

Hybrid Vehicle Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

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

> **Source:** <https://www.mordorintelligence.com/industry-reports/hybrid-vehicle-market>

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

Executive Market Summary

Market Metric	Details
Base Market Size	USD 298.03 billion
Projected Forecast (2031)	USD 298.03 billion
Growth Rate (CAGR)	13.16 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

! [Hybrid Vehicle Market (2026 - 2031)](images/chart_3.png)

! [Hybrid Vehicle Market: Market Share by Hybrid Vehicle Type](images/chart_4.png)

! [Hybrid Vehicle Market: Market Share by Motor Type](images/chart_5.png)

! [Hybrid Vehicle Market CAGR (%), Growth Rate by Region](images/chart_6.png)

! [Hybrid Vehicle 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 298.03 Billion |
Market Size (2031) | USD 553 Billion |
Growth Rate (2026 - 2031) | 13.16 % |
Fastest Growing Market | Asia Pacific |
Largest Market | Asia Pacific |
Market Concentration | Medium |
Major Players*Disclaimer: Major Players sorted in no particular order

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Market Overview

Hybrid Vehicle Market Analysis by Mordor Intelligence The hybrid vehicle market size is expected to grow from USD 263.48 billion in 2025 to USD 298.03 billion in 2026, and is forecast to reach USD 553 billion by 2031, at a CAGR of 13.16% during the forecast period (2026-2031). Tightening global greenhouse gas rules, falling battery costs, and multipathway powertrain strategies are simultaneously expanding demand and protecting automakers from an uncertain pace of electrification. Plug-in hybrids are the fastest-growing configuration due to declines in battery pack costs and policy credits that reward electric-only range. In contrast, conventional hybrids maintain volume leadership because they impose the lightest burden on charging infrastructure. Permanent-magnet motors still dominate, but induction architectures are gaining as manufacturers reduce exposure to rare-earth supply risks. Lithium-iron-phosphate chemistry is now the battery of choice in most hybrids because it strikes a balance between cost, safety, and cycle life. Competition is intensifying as Japanese incumbents defend engineering leads against Chinese brands that leverage in-house battery production to undercut prices.

Key Report Takeaways* By hybrid vehicle type, traditional hybrid electric vehicles secured 41.37% of the hybrid vehicle market share in 2025, whereas plug-in hybrids are projected to expand at a 13.17% CAGR through 2031.

* By vehicle type, passenger cars accounted for 77.31% of the hybrid vehicle market share in 2025; however, light commercial vehicles are projected to advance at a brisk 13.24% CAGR to 2031.

* By motor type, permanent-magnet synchronous units commanded 65.47% of the hybrid vehicle market share in 2025, while induction motors recorded the highest projected CAGR at 13.26% through 2031.

* By battery chemistry, lithium-iron-phosphate packs accounted for 47.17% of the hybrid vehicle market share in 2025 and are slated to grow at a 13.19% CAGR to 2031.

* By region, Asia Pacific accounted for 38.73% of the hybrid vehicle market share in 2025 and led growth at a 13.21% CAGR during the forecast period.

Key Market Trends

Market Trends and Insights
Drivers Impact Analysis of Hybrid Vehicle Market*
Driver | (~) % Impact on CAGR Forecast | Geographic Relevance | Impact Timeline |
Battery Cost-Parity Tipping Point | +2.4% | North America, Europe, Asia Pacific core markets | Medium term (2-4 years) |
Stricter Global CAFE/GHG Norms | +2.1% | Global, with peak enforcement in EU, California, China | Medium term (2-4 years) |
Soaring Fuel-Price Volatility Post-2024 | +1.8% | Global, acute in South America, Middle East, South Asia | Short term (≤ 2 years) |
OEM Multi-Pathway Carbon Strategies | +1.6% | Global, led by Japan, Germany, South Korea | Long term (≥ 4 years) |
48-V Architecture Standardisation | +1.3% | North America, Europe | Medium term (2-4 years) |
Grid-Independent Emergency-Power Use Case | +0.9% | Japan, California, Southeast Asia, Caribbean | Long term (≥ 4 years) |
Source: Mordor Intelligence |

Competitive Landscape

Competitive Landscape

In 2025, the hybrid vehicle market showed moderate concentration, with Toyota, Honda, and BYD collectively accounting for a significant share of global volume. Toyota, having delivered a substantial number of hybrids that year, is actively refining its power-split architecture and battery management. Yet, with a limited lineup of plug-ins, Toyota is losing ground in the Chinese market to BYD. BYD'

s advantage stems from its vertically integrated battery and motor supply, which enables it to significantly undercut competitors' prices.

