

Automotive Battery Market to Hit USD 100 Billion by 2031 | Driven by EVs, Hybrids and Solid-State Battery Innovation

Lithium-ion batteries power Automotive Battery Market growth as EV demand rises and global electrification accelerates

AUSTIN, TX, UNITED STATES,
September 17, 2025 /

EINPresswire.com/ -- According to DataM Intelligence, the [Automotive Battery Market](#) reached USD 65.2 billion in 2022 and is expected to reach USD 100.0 billion by 2031, growing with a CAGR of 5.5% during the forecast period 2024–2031. The lithium-ion segment dominates the industry due to its superior efficiency, long lifecycle, and suitability for EV applications. Geographically, Asia-Pacific leads the market, accounting for the largest share, largely due to the dominance of China, Japan, and South Korea in EV production and battery manufacturing. Government subsidies, supportive policies, and rapid electrification initiatives in the region further fuel this dominance.



“

Sustainability, EV adoption, and Asia-Pacific’s dominance make the automotive battery market one of the fastest-evolving segments in mobility.”

DataM Intelligence

The automotive battery market is undergoing a major transformation, driven by the accelerating shift towards electric vehicles (EVs), rising demand for hybrid powertrains, and the global push for cleaner transportation solutions. Automotive batteries are critical for vehicle starting, ignition, and lighting functions in traditional internal combustion engine (ICE) vehicles, while serving as the primary power source in EVs and hybrid models. With rapid technological advancements in battery

chemistry, improvements in energy density, and falling production costs, the industry is witnessing remarkable growth.

□□□ □ □□□□□□ □□□ □□□□□□□□ □□ □□□ □□□□□□ (□□□ □□□□□□□□□□ □□□□□ □□ □□□ □ □□□□□ □□□□□□□□□): <https://www.datamintelligence.com/download-sample/automotive-battery-market>

Recent Developments:

United States: Recent Industry Developments

In July 2025, General Motors announced a \$500 million investment to expand its lithium-ion battery production facility in Michigan. The expansion aims to increase EV battery output by 30% annually and support the company's transition to an all-electric lineup by 2035.

In June 2025, Tesla unveiled plans for a new advanced battery research center in California. The facility will focus on next-generation 4680 cells and solid-state battery innovations, targeting higher energy density and faster charging capabilities.

In May 2025, Ford Motor Company, in partnership with SK On, began construction of its BlueOval SK Battery Park in Kentucky. The site will host twin plants with a combined capacity of 86 GWh annually, powering millions of future EVs.

Japan: Recent Industry Developments

In July 2025, Panasonic Energy announced the launch of a new high-capacity lithium-ion battery for EVs, offering 20% longer driving range. The product is set for mass production in 2026 to supply global automakers.

In June 2025, Toyota Motor Corporation invested in solid-state battery pilot production lines at its Aichi facility. The initiative supports Toyota's plan to commercialize solid-state batteries by 2027 with improved durability and rapid charging.

In May 2025, Nissan unveiled a new EV battery recycling and reuse program in Yokohama. The project focuses on recovering rare materials and repurposing used EV batteries for stationary energy storage solutions.

Key Highlights from the Report

- The global automotive battery market size was USD 65.2 billion in 2022 and is projected to reach USD 100.0 billion by 2031.
- Lithium-ion batteries dominate due to their high energy density and adoption in EVs and plug-in hybrids.
- Asia-Pacific remains the largest market, driven by China's booming EV ecosystem and strong manufacturing base.
- Lead-acid batteries continue to hold demand for conventional ICE vehicles and cost-sensitive applications.

- Growing investments in solid-state batteries promise enhanced safety and higher efficiency for future vehicles.
- Stringent emission regulations worldwide are pushing automakers toward electrification, boosting battery demand.

Top Companies are:

Panasonic Corporation
LG Chem
GS Yuasa International Ltd.
Robert Bosch GmbH
Hitachi, Ltd.
Exide Industries Ltd.
Robert Bosch GmbH
A123 Systems LLC
Samsung SDI Co., Ltd
BYD Motors Inc

Market Segmentation:

The automotive battery market is segmented based on battery type, propulsion, and vehicle category.

By battery type, lithium-ion batteries account for the dominant share, propelled by their integration into EVs, hybrids, and plug-in hybrid electric vehicles. Their high energy storage capacity, longer lifecycle, and efficiency make them the preferred option over traditional lead-acid batteries. However, lead-acid batteries continue to see strong demand in ICE vehicles, particularly in developing economies where affordability plays a key role. Nickel-metal hydride batteries, though less common, maintain niche applications in hybrid vehicles.

By propulsion type, the EV and hybrid segment is experiencing exponential growth due to global decarbonization policies. Battery electric vehicles (BEVs) are expected to expand rapidly, with governments offering subsidies and OEMs ramping up EV production lines. Conversely, ICE vehicles remain a strong contributor to market revenue, especially in regions with slower EV adoption.

