

# Europe Hybrid Electric Vehicle Market Expected to Grow at 14.2% CAGR to \$19.21 Billion by 2034

*Analysis of Hybrid Electric Vehicles  
Industry Covering 30+ Countries Including  
Analysis of US, Canada, UK, Germany,  
France, Nordics, GCC countries, Japan,  
Korea*



Hybrid Electric Vehicle Sales in Europe and  
Opportunity Analysis

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[/EINPresswire.com/](https://www.einpresswire.com/) -- The European

hybrid electric vehicle (HEV) market is experiencing significant growth, driven by increasing environmental concerns, stringent emission regulations, and supportive government policies. As revealed in a recently updated market analysis by Fact.MR, revenue from the sales of [hybrid electric vehicles in Europe](#) is projected to reach US\$ 5.09 billion in 2024. The market has been forecasted to expand at a CAGR of 14.2% and reach US\$ 19.21 billion by the end of 2034.

## Market Overview

The shift towards sustainable transportation solutions has led to a surge in demand for HEVs across Europe. Governments are implementing policies to reduce greenhouse gas emissions, promoting the adoption of vehicles with lower environmental impact. For instance, from 2025 onwards, Regulation (EU) 2019/631 will enforce stricter CO2 fleet targets, including a 15% reduction by 2025 for both cars and vans, and from 2030, a 50% reduction target for vans and a 55% reduction target for cars, relative to a 2021 baseline. Additionally, a zero-CO2 emission target for new cars and vans will be set from 2035 onwards.

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## Key Players

Prominent automotive manufacturers are actively participating in the European HEV market. Companies such as BMW AG, Ford Motor Company, Mercedes-Benz Group AG, Hyundai Motor Company, Kia Motors Corporation, Toyota Motor Corporation, Volvo AB, Volkswagen AG, Honda Motor Co. Ltd., Nissan Motor Co. Ltd., and Dr. Ing. h.c. F. Porsche AG are investing in research

and development to introduce advanced hybrid models. These investments aim to enhance battery energy density, charging efficiency, and overall vehicle performance, catering to the evolving consumer preferences for eco-friendly vehicles.

### Future Opportunities

The European HEV market presents numerous opportunities for growth. The increasing availability of charging infrastructure, coupled with government incentives such as tax relaxations and purchase subsidies, makes HEVs more accessible to consumers. For example, Italy offers purchase subsidies of up to EUR 4,000 for low-emission vehicle purchases, while France provides subsidies of up to EUR 3,000. Germany reduces the taxable amount for hybrid EVs with a gross list price of up to €60,000.

These initiatives encourage consumers to transition to hybrid vehicles, fostering market expansion.

### Market Analysis

The HEV market in Europe is segmented based on electric powertrain types, hybrid types, vehicle types, and countries. Electric powertrain types include parallel and series-parallel configurations. Hybrid types are categorized into micro hybrid, mild hybrid, full hybrid, and plug-in hybrid. Vehicle types encompass passenger cars and commercial vehicles. Passenger cars dominate the market due to their widespread adoption and the availability of various hybrid models catering to diverse consumer needs. Geographically, countries like Germany, the United Kingdom, France, and Italy are key markets, driven by supportive government policies and increasing consumer awareness regarding environmental sustainability.

### Recent Updates and Industry News

The European automotive industry has witnessed several significant developments:

In 2024, European car sales increased by 0.9%, with hybrid car registrations surpassing gasoline-powered cars for the fourth consecutive month in December. Renault's sales overtook Stellantis for the first time since the latter's formation in January 2021.

Renault reported a 1.8% increase in global sales in 2024, selling 1,577,351 vehicles. In Europe, the brand grew by 3.3%, with notable increases in Spain (+10.9%) and the United Kingdom (+21.4%). The sales of electrified vehicles (EV + HEV) increased by 20% in Europe, with the E-Tech full-hybrid range encompassing the entire lineup.

The European automotive market is preparing for a challenging 2025, despite the anticipated launch of over 160 new electric vehicle models. Industry executives warn that profits may decline due to regulatory costs and increased discounting. In 2024, electric vehicle sales plateaued as governments reduced subsidies and companies delayed launches. Analysts predict a 40% increase in electric vehicle sales in Western Europe for 2025, but stringent regulations and discounting are expected to intensify challenges for the European automotive sector.

These developments underscore the dynamic nature of the European HEV market, influenced by regulatory changes, consumer preferences, and strategic decisions by key industry players.

The European hybrid electric vehicle market is poised for substantial growth, driven by environmental initiatives, supportive government policies, and technological advancements by leading automotive manufacturers. The collaborative efforts of stakeholders, including governments, manufacturers, and consumers, are pivotal in shaping a sustainable and efficient transportation future in Europe.

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Fact.MR, in its new offering, presents an unbiased analysis of the global Underground Mining Drones market, presenting historical data for 2019 to 2023 and forecast statistics for 2024 to 2034.

The study reveals essential insights on the basis of Drone Type (Fixed-Wing Drones, Rotary-Wing Drones (Multicopter), and Hybrid Drones), Application (Surveying and Mapping, Inspection and Monitoring, Material Transport, Search and Rescue, Environmental Monitoring and Autonomous Load Hauling Systems), Technology (Navigation and Control Systems, Sensors and Payloads and Communication Systems), End use industry (Metal Mining, Coal Mining, Non-Metallic Mineral Mining) across major regions of the world (North America, Latin America, Western Europe, Eastern Europe, East Asia, South Asia and Pacific, Middle East & Africa).

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The global [electric vehicle \(EV\) battery market](#) is projected to expand at a prolific CAGR of 18.5% and reach a valuation of US\$ 347 billion by the end of 2033, up from US\$ 63.55 billion in 2023.

The global [electric vehicle component market](#) is valued at USD 148.32 Billion in 2022. The market is further expected to gain size of USD 1001.95 Billion by the year 2032. The market is expected to grow with a CAGR of 21.05% in the forecast period.

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