

Grey Hydrogen Market Set to Reach US\$ 557.7 Billion by 2033, Expanding at a CAGR of 10.3% from 2026 to 2033

The global grey hydrogen market is projected to grow at a 10.3% CAGR from 2026–2033, driven by strong demand from refining, fertilizer, and chemical industries.

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/EINPresswire.com/ -- The global [Grey Hydrogen Market](#) is poised for substantial expansion over the coming years, fueled by the growing demand for hydrogen across key industrial

sectors. According to the latest study by Persistence Market Research, the global grey hydrogen market is projected to increase from US\$ 280.8 billion in 2026 to US\$ 557.7 billion by 2033, registering a robust CAGR of 10.3% during the forecast period. The market continues to benefit from the widespread use of grey hydrogen in petroleum refining, fertilizer manufacturing, methanol production, and various chemical processes where hydrogen remains an essential feedstock.



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Rising Demand from Petroleum Refining Sector

The petroleum refining industry remains one of the largest consumers of grey hydrogen globally. Hydrogen plays a critical role in hydrocracking and desulfurization processes, enabling refiners to meet stringent fuel quality standards. As global fuel consumption continues to grow, particularly in developing economies, the demand for grey hydrogen is expected to remain strong, supporting market growth throughout the forecast period.

Fertilizer Industry Continues to Drive Consumption

The fertilizer sector is another major contributor to market expansion. Grey hydrogen serves as a vital raw material in ammonia production, which is subsequently used in nitrogen-based fertilizers. Increasing agricultural activities and rising food demand worldwide are encouraging fertilizer manufacturers to expand production capacities, thereby boosting grey hydrogen consumption.

Growing Applications in Chemical Manufacturing

The chemical and petrochemical industries are increasingly utilizing grey hydrogen for various production processes. Hydrogen is widely used in the manufacturing of methanol, synthetic fuels, and numerous industrial chemicals. The continuous expansion of the global chemical industry is expected to generate significant demand for grey hydrogen over the coming years.

Cost Advantages Support Market Adoption

One of the primary factors driving the grey hydrogen market is its cost-effectiveness compared to alternative hydrogen production methods. Steam Methane Reforming (SMR), the dominant production technology, offers large-scale hydrogen production at competitive costs. This economic advantage continues to make grey hydrogen the preferred choice for many industrial users despite the emergence of cleaner hydrogen alternatives.

Expansion of Industrial Infrastructure Worldwide

Rapid industrialization across Asia Pacific, the Middle East, and Latin America is creating favorable conditions for grey hydrogen demand. Expanding manufacturing facilities, refinery projects, and chemical production plants are increasing the requirement for reliable hydrogen supplies. This trend is expected to significantly contribute to market growth during the forecast period.

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Technological Improvements in Production Processes

Continuous advancements in hydrogen production technologies are improving operational efficiency and reducing production costs. Companies are investing in enhanced reforming techniques, process optimization, and infrastructure modernization to maximize output and profitability. These developments are helping producers meet growing industrial demand while maintaining competitive pricing.

Strong Presence of Natural Gas Feedstock

Natural gas remains the most widely used feedstock for grey hydrogen production due to its

availability and economic viability. The abundance of natural gas resources in several regions supports large-scale hydrogen manufacturing and ensures a stable supply chain for industrial consumers. This factor continues to strengthen the market outlook globally.

Emerging Opportunities in Developing Economies

Developing nations are witnessing increased investments in energy, chemicals, fertilizers, and refining industries. Governments and private-sector organizations are expanding industrial capabilities to support economic growth and infrastructure development. As a result, grey hydrogen producers are finding significant opportunities to expand their operations and strengthen market presence in these high-growth regions.

Market Segmentation

By Production Technology

- Steam Methane Reforming (SMR)
- Coal Gasification Partial Oxidation of Hydrocarbons
- Others

By Feedstock

- Natural Gas
- Coal
- Oil
- Petroleum Coke

By Industry

- Petroleum Refining
- Fertilizers
- Methanol Production
- Chemicals & Petrochemicals
- Steel & Metallurgy
- Power Generation
- Others

By Region

- North America
- Europe
- Asia Pacific
- Latin America

- Middle East & Africa

Company Insights

The grey hydrogen market is characterized by the presence of several multinational energy, industrial gas, and chemical companies that are actively investing in production capacity expansion, technological innovation, and strategic partnerships to strengthen their market positions.

- Air Liquide
- Linde plc
- Air Products and Chemicals Inc.
- ExxonMobil Corporation
- Shell plc
- BP plc
- TotalEnergies SE
- Sinopec
- China National Petroleum Corporation
- Chevron Corporation

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Competitive Landscape

The competitive landscape of the grey hydrogen market remains highly dynamic, with leading players focusing on operational efficiency, infrastructure development, and long-term supply agreements to maintain their competitive edge. Major companies are expanding production facilities and investing in advanced technologies to improve productivity and address growing industrial demand. Strategic collaborations, acquisitions, and regional expansion initiatives continue to shape the competitive environment as market participants seek to capitalize on emerging opportunities across global industrial sectors.

Future Outlook

The future of the global grey hydrogen market remains promising as industries continue to rely on hydrogen for critical production processes. Strong demand from petroleum refining, fertilizers, methanol production, and chemical manufacturing is expected to sustain market momentum through 2033. Supported by cost-effective production methods, expanding industrial infrastructure, and growing investments in emerging economies, the grey hydrogen market is well-positioned for significant growth, reaching an estimated valuation of US\$ 557.7 billion by the end of the forecast period.

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