By vehicle category, passenger cars are the largest consumers of automotive batteries, given the rapid electrification of this segment and the growing middle-class population in emerging economies. Commercial vehicles including buses, trucks, and light commercial vehicles are also adopting advanced battery solutions as logistics and public transport systems transition toward sustainability.

Looking For A Detailed Full Report? Get it here: <https://www.datamintelligence.com/buy-now-page?report=automotive-battery-market>

Regional Insights:

The Asia-Pacific region dominates the global automotive battery market, largely due to the presence of leading EV manufacturers, strong government support, and advanced battery production hubs in China, South Korea, and Japan. China, in particular, leads the market with robust EV adoption, extensive charging infrastructure, and strong local players like CATL and BYD.

Europe is the second-largest market, driven by stringent carbon emission regulations, the EU's "Fit for 55" climate package, and the rising adoption of EVs in Germany, France, and the Nordic countries. The region also benefits from strategic investments in gigafactories and a strong focus on circular battery supply chains.

North America is witnessing rapid growth, primarily led by the United States. Initiatives like the Inflation Reduction Act (IRA) are promoting EV adoption through tax credits and investments in domestic battery production. Tesla, GM, and Ford are scaling production capacities to meet growing demand.

Other regions such as the Middle East & Africa and Latin America are gradually adopting EVs, with rising urbanization, government incentives, and investments in sustainable transport solutions fostering market potential.

Market Dynamics

Market Drivers

The automotive battery market is propelled by the global transition towards electric mobility. Stringent environmental regulations, rising fuel prices, and government incentives for EV adoption are accelerating demand. Technological advancements in lithium-ion and solid-state batteries, coupled with declining manufacturing costs, further support industry expansion.

Market Restraints

Despite growth, the market faces challenges such as the high initial cost of EV batteries, limited charging infrastructure in developing regions, and supply chain vulnerabilities for raw materials like lithium, cobalt, and nickel. Environmental concerns associated with battery recycling and disposal also act as barriers.

Market Opportunities

The industry presents significant opportunities in the development of solid-state batteries, offering higher energy density, faster charging, and improved safety. Additionally, second-life applications for EV batteries, such as energy storage systems, present new revenue streams. Expanding EV adoption in emerging markets and innovations in fast-charging technologies are also creating lucrative opportunities.

Get Customization in the report as per your requirements:

<https://www.datamintelligence.com/customize/automotive-battery-market>

Reasons to Buy the Report

- Comprehensive analysis of the global automotive battery market with detailed forecasts through 2031.
- Insights into key market drivers, restraints, opportunities, and challenges shaping the industry.
- In-depth segmentation analysis covering battery type, propulsion, and vehicle category.
- Regional insights highlighting growth hotspots and strategic investments across APAC, Europe, and North America.
- Competitive landscape featuring profiles of leading players and recent industry developments.

Frequently Asked Questions (FAQs)

- How big is the automotive battery market in 2022?
- Who are the key players in the global automotive battery market?
- What is the projected growth rate of the automotive battery market from 2024 to 2031?
- What is the market forecast for the automotive battery industry by 2032?
- Which region is estimated to dominate the automotive battery industry through the forecast period?

Conclusion

The automotive battery market is entering a transformative era, shaped by the rapid global shift towards electric mobility, stricter emission norms, and accelerating technological innovation. While challenges such as high costs and raw material shortages persist, ongoing investments in lithium-ion and solid-state technologies are set to redefine the industry. With Asia-Pacific leading the charge and Europe and North America making aggressive strides, the global market is positioned for sustained expansion. For stakeholders, from OEMs to investors, the coming decade represents both an opportunity and a challenge to adapt, innovate, and thrive in a rapidly electrifying automotive landscape.

Request for 2 Days FREE Trial Access: <https://www.datamintelligence.com/reports-subscription>

Power your decisions with real-time competitor tracking, strategic forecasts, and global investment insights all in one place.

Competitive Landscape

Sustainability Impact Analysis

KOL / Stakeholder Insights
Unmet Needs & Positioning, Pricing & Market Access Snapshots
Market Volatility & Emerging Risks Analysis
Quarterly Industry Report Updated
Live Market & Pricing Trends
Import-Export Data Monitoring

Have a look at our Subscription Dashboard: <https://www.youtube.com/watch?v=x5oEiqEqTWg>

Related Reports:

[Battery Management Systems Market](#)

[Battery Recycling Market](#)

Sai Kiran
DataM Intelligence 4market Research LLP
877-441-4866
[email us here](#)

Visit us on social media:

[LinkedIn](#)

[X](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/849827961>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2025 Newsmatics Inc. All Right Reserved.