

Rising Clean Energy Investments to Push Solar Thermal Market Toward \$35.3 Billion by 2031

Global Solar Thermal Industry Set to Hit \$35.3 Billion by 2031, Driven by Renewable Energy Demand □

WILMINGTON, DE, UNITED STATES,
October 9, 2025 /EINPresswire.com/ --

The global [solar thermal market](#) size is witnessing remarkable growth and is projected to reach \$35.3 billion by 2031, expanding at a CAGR of 5.1%

from 2022 to 2031, according to a new report published by Allied Market Research. Valued at \$21.5 billion in 2021, the industry is being driven by increasing environmental awareness, government incentives, and the gradual shift from fossil fuels toward sustainable energy sources.



Global solar thermal market to reach \$35.3B by 2031, growing at 5.1% CAGR, driven by renewable energy & heating efficiency □□□

Allied Market Research

Download PDF Brochure:

<https://www.alliedmarketresearch.com/request-sample/7256>

What is Solar Thermal Technology?

Solar thermal systems work by collecting energy from the sun and converting it into heat. This heat is used to raise

the temperature of a heat transfer fluid – such as air, water, or specially designed fluids – which can be applied directly for space heating, hot water, or even electricity generation. Solar thermal power systems concentrate sunlight to produce high-temperature heat, essential for generating power.

A growing number of consumers and businesses are shifting away from fossil fuels due to environmental concerns, thus creating robust opportunities for the solar thermal market. [Solar power](#) is emerging as the most sustainable renewable energy source, which is further fueling the installation of solar thermal power plants globally.



Key Market Trends & Innovations

A notable trend driving the solar thermal market is the rise of solar district heating systems combined with seasonal storage solutions. An excellent example of this innovation is the solar district heating system by Savosolar Oyj in Cadaujac, France. Launched in December 2021, the system integrates seasonal borehole thermal storage from AbSOLAR to supply heat and hot water to around 67 single-family homes.

Government incentives are playing a pivotal role in driving market growth. In 2021, Malta introduced schemes promoting solar water heaters over traditional geysers. Similarly, Denmark exempted households from grid disconnection fees if they adopted renewable heating sources, supporting solar thermal adoption.

Competitive Landscape & Industry Outlook

The global solar thermal market is highly competitive, featuring major companies such as Solareast Holdings Co. Ltd, Greenonetec Solarindustrie GmbH, Siemens AG, Photon Energy Systems, BrightSource Energy, and Abengoa Solar. These key players focus on strategic expansions, research & development of innovative solar thermal technologies, and partnerships to strengthen market positions.

Procure This Report (456 Pages PDF with Insights, Charts, Tables, and Figures):

<https://www.alliedmarketresearch.com/checkout-final/44e6f974c2e43c4d31a9b791d7d2f9d9>

Rapid industrialization, urbanization, and rising population globally have increased energy demand, further enhancing the need for solar thermal solutions. Key growth strategies include expanding production capacity, developing advanced collector types, and integrating energy storage systems.

Market Segmentation

The solar thermal market is segmented by collector type, system, application, end use, and region.

Collector Type: Evacuated tube collector leads the market, followed by flat plate, unglazed water, and air collectors.

System: Thermosiphon and pumped solar heating systems dominate, with thermosiphon systems accounting for the largest share in 2021.

Application: Hot water systems – both domestic and large-scale – are the most popular applications, followed by solar combi systems and swimming pool heating.

End Use: Residential applications accounted for the largest market share in 2021, ahead of commercial and industrial uses.

Regional Insights: Asia-Pacific holds the largest market share and is expected to grow at a CAGR of 5.5% during the forecast period, followed by Europe and North America.

Impact of COVID-19 on the Solar Thermal Market

The COVID-19 pandemic had a significant impact on the [solar thermal industry](#). Project delays, supply chain disruptions, and restrictions on manufacturing and construction activities negatively affected growth. Notably, the temporary closure of public swimming pools and halted projects during lockdowns created indirect challenges for solar thermal system deployment.

