

# Alternative Fuel Vehicle Market Size Projected to Reach USD 2,646.41 Billion at a CAGR of 24.5%, in 2030

*Alternative Fuel Vehicle Market Size – USD 363.68 Billion in 2021, Growth – at a CAGR of 24.5%, Trend – Increasing Research & Development (R&D) activities*

NEW YORK, NY, UNITED STATES, June 1, 2022 /EINPresswire.com/ -- Increasing demand for zero-emission vehicles is driving alternative fuel vehicle revenue growth.



Reports And Data

The global [Alternative Fuel Vehicle market](#) size is expected to reach USD 2,646.41 Billion in 2030 and register a revenue CAGR of 24.5% over the forecast period, according to latest report by Reports and Data. Increasing fuel prices are accelerating adoption of AFVs, as people are shifting towards alternate fuels, which in turn, is driving market revenue growth.

Volatile prices of conventional fuels, such as petrol and diesel, are accelerating adoption of AFVs in various applications, including commercial applications. AFVs are powered by clean energies, such as biofuel, biodiesel, electric, hydrogen-powered fuel cells, and other energies generated from renewable sources, such as biomass, biogas, solar energy, and hydroelectricity. Therefore, AFVs remain unaffected by increasing fuel prices, as they do not require conventional fuels, which is increasing use of AFVs by individual users and various organizations.

Farmers are widely using biofuels, such as ethanol, as alternative fuels in farming. Ethanol is produced from biomass and is used in flexible fuel vehicles and light-duty vehicles. Cellulosic ethanol improves energy balance and lowers greenhouse gas (GHG) emissions. Farmers are also using hydrogen fuel-powered tractors for various purposes. In November 2021, JCB, which is a UK-based machinery manufacturer, made an investment of USD 134.36 million to develop hydrogen engines. Use of hydrogen-powered fuel-cell tractors in the agricultural sector would help to reduce emissions and contribute towards a cleaner environment, as compared to regular diesel-powered tractors.

Increasing demand for electric two-wheelers is expected to boost market revenue growth during

the forecast period. Electric two-wheelers can be expensive, but declining demand for conventional fuels, due to their rising prices, makes these two-wheelers an economical choice for long-run use. Thus, rising fuel prices are accelerating the shift towards electric two-wheelers among individual users. Another factor driving revenue growth of the global alternative fuel vehicle market is the simple mechanism of electric scooters or bikes, which results in lower maintenance costs compared to regular two-wheelers. Additionally, electric two-wheelers can help to curb air pollution significantly as compared to any other fuel-powered two-wheelers, by reducing the consumption of fossil fuels.

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Further key findings from the report suggest

- The market is segmented on the basis of fuel type into gaseous fuels, electric, biofuel, biodiesel, fuel cell, liquid nitrogen, and dimethyl ether. Dimethyl Ether segment accounted for over USD 63.42 billion in 2018 and is forecasted to grow at the highest rate of 12.1% during the forecast period.
- Rising consumer preferences and growing environmental concerns shift for less hazardous and improved quality is likely to increase the growth of the overall dimethyl ether segment. Also, the compound's clear burning property is the primary factor likely to drive the market.
- The market is segmented on the basis of vehicle type into electric two-wheeler, passenger cars, and commercial vehicle. The passenger cars dominate the segment in 2018 and is forecasted to have a CAGR of 8.7%, during the forecast period, due to the rising demand of hatchback, sedans, multi-utility vehicles (MUV), sports utility vehicles (SUV), and electric cars (battery electric vehicle (BEV) and hybrid electric vehicle (HEV)).
- The market is segmented on the basis of end users into private fleets, government vehicles, industrial transportation, and domestic user's vehicle. The government vehicles formed the largest share of about 31.2% of the market in 2018. This is majorly due to government investments and stringent regulations laid for environmental benefits.
- The market is segmented on the basis of application into transportation, chemical, agricultural, industrial and others. The transportation segment is forecasted to witness the highest growth with a CAGR of 12.0%, during the forecast period, closely followed by the industrial applications. The demand for commercial and passenger alternative fuel vehicles will fuel the demand in the transportation application segment.
- The market is segmented on the basis of geography into North America, Europe, Asia Pacific, Latin America, and North America, particularly The U.S., dominates the market throughout the forecast period with a CAGR of 9.6%, due to stringent laws imposed in the region. Moreover, the major focus of the region is to reduce the import dependency on fuels.
- Key participants include Geely, Volvo, Jaguar Land Rover Limited, Ford Motor Company, Hyundai Motor Company, Toyota Motor Corporation, Mercedes-Benz, Gree, Honda Motor Co., Ltd., Wuliangye, Nissan Motor Co., Ltd., BYD Company Limited, Shell International B.V., Honda Motor Co., Ltd., Daimler AG, and Mitsubishi Motors, among others.
- The companies have adopted various strategies including mergers, acquisitions, and

partnerships to hold ongoing trials and come up with new developments in the market.

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For the purpose of this report, Reports and Data have segmented global Alternative fuel vehicle (AFV) Market on the basis of fuel type, vehicle type, application, end user, and region:

Type Outlook (Revenue, USD Billion; 2019–2030)

- BEV
- HEV
- BHEV
- ECV

Fuel Type Outlook (Revenue, USD Billion; 2019–2030)

- Biodiesel
- Electricity
- Ethanol
- Hydrogen
- Natural Gas
- Propane

Vehicle Type Outlook (Revenue, USD Billion; 2019–2030)

- Passenger
- Commercial

Regional Outlook (Revenue, USD Billion; 2018-2028)

- North America
- Europe
- Asia Pacific
- Latin America
- MEA

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