented adoption rates and comprehensive model availability. Battery electric vehicles captured growing market share across all major European markets throughout 2024 and 2025. This dominance stems from several converging factors, including consumer preference increasingly favoring zero-emission vehicles over hybrid alternatives. Government policies also provide favorable incentives and regulatory certainty extending through 2035. Major automotive manufacturers expand their BEV product portfolios dramatically, introducing models across all price segments and vehicle categories.
Technological improvements deliver enhanced energy density and faster charging capabilities, addressing previous range anxiety concerns. Battery costs decline significantly, improving affordability and accelerating mainstream adoption. The expanding charging infrastructure network across European countries reduces practical barriers to ownership. Germany leads in absolute volume, while smaller markets like Norway and the Netherlands achieve higher penetration rates exceeding 20%.
Commercial vehicle electrification emerges as the fastest-growing subsegment within automobiles. Medium and heavy-duty trucks project approximately 44% compound annual growth from 2024 through 2029. Fleet operators transition to electric trucks driven by lower operational costs and stricter emission regulations. Technological advancements in high-capacity battery systems

specifically designed for heavy-duty applications enable longer ranges and practical payload capabilities. Additionally, government initiatives promoting zero-emission commercial vehicles accelerate adoption timelines.

COMPETITVE INSIGHTS

Some of the top players operating in the Europe battery market include Samsung SDI, Panasonic Corporation, LG Energy Solution, Saft Groupe, etc.

Samsung SDI operates extensive battery manufacturing facilities across Europe through strategic investments and partnerships with major automotive customers. The South Korean battery giant established significant production capacity in God, Hungary, beginning operations in 2016 after converting previous display manufacturing facilities. Samsung SDI invested approximately $994 million through 2030 to expand Hungarian operations, targeting 18 million cells monthly production across two plants.

The company supplies lithium-ion batteries to prestigious European automakers, including BMW, Volkswagen, and Volvo, strengthening relationships through reliable delivery and technological innovation. Samsung SDI produces both NMC and NCA chemistry batteries at its European facilities, offering Gen5 batteries with over 600-kilometer range capabilities. Additionally, the company operates a development and testing center in Kalsdorf, Austria, focused on battery pack engineering for hybrid and fully electric vehicle applications. This facility provides comprehensive services from initial development through industrialization and quality testing, supporting customer-specific requirements.

Samsung SDI's product portfolio encompasses prismatic and cylindrical cell formats, including advanced 46-series batteries entering production in 2025. The company's European presence positions it strategically to serve growing regional demand while maintaining technological leadership through continuous innovation in energy density, charging speed, and safety performance characteristics.

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