

Automotive Battery Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> **Industry:** Electric Vehicles & Clean Mobility (Automotive & Transportation)

> **Source:** <https://www.mordorintelligence.com/industry-reports/automotive-battery-market>

> **Scraped Date:** 2026-09-17

Executive Market Summary

Market Metric	Details
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Base Market Size	USD 349.23 billion
Projected Forecast (2031)	USD 349.23 billion
Growth Rate (CAGR)	17.84 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

![Major players in Automotive Battery industry](images/chart_2.png)

![Automotive Battery Market Size](images/chart_3.png)

![Automotive Battery Market Share by Battery Type, 2025](images/chart_4.png)

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![Automotive Battery Market Growth Rate by Region](images/chart_6.png)

![Automotive Battery Market Concentration](images/chart_7.png)

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Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market OverviewStudy Period | 2019 - 2031 |

Market Size (2026) | USD 153.67 Billion |

Market Size (2031) | USD 349.23 Billion |

Growth Rate (2026 - 2031) | 17.84 % |

Fastest Growing Market | South America |

Largest Market | Asia-Pacific |

Market Concentration | Medium |

Major Players*Disclaimer: Major Players sorted in no particular order

Market Overview

Automotive Battery Market Analysis by Mordor Intelligence The automotive battery market size was valued at USD 130.42 billion in 2025 and is estimated at USD 153.67 billion in 2026, and is forecast to reach USD 349.23 billion by 2031 at a 17.84% CAGR over 2026-2031. This expansion reflects a sharper shift toward vehicle electrification, as electric cars represented 25% of global vehicle sales in 2025 and global EV sales moved above 20 million units, which broadened battery demand beyond early adopter markets and into the mainstream vehicle base [1]“Global EV Outlook 2025,” IEA, [iea.org](https://www.iea.org). The volume effect is rising faster in energy terms than in vehicle counts because battery-electric commercial vehicles use much larger packs than passenger cars, which raises cell demand, pack demand, and replacement planning across the automotive battery market. Policy support is also shaping investment timing, with the US advanced manufacturing production credit and the EU batteries framework pushing new capacity, recycling readiness, and supply chain traceability deeper into procurement decisions. Asia-Pacific remains the operating center because China combines very large domestic EV uptake with scale manufacturing, while South America is opening a new growth lane through tariff-led localization and local assembly plans that are starting to spread battery demand into new production hubs. Competition is concentrated at the top end, and mineral supply concentration plus recurring battery safety recalls continue to influence sourcing, localization, chemistry choices, and warranty planning across the automotive battery market.

Key Report Takeaways* By battery type, Lead-Acid held 48.72% of the automotive battery market share in 2025, while Others is forecast to expand at 18.06% CAGR through 2031.

* By vehicle type, Passenger Cars held 70.05% revenue share in 2025, while Commercial Vehicles are projected to grow at 18.61% CAGR through 2031.

* By drive type, ICE (SLI & Start-Stop) accounted for 82.55% of revenue in 2025, while BEV is set to record the highest CAGR at 19.18% through 2031.

* By application, Starting-Lighting-Ignition accounted for a 72.32% share of the automotive battery market size in 2025, while Propulsion is forecast to grow at 18.22% CAGR through 2031.

* By sales channel, OEM held 61.74% of revenue in 2025, while Aftermarket is projected to advance at 17.95% CAGR through 2031.

* By geography, Asia-Pacific accounted for 42.68% share of the automotive battery market size in 2025, while South America is forecast to expand at 18.01% CAGR through 2031.

Key Market Trends

Market Trends and Insights Drivers Impact Analysis of Automotive Battery Market* Driver | (~) % Impact on CAGR Forecast | Geographic Relevance | Impact Timeline |

Surging EV Production and Sales | +5.8% | Global, strongest in China, Europe, and emerging Asia-Pacific markets | Medium term (2-4 years) |

Government Incentives and Emission Norms | +3.2% | North America, Europe, and major Asia-Pacific EV markets | Medium term (2-4 years) |

Decline in Li-Ion Price | +2.6% | Global, strongest in China with spillover into Europe and North America | Medium term (2-4 years) |

Vehicle-To-Grid Pilots | +1.4% | Europe, China, Australia, and North America | Long term (≥ 4 years) |

IRA and EU Battery Subsidies | +1.2% | North America and Europe | Medium term (2-4 years) |

12V Start-Stop Replacements | +0.8% | Global, especially Europe and North America | aftermarket channels | Medium term (2-4 years) |

Source: Mordor Intelligence |

Competitive Landscape

Competitive Landscape

The automotive battery market is concentrated at the top and much more fragmented below that top tier, which creates a structure where a few companies shape pricing, technology direction, and capacity timing for the rest of the field. In 2025, CATL dominated the global EV battery installations, while BYD followed closely. Together, these two giants commanded a significant share of the market, positioning them far ahead of their competitors. That leads matters because scale in batteries affects not only cost, but also purchasing leverage, plant utilization, chemistry flexibility, and the ability to support multiple automakers across several geographies at once. Western and Korean manufacturers still matter in selected programs, premium applications, and regional partnerships, but they are operating from a weaker position in the mass-market battery race. The automotive battery market, therefore, looks less like a broad field of equal competitors and more like a top-heavy structure where the leading Chinese firms set the commercial tone.

