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Hybrid Electric Powertrain Market ? Global Industry Size, Share, Trends, Opportunity, and Forecast, Segmented By Vehicle Type (Hybrid Vehicles and Plug-in Hybrid Vehicles), By Component (Transmission, Battery Pack, Power Distribution Module, DC Converter, Electric Drive Train, Inverter/Converter and Other Components), By Region & Competition, 2021-2031F

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Abstracts

The Global Hybrid Electric Powertrain Market is projected to expand from USD 110.02 Billion in 2025 to USD 203.24 Billion by 2031, registering a CAGR of 10.77%. A hybrid electric powertrain functions as a propulsion mechanism that combines an internal combustion engine with one or more electric motors and an electrochemical energy storage system to operate the vehicle. The primary forces sustaining this market include strict government regulations regarding carbon emissions and growing consumer demand for fuel efficiency amidst unstable fuel prices. These elements serve as fundamental pillars for industry expansion rather than temporary fads, forcing automotive manufacturers to implement electrification strategies to guarantee regulatory adherence and sustain competitive standing.

Despite this upward trend, the industry faces a major obstacle concerning the elevated costs and supply chain instability of essential battery raw materials, which restricts the potential for cost lowering and mass-market scalability. According to the European Automobile Manufacturers? Association, hybrid-electric vehicles solidified their market presence in 2024 by securing a 30.9 percent share of the new car market in the European Union. While this significant adoption rate emphasizes the technology's vital

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role in shifting toward electrified mobility, manufacturers are still required to manage intricate supply logistics to maintain such growth.

Market Driver

The increasing consumer desire for fuel-efficient mobility serves as a fundamental driver advancing the global hybrid electric powertrain market, especially as purchasers look to offset volatile energy expenses without fully accepting the infrastructure limitations of battery electric vehicles. This heightened interest represents a structural evolution in preference for flexible, low-emission transportation options offering reliable range, rather than a temporary response to fuel prices. Consequently, major automotive OEMs are experiencing significant expansion in their electrified lineups, confirming hybrids as a vital transitional technology. For example, Toyota Motor North America reported in its 'Year-End 2024 U.S. Sales Results' from January 2025 that sales of electrified vehicles rose by 53.1 percent in 2024 over the prior year, underscoring the strong market demand for these powertrains.

Concurrently, accelerated adoption within the commercial and fleet sectors is developing as a major growth path, propelled by total cost of ownership advantages and increasingly rigorous corporate sustainability requirements. Commercial operators are actively incorporating hybrid vans and trucks to manage urban emission zones while ensuring operational uptime that pure electric options cannot always promise due to charging delays. This pattern is reflected in recent registration statistics; the European Automobile Manufacturers' Association reported in October 2025, within its 'New Commercial Vehicle Registrations Q1-Q3 2025', that hybrid van registrations in the European Union rose by 15.1 percent year-over-year. Additionally, emphasizing the global magnitude of this shift, the China Passenger Car Association noted in January 2025 that plug-in hybrid vehicle sales in China increased by 80 percent between January and November 2024, demonstrating the technology's growing prevalence across various market segments.

Market Challenge

The elevated expense and supply chain instability associated with critical battery raw materials pose a significant obstacle to the growth of the global hybrid electric powertrain market. Manufacturers encounter substantial challenges in securing consistent cost reductions because the costs of vital inputs, such as lithium and nickel, are prone to rapid and erratic fluctuations. This volatility hinders automotive companies from deploying the competitive pricing strategies needed to secure the mass market. As

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long as production costs remain unpredictable, manufacturers are unable to assure the affordability necessary to spur widespread consumer adoption, effectively restricting hybrid technology to premium categories rather than wider commercial usage.

Moreover, the intense dependence on intricate international logistics worsens these economic strains. Any interruption in the supply network immediately affects production volumes and operational costs, impeding the industry's capacity to scale operations effectively. This susceptibility is underscored by the sector's reliance on outside sources. As stated by the European Automobile Manufacturers? Association, in 2024, the European automotive industry depended on imports for more than 90 percent of the critical raw materials needed for battery manufacturing. This severe dependency establishes a precarious manufacturing ecosystem where market expansion is perpetually at risk from possible logistical bottlenecks and external supply disruptions.

Market Trends

The proliferation of high-capacity batteries for Extended-Range PHEVs is radically transforming the market by closing the performance divide between standard combustion engines and fully electric platforms. Distinct from traditional plug-in hybrids intended mainly for brief urban trips, this trend emphasizes "electric-first" driving architectures in which the internal combustion engine acts exclusively as an on-board generator to recharge considerably larger battery packs. This transition alleviates consumer range anxiety while preserving the advantages of electric propulsion, resulting in increased adoption of Extended-Range Electric Vehicles (EREVs) as a leading sub-segment. According to CleanTechnica's October 2024 report, 'Extended-Range Electric Car Is Red Hot In China', deliveries of extended-range electric vehicles in China hit 114,000 units in September 2024 alone, securing 10.2 percent of the overall electric vehicle market.

At the same time, the standardization of 48-Volt Mild Hybrid Architectures is developing as a vital strategy for automotive manufacturers to lower fleet-wide emissions without incurring the prohibitive expenses linked to high-voltage electrification. By incorporating compact 48-volt systems into current internal combustion engine designs, OEMs can achieve quantifiable fuel economy gains and smoother stop-start performance, effectively making hybrid technology accessible to mass-market segments. This method enables manufacturers to rapidly scale electrification across varied model ranges, ensuring adherence to stringent environmental rules while preserving affordability for cost-conscious buyers. Underlining the commercial effectiveness of this approach, Reuters reported in July 2024 in the article 'Stellantis ramps up hybrids as demand

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booms' that Stellantis saw sales of its hybrid models in Europe rise by 41 percent in the first half of 2024 relative to the same timeframe the previous year.

Key Market Players

Toyota Motor Corporation

Honda Motor Co., Ltd

Hyundai Motor Group

Ford Motor Company

General Motors Company

Robert Bosch GmbH

Denso Corporation

Continental AG

ZF Friedrichshafen AG

BorgWarner Inc.

Report Scope

In this report, the Global Hybrid Electric Powertrain Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

Hybrid Electric Powertrain Market, By Vehicle Type

Hybrid Vehicles

Plug-in Hybrid Vehicles

Hybrid Electric Powertrain Market, By Component

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India

Japan

Australia

South Korea

South America

Brazil

Argentina

Colombia

Middle East & Africa

South Africa

Saudi Arabia

UAE

Competitive Landscape

Company Profiles: Detailed analysis of the major companies present in the Global Hybrid Electric Powertrain Market.

Available Customizations:

Global Hybrid Electric Powertrain Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

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Detailed analysis and profiling of additional market players (up to five).

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