

Traction Battery Market In 2029

The Business Research Company's Traction Battery Global Market Report 2026 – Market Size, Trends, And Forecast 2026-2035

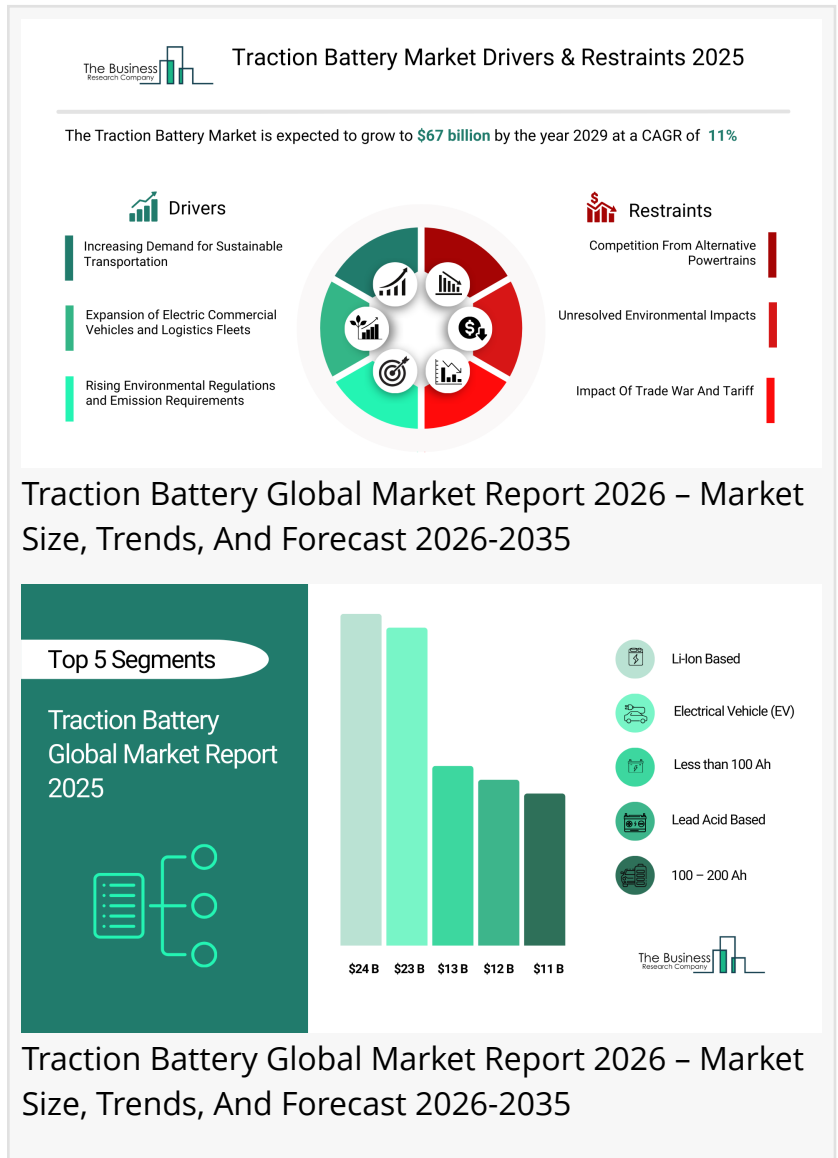
LONDON, GREATER LONDON, UNITED KINGDOM, January 12, 2026

[/EINPresswire.com/](https://EINPresswire.com/) -- [Traction Battery Market](#) to Surpass \$67 billion in 2029.

In comparison, the Batteries market, which is considered as its parent market, is expected to be approximately \$187 billion by 2029, with Traction Battery to represent around 36% of the parent market. Within the broader Electrical And Electronics industry, which is expected to be \$5,239 billion by 2029, the Traction Battery market is estimated to account for nearly 1% of the total market value.

Which Will Be the Biggest Region in the Traction Battery Market in 2029
Asia-Pacific will be the largest region in the traction battery market in 2029, valued at \$26,135 million. The market is expected to grow from \$13,942 million in 2024 at a compound annual growth rate (CAGR) of 13%. The rapid growth can be attributed to the increasing demand for sustainable transportation and expansion of electric commercial vehicles and logistics fleets.

