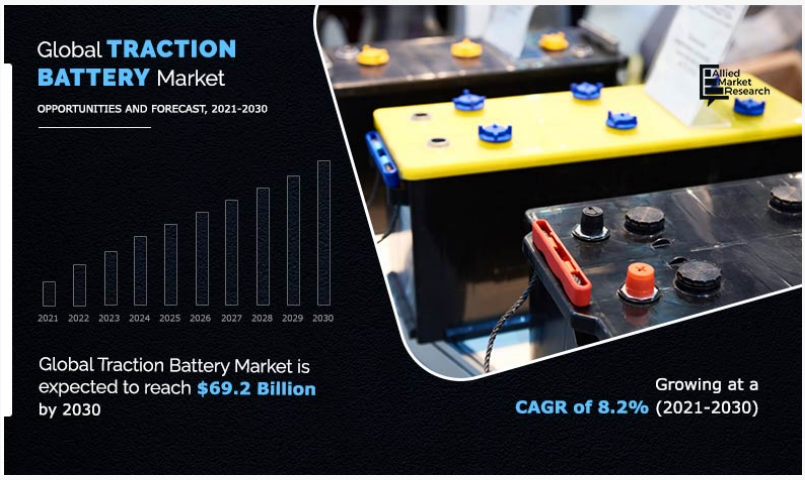
Traction Battery Market Projected to Hit $69.2 Billion by 2030

Escalating demand for electric vehicles and attractive government policies & tax incentives drive the growth of the global traction battery market.



Traction Battery Market

PORTLAND, OREGON, UNITED STATES, December 13, 2021 / EINPresswire.com/ -- The global traction battery market size was valued at $31.6 billion in 2020, and is projected to reach $69.2 billion by 2030, growing at a CAGR of 8.2% from 2021 to 2030. Traction battery, also known as electric-vehicle battery, is used to power electric motors of both hybrid and electric vehicles. It is usually rechargeable and specially designed for high ampere-hour capacities.

The increasing demand for electric vehicles has surged the R&D activities for enhancing battery efficiencies by improving the charge cycle and reducing the unit consumption per charge. Moreover, the emergence of batteries with high energy density has increased the competition among the traction battery manufacturers for producing highly efficient traction batteries for electric and hybrid vehicles. For instance, according to an article published by International Industrial Vehicle Technology, Ecovolta, a leading manufacturer of battery systems, has launched a new range of traction batteries known as evoTraction battery that can replace lead-acid batteries with a standardized lithium-ion battery, thus cutting costs per charge cycle by up to 50%. Furthermore, customers are becoming more linear toward purchasing lithium-ion traction batteries, owing to their lightweight and long-lasting battery life. All these factors are expected to offer future growth opportunities to the global traction battery market.

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The traction battery market analysis is done on the basis of product type, capacity, application, and region. By product type, the market is segregated into lead acid based, nickel based, lithium-ion based, and others. The lead acid based segment dominated the global market in terms of

revenue in 2020, with over two-fifth of the total share. Factors, such as low price, high cyclability, and high vibration resistance, make the customers linear toward purchasing lead acid-based traction batteries. This may provide an additional push to the growth of the traction battery market. In addition, lead acid-based traction batteries are accepted as a reliable and robust power source for electric vehicles, e-bikes, floor scrubbers, and others. This is anticipated to increase the sales of lead acid-based traction batteries, thereby creating lucrative opportunities for the market.

By capacity, the market is segregated into less than 100 Ah, 100 – 200 Ah, 200 – 300 Ah, 300 – 400 Ah, and 400 Ah & above. The less than 100 Ah segment dominated the global market in terms of revenue in 2020, with over two-seventh of the total share. Traction battery with less than 100 Ah capacity offers easy swapping and removing, low price, less space requirement, and lightweight, making the key automotive manufacturers use small capacity traction batteries for reducing the overall weight of the vehicle, thereby improving the mileage. This is anticipated to increase the sales of less than 100 Ah traction batteries, thereby creating remunerative opportunities for the market.

By application, the market is fragmented into electrical vehicle, industrial, locomotives, and others. The electrical vehicle segment dominated the global market, with over three-seventh of the total share in 2020. The increasing fuel prices, owing to several geopolitical issues have led the customers to become more linear toward purchasing electric vehicles, which, in turn, may provide an additional push to the growth of the traction battery market for electric vehicles. In addition, attractive government incentives provided on the purchase of electric vehicles is anticipated to open up new opportunities for the market during the forecast period.

Region-wise, the traction battery market is analyzed across North America, Europe, Asia-Pacific, and LAMEA. The Asia-Pacific traction battery market is projected to grow at the highest CAGR during the forecast period, owing to increasing demand for traction battery in sectors, such as automotive and transportation, industrial manufacturing, railways, and others, which is the key market trend in the global market. The growing population has surged the automotive and transportation sector where traction battery is widely used for powering electric motor in forklift trucks. For instance, according to a report published by Indian Ministry of Commerce and Industry, the transport sector in India is expected to grow at a compound annual growth rate of 5.9%. This may act as one of the key drivers responsible for the growth of the traction battery market.

Key players operating in the global traction battery market include Exide Industries Ltd., ECOVOLTA, GS Yuasa International Ltd., HOPPECKE Carl Zoellner & Sohn GmbH, Banner Batteries (GB) Ltd., BAE Batteries GmbH, Toshiba Corporation, INTILION GmbH, Leoch International Technology Limited Inc., and Inci GS Yuasa.

COVID-19 analysis

The novel coronavirus is an incomparable global pandemic that has spread to over 180 countries and caused huge losses of lives and the economy around the globe. The traction battery market has been negatively impacted due to the wake of the COVID-19 pandemic, owing to its dependence on transportation, industrial manufacturing, and other sectors. According to a report published by the International Energy Agency, the global road transport activity was almost 50% below the average by the end of March 2020 as compared to March 2019. Several companies have either shut down or minimized their operations due to the risk of infections among the workforce, which, in turn, slowed the production rates of traction batteries during the COVID-19 period. In addition, the falling income of customers and travel restrictions imposed by both local and government bodies decreased the sales of electric vehicles and e-bikes, which, in turn, led the traction battery market to witness a downfall in demand. Around 180 countries have temporarily stopped the trade of unnecessary products, which, in turn, hampered the demand-supply chain of traction batteries amid the COVID-19 situation. In addition, the shutdown of small & large-scale manufacturing industries where traction battery is widely used to power automotive industry systems has led the market to witness a downfall in demand. According to a report published by the National Bureau of Statistics of China, the manufacturing industry witnessed a 20% decline in production in March 2020 as compared to March 2019 while profits declined by 66%.

Get detailed COVID-19 impact analysis on the Market:
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