

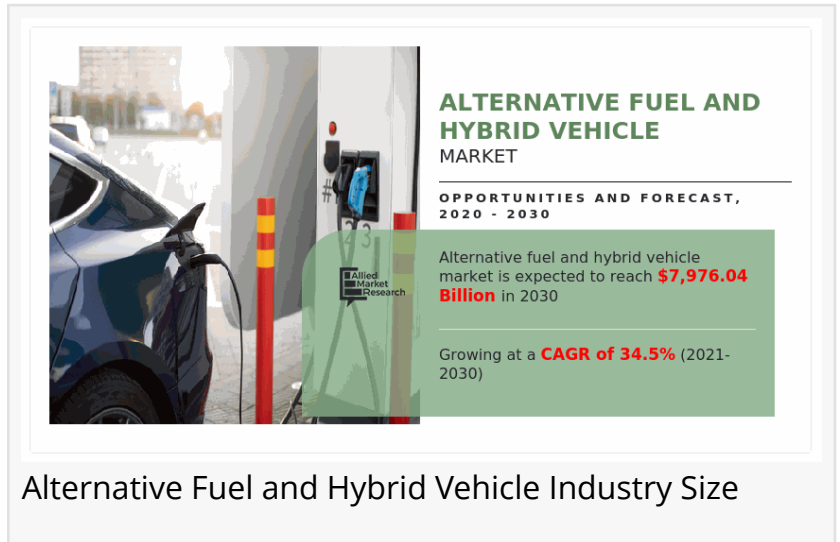
# Alternative Fuel and Hybrid Vehicle Market: Trends, Growth, and Opportunities and Industry Forecast, 2020-2030

*Rise in fossil fuel prices, increase in adoption of clean mobility solutions, and stringent government norms for emission control drive the growth of the market*

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UNITED STATES, July 10, 2025

/EINPresswire.com/ -- As per the report, the global [alternative fuel and hybrid vehicle industry](#) was pegged at \$352.0 billion in 2020, and is estimated to reach \$7,976.0 billion by 2030, growing at a CAGR of 34.5% from 2021

to 2030. The significant factors impacting the growth of the alternative fuel and hybrid vehicle industry include decrease in oil reserves across the globe, growth in prices of fossil fuels, increase in adoption of clean mobility solutions, stringent government norms for emission control, and growth in supportive government policies to promote adoption of alternative fuel vehicles. Moreover, low fuel economy & performance associated with alternative fuel vehicles, and lack of infrastructure to support alternative fuel vehicles are factors that hamper the market growth. Development of charging infrastructure, electrification of public fleet, and technological advancements are expected to offer growth opportunities during the forecast period.



Alternative Fuel and Hybrid Vehicle Industry Size

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In recent years, different countries have started to adopt electric vehicles across the globe to meet their emission standards. Global sale of electric car reached 3 million in 2020, with an increase of 40% from 2019. The global electric car stock reached 10 million in 2020, of which, battery electric vehicles accounted for two-thirds of the global electric car fleet. Europe experienced a significant increase in electric car registrations in 2020. The implementation of 2020 corporate average CO2 emissions standards in European Union, purchase subsidies, and favourable cash-for-clunker schemes contributed significantly to higher EV sales in 2020 despite the pandemic.

The battery electric vehicles segment to manifest the highest CAGR through 2030

By fuel type, the battery electric vehicles segment is estimated to register the highest CAGR of 36.6% during the forecast period, as these vehicles are expected to have lower emissions at relatively lower costs. However, the hybrid vehicles segment dominated the global alternative fuel and hybrid vehicle market in terms of revenue in 2020, [contributing to more than two-fifths of the market](#), due to rise in environmental concerns and strict emission norms implemented by governments and environmental agencies.

The passenger cars segment held the largest share

By vehicle type, the passenger cars segment held the largest share in 2020, contributing to more than four-fifths of the global alternative fuel and hybrid vehicle market, owing to rise in adoption of clean mobility solutions, development of charging infrastructure, and proactive government initiatives. However, the heavy commercial vehicles segment is estimated to register the highest CAGR of 39.1% during the forecast period, owing to rise in demand for zero emission vehicles and surge in demand for better and efficient heavy commercial vehicle.

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Europe, followed by Asia-Pacific and North America, to showcase the highest CAGR by 2030

By region, the market across Europe, followed by Asia-Pacific and North America, is projected to portray the highest CAGR of 35.7% during the forecast period, due to high adoption rates of smart mobility solutions, surge in fuel prices, and government regulations supporting adoption of alternative fuel and hybrid vehicles. However, the global alternative fuel and hybrid vehicle market [across Asia-Pacific held the largest share](#) in 2020, accounting for more than two-fifths of the market, due to high disposable income, surge in prevalence of safety protocols, and increase in environmental concerns.

Major market players

BMW Group  
Honda Motor Co., Ltd  
Ford Motor Company  
Mitsubishi Motors Corporation  
Mercedes-Benz Group AG  
Tesla, Inc.  
Nissan Motor Co., Ltd  
Volkswagen AG  
Toyota Motor Corporation

BYD Company Ltd.

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## KEY FINDINGS OF THE STUDY

By fuel type, the battery electric vehicles segment is anticipated to exhibit significant growth in the near future.

By vehicle type, the heavy commercial vehicle segment is anticipated to exhibit significant growth in the near future.

By vehicle class, the luxury vehicle segment is anticipated to exhibit significant growth in the near future.

By region, Europe is anticipated to register the highest CAGR during the forecast period.

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