

Proactive Australia

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Hybrid electric vehicle market to hit \$1.1 billion in 2027

The global market for full hybrid electric vehicles is predicted to hit AU\$1.1 billion by 2027, spurred on by significant sales growth, according to a new report.

IDTechEx, a UK-based market research firm, says the hybrid electric vehicle market is set to see overall increases in 2020 despite the impacts of COVID-19 on the global automotive industry.

Hybrid electric vehicles (HEVs) combine a standard internal combustion engine powered by petrol with an electric propulsion system.

Self-charging hybrids

HEVs are commonly referred to as self-charging hybrids, as they have electric-only driving modes but do not need to be plugged into power to recharge. The Toyota Prius is perhaps the most well-known HEV.

The new report from IDTechEx - 'Full Hybrid Electric Vehicle Markets 2021-2041' - gives a granular breakdown of the HEV market in Japan, Europe, the US, China, and South Korea for cars, buses, trucks, and light commercial vehicles (LCVs) along with their battery and motor-generator technologies with forecasts for the next 20 years.

The authors Dr James Edmondson and Dr David Wyatt say their optimism is based on consumer trends.

"HEVs provide for the consumer that wants reduced fuel consumption and CO2 emissions but isn't completely convinced by the proposition of plug-in vehicles," they say.

"This could be due to the increased cost of battery-electric vehicles (BEVs) and plug-in hybrids (PHEVs), or the potential lack of charging capabilities at their residence. Either way, the HEV presents a good opportunity in the short term for these consumers."

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Europe's car market is expected to see a big drop in sales for 2020 due to COVID-19 related shutdowns. However, the HEV market is expected to continue strong growth.

Battery metals opportunities

The trend represents a significant opportunity for companies exploring for, or producing, metals used in the manufacture of batteries designed to power these vehicles.

Lithium, cobalt, nickel, manganese and aluminium are the most common metals used, as well as graphite, which is a crystalline form of carbon that occurs naturally.

Europe is expected to drive the majority of demand for HEVs, according to IDTechEx, overtaking Japan.

However, as many European governments consider whether to ban traditional vehicles in the coming years as a way of meeting emissions targets, the report says a rapid decline in the market could be on the cards before 2041.

- Daniel Paproth

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