

# Electrical Steel Market to Reach USD 84.04 Billion by 2032, Growing at a CAGR of 8.6% from 2024

*Electrical Steel Market Boosted by Rising Demand for Energy-Efficient Equipment, Including Transformers and Electric Motors,*

AUSTIN, TX, UNITED STATES, November 11, 2024 /EINPresswire.com/ -- The [Electrical Steel Market](#) was valued at USD 40.0 Billion in 2023 and is projected to reach USD 84.04 Billion by 2032, growing at a compound annual growth rate (CAGR) of 8.6% from 2024 to 2032.



## Growth and Future Opportunities in the Electrical Steel Market Driven by Energy Efficiency and Innovation

Electrical steel is experiencing rapid growth because there is an increased demand for energy-efficient electrical equipment and machinery. Along with the increased transformation in practice-oriented sustainable industries, the demand for good-quality electrical steel to be used in transformers, electric motors, and generators has been rising. Improved performance of electrical steel, because of technological improvement in the manufacturing process, supports the growth in this market.

Electric steel for the future presents a large opportunity primarily due to the increasing adoption of renewable sources and overall electrical supply. For this electric steel, the growth is highly promising in the sense of increasing applications in electric vehicles, the development of smart grids, and infrastructure projects which are expected to be built across most of the future emerging economies is going to spur higher demands for electrical steel towards building power generation and electricity distributions systems, therefore putting prospects for significant growth under excellent perspective.

## Growing Demand for Electrical Steel in Transformers and Motors Fuels Market Expansion

The increasing use of electrical steel in transformers and motors has been a big contributor to the electrical steel market, as manufacturers demand materials that help enhance their energy efficiency and performance. The superior magnetic properties make electrical steel significantly improve the transformer efficiency by reducing their operating costs through reduced losses in energy. The higher demand for electric vehicles and systems using renewable energy further propels the demand for high-quality electrical steel in motor applications. As industries become more conscious of such aspects as sustainability and performance, the market for electrical steel will increase.

## Surge in Electric Vehicle Demand Drives Growth in the Electrical Steel Market

The market driver for electrical steel is the increasing demand for EVs, as these require superior electrical parts for optimum performance. Electrical steel is used to make electric motors and transformers, hence these make energy usage efficient with low weight. With automakers switching towards electrification to suit consumer needs and regulatory standards, high-quality electrical steel is sure to gain importance. It supports the electrical steel market and is also an important contributor to the sustainability goals of the automotive industry.

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## Transformers Lead the Electrical Steel Market While Motors Exhibit Rapid Growth Potential

Transformers dominated the electrical steel market in 2023, capturing the highest share of revenue due to their significance in power transmission and distribution systems, which require high efficiency and reliability. Electrical steel demand is heavily dependent on transformer demand for its superior magnetic properties and ability to reduce energy losses and improve efficiency.

The motor segment will have the highest CAGR in the forecast period 2024 to 2032, with the uptake of electric vehicles and automation across many industries. Electrical steel demand in motors is expected to be propelled even further by higher trends into the future, as this would be a continued advancement in electrification and energy efficiency technologies.

## Grain-Oriented Electrical Steel Leads the Market with a Significant Revenue Share

Grain-oriented electrical steel generated approximately 51% revenue share in 2023, owing to its outstanding magnetic properties that reduce energy losses efficiently. Grain-oriented electrical steel is specially designed to optimize transformer and other electrical devices' performance, hence proving to be indispensable for high-efficiency requirements in applications. It further cements its market lead as an energy-efficient solution in power generation and distribution systems. As manufacturers worldwide work to improve performance while pursuing sustainability, grain-oriented electrical steel tops the preference list.

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## Asia-Pacific Leads the Electrical Steel Market While North America Shows Promising Growth Potential

Asia Pacific dominated electrical steel in 2023, with significant industrial establishments and considerable investment in infrastructures related to energy allowing them to occupy the leading share of revenues. As electrical steel remains a matter of increasing demand within power-generating, -transmission, and increasingly electric automotive manufacturing industries. Major producers and an orientation toward energy-efficient technologies also propel Asia-Pacific to maintain top positions in the market. This aspect makes the region a crucial contributor to the global electrical steel market.

North America is expected to have the highest CAGR from 2024 to 2032, driven by an increasing focus on renewable sources of energy and electric vehicle technologies. More investments in manufacturing and infrastructure are being encouraged by the commitment of the region to sustainability and energy efficiency. Electrical steel is expected to gain a great deal of demand as industries shift towards changing consumer preferences and regulatory demands. Electrification and innovative energy solutions form a significant underpinning of North America's potential for rapid growth in the electrical steel market.

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### By Type:

- Grain Oriented Electrical Steel
- Non-Grain Oriented Electrical Steel

### By Application:

- Transformers
- Motors
- Inductors
- Others

### Key Players

- ArcelorMittal
- Cleveland-Cliffs Corporation
- Nippon Steel Corporation
- Baosteel Group
- Voestalpine AG
- JFE Holdings, Inc.
- Tata Steel

- POSCO
- Slovenian Steel Group
- ThyssenKrupp AG

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- On December 1, 2024, Mitsui & Co., Ltd. announced launching Polska-Mit Steel sp. z o.o. (PMS), located in Skarbimierz, Poland, on slitting and distributing electrical steel sheets.
- In January 2024, JSW Steel obtained the approval for completely acquiring ThyssenKrupp Electrical Steel India after a joint venture with Japan's JFE Steel Corporation, to increase its focus on renewable energy and EV segments.

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Akash Anand  
SNS Insider | Strategy and Stats  
+1 415-230-0044

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