After brief hiatuses, Western automakers are making a comeback in the hybrid arena. Ford has reintroduced plug-in programs for its F-Series trucks, banking on fleet emission credits and addressing towing range concerns to validate the need for dual drivetrains. General Motors, eyeing a balanced approach to its BEV road map, has confirmed new Chevrolet and GMC hybrids for the 2026 model year. Stellantis, with an eye on cost efficiency, is utilizing 48-volt mild-hybrid systems in its Ram and Jeep models to meet standards in both the United States and Europe. The technological battleground is now centered on induction motors, axial-flux designs, and LFP battery packaging. Not to be left behind, Mercedes-Benz has patented segmented axial-flux motors that promise a significant reduction in copper content, targeting a 2026 debut in its PHEVs.

Chinese contenders, such as Geely's Lynk & Co. and SAIC's MG, are rapidly expanding their footprints. Mazda's MX-30 R-EV, featuring a rotary range extender, showcases niche innovations for urban consumers seeking compact vehicles with occasional long-range capabilities. As price wars intensify, the industry's focus on supply-chain resilience, particularly regarding cobalt, nickel, and rare-earth elements, will play a pivotal role in determining long-term competitive standings.

Hybrid Vehicle Industry Leaders* Toyota Motor Corporation

- * BMW AG

- * Mercedes-Benz Group AG

- * Honda Motor Co., Ltd.

- * BYD Co., Ltd.

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

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Scope Methodology P Space

Our study defines the hybrid vehicle market as every new on-road passenger car and commercial vehicle that pairs an internal-combustion engine with an electric traction system able to propel the wheels; micro, mild, full, and plug-in hybrids shipped through OEM channels are counted at manufacturer selling price, net of incentives and taxes.

Scope Exclusion. We leave out retrofit kits, off-highway machinery, and pure battery-electric or fuel-cell models.

Segmentation Container

- * By Hybrid Vehicle Type* Mild-Hybrid

- * Hybrid Electric Vehicle (HEV)

- * Plug-in Hybrid (PHEV)

- * By Vehicle Type* Passenger Cars

- * Light Commercial Vehicles

- * Medium and Heavy Commercial Vehicles

- * By Motor Type* Permanent Magnet Synchronous AC Motor (PMSM)

- * Induction (Asynchronous) AC Motor

- * Switched Reluctance Motor (SRM)

- * Axial-Flux Motor

- * By Battery Type* Nickel-Metal Hydride
- * Lithium-iron Phosphate Battery
- * Others
- * By Geography* North America* United States
- * Canada
- * Rest of North America
- * South America* Brazil
- * Argentina
- * Rest of South America
- * Europe* Germany
- * United Kingdom
- * France
- * Italy
- * Spain
- * Rest of Europe
- * Asia-Pacific* China
- * India
- * Japan
- * South Korea
- * Rest of Asia-Pacific
- * Middle East and Africa* United Arab Emirates
- * Saudi Arabia
- * South Africa
- * Turkey
- * Rest of Middle East and Africa

Frequently Asked Questions

How fast is the hybrid car segment expected to grow by 2031?

It is projected to advance at a 13.16% CAGR, rising from USD 298.03 billion in 2026 to USD 553 billion by 2031.

Which region currently leads global hybrid vehicle sales?

Asia Pacific generated 38.73% of 2025 revenue and is forecast to maintain leadership with a 13.21% CAGR through 2031.

Which vehicle class is projected to post the quickest hybrid adoption?

Light commercial vehicles are set to expand at a 13.24% CAGR, driven by last-mile fleets seeking low-emission-zone access without range limits.

What battery chemistry dominates today's hybrid models?

Lithium-iron-phosphate packs held a 47.17% share in 2025, favored for their cost, safety, and cycle-life advantages.

Why do some buyers choose hybrids instead of battery-electric vehicles?

Fuel-price volatility and limited charging infrastructure make hybrids attractive where grid capacity or fast chargers are scarce.

How are light trucks meeting emissions rules without full electrification?

Widespread 48-volt mild-hybrid systems cut fuel use 8–12% at low cost, helping pickups and SUVs comply with tightening CO₂ limits.