Which Will Be The Largest Country In The Global Traction Battery Market In 2029?
USA will be the largest country in the traction battery market in 2029, valued at \$13,129 million. The market is expected to grow from \$9,111 million in 2024 at a compound annual growth rate (CAGR) of 8%. The strong growth can be attributed to the rising environmental regulations and emission requirements and expansion of fast-charging and battery swapping infrastructure.

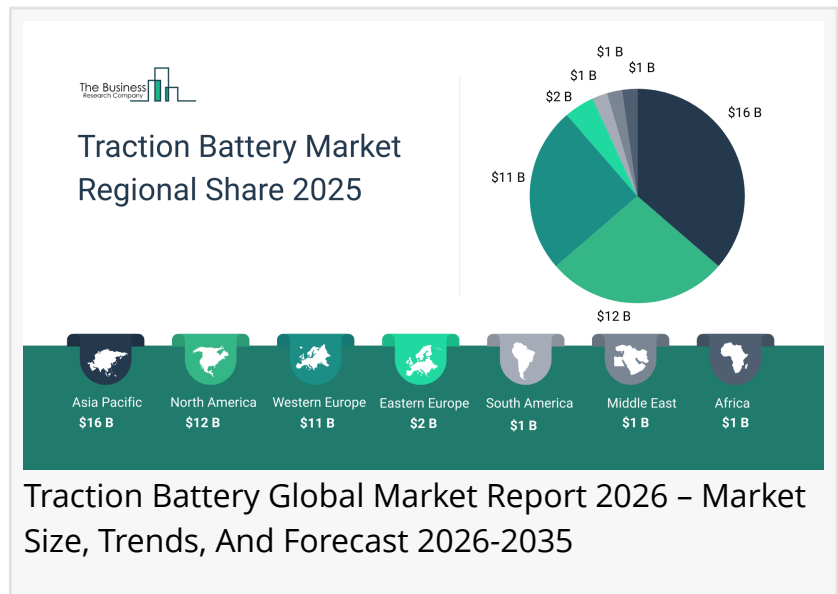


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What will be Largest Segment in the traction battery Market in 2029?

The traction battery market is segmented by product type into lead-acid based, Li-ion based, nickel based and other types. The li-ion based market will be the largest segment of the traction battery market segmented by product type, accounting for 62% or \$41,705 million of the total in 2029. The li-ion based market will be supported by rising adoption in electric vehicles due to higher energy density, increasing preference in consumer electronics and mobility solutions, government incentives favoring lithium-based energy storage, growing use in renewable energy integration, extended lifespan compared to traditional chemistries and scaling of global gigafactories ensuring competitive pricing.



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The traction battery market is segmented by capacity into less than 100 Ah, 100 – 200 Ah, 200 – 300 Ah, 300 – 400 Ah and 400 Ah And above. The less than 100 Ah market will be the largest segment of the traction battery market segmented by capacity, accounting for 25% or \$16,812 million of the total in 2029. The less than 100 Ah market will be supported by use in small-scale mobility solutions like e-bikes and scooters, cost-effectiveness for low-power equipment, rising demand in warehouse handling equipment, adoption in portable industrial tools, compatibility with compact energy systems and high replacement demand from fleet operators.

The traction battery market is segmented by application into electrical vehicle (EV), hybrid electric vehicles (HEV), industrial, forklift, mechanical handling equipment and other applications. The electrical vehicle (EV) market will be the largest segment of the traction battery market segmented by application, accounting for 58% or \$39,094 million of the total in 2029. The electrical vehicle (EV) market will be supported by rapid electrification policies across major economies, increasing EV sales globally, rising fuel cost pushing consumers toward EV adoption, government subsidies and tax incentives, expansion of EV charging infrastructure and growing consumer preference for eco-friendly transport.

What is the expected CAGR for the Traction Battery Market leading up to 2029?

The expected CAGR for the traction battery market leading up to 2029 is 11%.

What Will Be The Growth Driving Factors In The Global Traction Battery Market In The Forecast Period?

