

Compressed Natural Gas Market Set to Surpass \$22.3 Billion by 2030, Driven by Clean Fuel Adoption

Compressed Natural Gas Market Booms with 8.2% CAGR, Fueled by Cost Efficiency & Clean Transport ☐☐

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According to a recent report by Allied Market Research, the global [compressed natural gas \(CNG\) market](#) size was valued at \$9.9 billion in 2020 and is projected to reach \$22.3 billion by 2030, growing at a robust CAGR of 8.2% from 2021 to 2030. The rising demand for low-emission fuels and increasing cost savings in transportation are key factors propelling the market forward.



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Compressed natural gas market to grow at 8.2% CAGR, reaching \$22.3B by 2030, driven by clean fuel demand & transport sector growth.”

Allied Market Research

CNG, predominantly made of methane, is compressed to less than 1% of its original volume to facilitate efficient storage and use in vehicles. With the push for clean energy sources gaining global momentum, CNG has emerged as a viable alternative to conventional fuels like diesel and gasoline—especially in the transportation sector.

☐ Why CNG is Gaining Ground in Transportation

The use of compressed natural gas has become

increasingly prominent in heavy-duty commercial vehicles such as buses, trucks, locomotives, and ships. CNG's appeal lies in its eco-friendliness, lower carbon emissions, and the reduced maintenance costs it offers over traditional fuels. These advantages make it a preferred option for public transit and logistics operators looking to align with green policies.

Asia-Pacific leads the global demand for CNG, particularly in urban fleets such as refuse trucks and delivery vehicles. Countries like India, China, and Pakistan are promoting the switch to natural gas, encouraged by governmental incentives and subsidies.

□ Cost-Effective and Clean: Key Growth Drivers

The low cost of CNG, when compared to gasoline and diesel, is a major driver of market expansion. With the global transportation industry experiencing increasing energy requirements, CNG offers a sustainable and economical solution.

Several other factors are contributing to this growth:

- Increasing exploration of unconventional energy sources

- Expansion of the [shale gas market](#)

- Stringent environmental regulations

- Government subsidies for CNG infrastructure

However, the market does face some barriers. High initial setup costs for CNG stations and the limited availability of refueling points in certain regions can hinder faster adoption.

□□ Non-Associated Gas: Dominant Source of CNG

Based on source, the non-associated gas segment held the largest market share—62.4% in 2020—and is expected to maintain this position throughout the forecast period. Non-associated gas reservoirs are increasingly being tapped to meet rising demand, especially as exploration technologies advance.

Meanwhile, associated gas continues to grow steadily and is expected to record a CAGR of 7.9%, signaling expanding production capabilities across the sector.

□ Light Duty Vehicles Lead CNG Adoption

When segmented by end user, light-duty vehicles accounted for the majority share—86.6% in 2020—and are projected to grow at a CAGR of 8.3% through 2030. This surge is driven by growing consumer demand in developing nations and rising awareness about air pollution.

Additionally, medium and heavy-duty buses represent the fastest-growing segment, with an expected CAGR of 8.5%, reflecting the transportation sector's increasing shift toward [cleaner fuel](#) alternatives.

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□ Regional Insights: Asia-Pacific Leads the Way

Regionally, Asia-Pacific dominated the CNG market in 2020, accounting for over 68% of total revenue. This region's dominance is fueled by:

□ Rapid urbanization

□ Expanding public transportation networks

□□ Strong industrial base

□ Presence of major players and favorable policies

Key countries like China, India, Japan, and South Korea continue to lead CNG adoption through supportive infrastructure and fuel subsidy programs. North America, meanwhile, is expected to witness the fastest growth with a projected CAGR of 8.7%, thanks to increasing shale gas production and rising environmental awareness.

□ Major Industry Players

Several major and emerging companies are driving innovation and infrastructure growth in the global compressed natural gas market. Key players profiled in the report include:

Chevron Corporation

Eni

Royal Dutch Shell Plc

EOG Resources, Inc.

Trillium CNG

Occidental Petroleum Corporation

Phillips 66 Company

JW Power Company

Total Energies

Indraprastha Gas Limited

Other notable contributors are Neogas, BP Plc., Exxon Mobil Corporation, Lukoil, Rosneft, Mahanagar Gas Limited, and China Natural Gas, Inc.

□ COVID-19 Impact: Market Dips, Then Recovers

The global pandemic posed serious challenges for the CNG market. Lockdowns led to:

□ Suspension of construction and industrial activities

□ Delayed infrastructure projects

□ Reduced vehicle use and fuel consumption

These factors contributed to a temporary dip in demand during 2020. However, by mid-2021, the market began to recover as global economies reopened and vaccination campaigns took effect, restoring both supply chains and consumer confidence.

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□ Conclusion

The compressed natural gas market is set to witness substantial growth in the coming years, powered by increasing demand for clean and cost-efficient fuel alternatives. With growing support from governments, advancements in gas exploration, and rising environmental consciousness, CNG is fast becoming a cornerstone of the green transportation movement worldwide.

As infrastructure expands and fuel station accessibility improves, CNG is expected to play a crucial role in transforming how the world fuels its transport sector.

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business insights and consulting to assist its clients to make strategic business decisions and achieve sustainable growth in their respective market domain.

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