However, as restrictions eased and the construction and tourism sectors rebounded, demand for solar thermal systems surged. Government investments in solar thermal power plants, aimed at reducing fossil fuel imports, further contributed to the market recovery. Rising awareness of the environmental impact of conventional water heating systems in residential applications is expected to drive market growth in the coming years.

Get a Customized Research Report: <https://www.alliedmarketresearch.com/request-for-customization/A06891>

Conclusion

The solar thermal market is poised for significant growth, driven by favorable government schemes, rising residential applications, and an increasing shift from fossil fuels to renewable energy sources. With innovations like district heating systems and seasonal storage solutions, combined with rising awareness of environmental impacts, the market is well-positioned to achieve \$35.3 billion by 2031. Despite initial setbacks due to the pandemic, continued investment in infrastructure and technology innovation is expected to maintain the positive growth trajectory.

Trending Reports in Energy and Power Industry:

Solar Thermal Market

<https://www.alliedmarketresearch.com/solar-thermal-market-A06891>

Solar Concentrator Market

<https://www.alliedmarketresearch.com/solar-concentrator-market-A47255>

Concentrated Solar Power Market

<https://www.alliedmarketresearch.com/concentrated-solar-thermal-market>

Thermal Energy Storage Market

<https://www.alliedmarketresearch.com/thermal-energy-storage-market>

Ice Thermal Energy Storage Market

<https://www.alliedmarketresearch.com/ice-thermal-energy-storage-market>

Thermal Power Plant Market

<https://www.alliedmarketresearch.com/thermal-power-plant-market-A13789>

Photovoltaic Market

<https://www.alliedmarketresearch.com/photovoltaic-market>

Solar thermal collectors market

<https://www.alliedmarketresearch.com/solar-thermal-collectors-market-A07615>

Thermal Power Market

<https://www.alliedmarketresearch.com/thermal-power-market-A11703>

Solar Energy Market

<https://www.alliedmarketresearch.com/solar-energy-market>

Solar Water Heater Market

<https://www.alliedmarketresearch.com/solar-water-heater-market-A07957>

Solar Farm Market

<https://www.alliedmarketresearch.com/solar-farm-market-A10242>

Solar (PV) Inverter Market

<https://www.alliedmarketresearch.com/pv-inverters-market-A10500>

Building Integrated Photovoltaic (BIPV) Market

<https://www.alliedmarketresearch.com/building-integrated-photovoltaic-market>

Renewable Energy Market

<https://www.alliedmarketresearch.com/renewable-energy-market>

Distributed Energy Generation Market

<https://www.alliedmarketresearch.com/distributed-energy-generation-market-A13784>

U.S. Clean Energy Market

<https://www.alliedmarketresearch.com/us-clean-energy-market-A325461>

Clean Energy Infrastructure Market

<https://www.alliedmarketresearch.com/clean-energy-infrastructure-market-A323711>

AI in Energy Market

<https://www.alliedmarketresearch.com/ai-in-energy-market-A12587>

Clean Energy Market

<https://www.alliedmarketresearch.com/clean-energy-market-A43785>

About Us

Allied Market Research (AMR) is a full-service market research and business-consulting wing of Allied Analytics LLP based in Portland, Oregon. Allied Market Research provides global enterprises as well as medium and small businesses with unmatched quality of "Market Research Reports" and "Business Intelligence Solutions." AMR has a targeted view to provide business insights and consulting to assist its clients to make strategic business decisions and achieve sustainable growth in their respective market domain.

Pawan Kumar, the CEO of Allied Market Research, is leading the organization toward providing high-quality data and insights. We are in professional corporate relations with various companies and this helps us in digging out market data that helps us generate accurate research data tables and confirms utmost accuracy in our market forecasting. Each and every data presented in the reports published by us is extracted through primary interviews with top officials from leading

companies of domain concerned. Our secondary data procurement methodology includes deep online and offline research and discussion with knowledgeable professionals and analysts in the industry.

David Correa

Allied Market Research

+ + + + +1 800-792-5285

[email us here](#)

Visit us on social media:

[LinkedIn](#)

[Facebook](#)

[YouTube](#)

[X](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/856630685>

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.