The rapid growth of the global traction battery market leading up to 2029 will be driven by the following key factors that are expected to reshape electric mobility, industrial equipment, and energy storage sectors worldwide.

Increasing Demand for Sustainable Transportation – The increasing demand for sustainable transportation will become a key driver of growth in the traction battery market by 2029. Electric vehicles require reliable, high-performance batteries that support long driving ranges, fast charging and reduced emissions, all of which are effectively addressed by traction batteries. These batteries provide the core energy storage system for electric vehicles (EVs), making them essential in the global shift toward low-carbon mobility. Moreover, the scalability of traction battery technology supports applications across passenger cars, commercial fleets and public transportation, strengthening its role in sustainable mobility solutions. As a result, the increasing demand for sustainable transportation is anticipated to contribute to a 1.6% annual growth in the market.

Expansion of Electric Commercial Vehicles and Logistics Fleets - The expansion of electric commercial vehicles and logistics fleets will emerge as a major factor driving the expansion of the market by 2029. Commercial fleets demand high-capacity, durable batteries capable of supporting frequent, heavy-duty operations and longer ranges, all of which are effectively addressed by traction batteries. These batteries serve as the backbone for electrified trucks, buses and delivery vehicles, making them essential in the transition toward low-emission logistics. Moreover, improving battery cost-efficiency and energy density supports scalable fleet electrification, strengthening traction batteries' role in sustainable freight and transit solutions. Consequently, the expansion of electric commercial vehicles and logistics fleets is projected to contribute to a 1.0% annual growth in the market.

Rising Environmental Regulations and Emission Requirements - The rising environmental regulations and emission requirements will serve as a key growth catalyst for the market by 2029. Stricter carbon dioxide (CO₂) reduction mandates for vehicle manufacturers drive the adoption of zero-emission technologies and traction batteries, key enablers of electric vehicles, are ideally positioned to meet these demands. These batteries support fleet-wide decarbonization, enabling automakers to adjust their product mix toward cleaner powertrains. Moreover, as regulators enforce tougher emissions performance standards and increase penalties for non-compliance, vehicle makers are incentivized to ramp up their battery-electric vehicle (BEV) offerings. Therefore, this rising environmental regulations and emission requirements is projected to support a 0.8% annual growth in the market.

Expansion of Fast-Charging and Battery Swapping Infrastructure - The expansion of fast-charging and battery swapping infrastructure will become a significant driver contributing to the growth of the market by 2029. Rapid charging and swapping networks address key consumer and fleet needs for reduced downtime, extended range and convenient electrified travel, all of which traction batteries make possible. These infrastructure innovations ensure that Electric vehicle (EV) users, from daily commuters to commercial operators, can access quick and reliable energy

replenishment, enhancing overall system confidence. Moreover, the deployment of high-power DC (Direct Current) fast chargers and modular swapping stations supports scalable battery usage across diverse vehicle platforms. Consequently, the expansion of fast-charging and battery swapping infrastructure is projected to contributing to a 0.5% annual growth in the market.

Access the detailed Traction Battery Market report here:

<https://www.thebusinessresearchcompany.com/report/traction-battery-global-market-report>

What Are The Key Growth Opportunities In The Traction Battery Market in 2029?

The most significant growth opportunities are anticipated in the li-ion traction power market, electric vehicle traction battery market, and 400Ah and above traction battery market. Collectively, these segments are projected to contribute over \$47 billion in market value by 2029, driven by increasing demand for high-capacity energy storage solutions, advancements in battery technology, and the expanding adoption of electric vehicles and industrial machinery. This growth is fuelled by the push for cleaner, more efficient power sources, improved battery lifespan and safety features, and government initiatives supporting electrification and sustainability across transportation and heavy-duty sectors. The convergence of these factors is set to accelerate innovation and deployment within the broader traction battery industry, enabling transformative progress in electrified mobility and energy storage.

The li-ion traction power market is projected to grow by \$21,019 million, the electric vehicle traction battery market by \$19,291 million, and the 400Ah and above traction battery market by \$6,949 million over the next five years from 2024 to 2029.

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