Northvolt's bankruptcy in March 2025 also changed how competitors and OEMs view Western battery expansion because it showed how difficult it is to sustain gigafactory economics without steady demand, policy support, and cost-competitive technology. That episode strengthened the case for phased localization, joint ventures, and imported cells with local pack assembly rather than fully independent regional battery ecosystems from day one. Regulation adds another layer to competition because the EU battery passport and due diligence framework will favor producers that can prove supply chain visibility and end-of-life management before the requirements become fully binding. Strategic moves from leading companies also show how competition is broadening beyond cell supply alone. CATL is building out its Chocolate battery-swap network. CATL has also moved sodium-ion closer to production through Naxtra, and BYD introduced a fast-charging battery platform in 2026 that pointed to shorter charging times as a direct competitive lever.

These moves matter because they shift competition from pure manufacturing scale toward ecosystem control, service models, charging experience, and chemistry optionality. The strongest companies are trying to bind customers through infrastructure, product architecture, and long-term software and service relationships rather than through hardware pricing alone. This creates white-space opportunities in second-life battery channels, V2G software, recycling coordination, and specialized fleet support, where the largest cell makers do not automatically dominate every layer. Even so, the automotive battery market remains difficult for mid-tier firms because the leaders already combine manufacturing scale, technology breadth, and customer reach in ways that are hard to match quickly.

Automotive Battery Industry Leaders* Contemporary Amperex Technology Co., Limited (CATL)

* LG Energy Solution

* Panasonic Energy Co., Ltd.

* BYD Co. Ltd.

* Samsung SDI Co., Ltd.

* *Disclaimer: Major Players sorted in no particular order

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Scope Methodology P Space

For this methodology, the automotive battery market covers batteries installed in on-road vehicles for starting, auxiliary power, and electric propulsion, counted in value terms at the point of sale across OEM and aftermarket channels.

Scope exclusions: We exclude batteries used in non-automotive uses (such as stationary energy storage and consumer electronics) even when the same chemistries are used.

Segmentation Container

- * By Battery Type* Lead-Acid
- * Lithium-ion
- * Nickel-Metal Hydride
- * Others (Li-S, Na-ion, Zinc-air)

- * By Vehicle Type* Passenger Cars* Hatchback
- * Sedan
- * Multi-Purpose Vehicle and Sport-Utility Vehicle

- * Commercial Vehicles* Light Commercial Vehicles
- * Medium and Heavy Trucks
- * Bus and Coach

- * Two-Wheelers
- * Off-Highway* Construction Equipment
- * Agricultural Machinery

- * By Drive Type* Internal Combustion Engine (SLI and Start-Stop)
- * Hybrid (HEV and PHEV)
- * Battery Electric Vehicle (BEV)
- * Fuel-Cell Electric Vehicle (FCEV)

- * By Application* Starting-Lighting-Ignition (SLI)
- * Propulsion
- * Start-Stop
- * Auxiliary/12 V Systems
- * Battery-as-a-Service / Swap

- * By Sales Channel* OEM
- * Aftermarket

- * By Geography* North America* United States
- * Canada
- * Rest of North America

- * South America* Brazil
- * Argentina
- * Rest of South America

- * Europe* Germany
- * France
- * United Kingdom
- * Italy
- * Spain
- * Rest of Europe

- * Asia-Pacific* China
- * Japan
- * India
- * South Korea
- * Rest of Asia-Pacific

- * Middle-East and Africa* United Arab Emirates
- * Saudi Arabia
- * Egypt

- * South Africa
- * Rest of Middle-East and Africa

Frequently Asked Questions

What is driving growth in automotive batteries through 2031?

Growth is being led by EV adoption, larger battery requirements in commercial vehicles, policy support for local manufacturing, and a wider role for batteries in second-life and grid-linked applications.

How large will this space become by 2031?

The automotive battery market is forecast to reach USD 349.23 billion by 2031 from USD 153.67 billion in 2026, at a 17.84% CAGR over 2026-2031.

Which battery type still leads revenue today?

Lead-Acid remained the largest battery type in 2025 with 48.72% share because the installed ICE fleet still creates a very large and steady replacement cycle.

Which vehicle segment is creating the strongest incremental battery demand?

Commercial Vehicles is projected to grow fastest at 18.61% CAGR, and its impact is amplified because one electric heavy truck can require battery capacity equal to 3 to 4 passenger cars.