



# MARKET BROKER

## Sector Focus

## Batteries and Energy Storage

The industrial batteries market is expected to reach \$30.8 billion by 2030, rising at a CAGR of 13.2 percent from 2021 to 2030, according to the industrial batteries market report. The worldwide industrial batteries market was estimated at \$9.0 billion in 2020. Industrial battery deployment capacity has increased by 200 percent annually since 2018. Industrial batteries are currently powering a number of end-use applications such as grid storage and uninterrupted power systems, whereas traditional batteries were mostly utilized in one consumer devices during the 1990s and the early 2000s. Industrial batteries are utilized in remote, challenging locations where it is necessary for equipment or devices to be self-powered but where it is difficult or impossible to recharge or replace the batteries. These batteries' primary components are cathode, anode, and electrolyte, with cathode accounting for about 30% of the total cost of the battery. Rechargeable industrial batteries are frequently employed as a power source in various data centers, grid storage facilities, and communication hubs. The industrial batteries most frequently utilized in industrial applications are nickel-, lead-, and lithium-ion batteries.

 *Due to a lack of workers, a shortage of raw materials, and declining demand trends, the COVID-19 pandemic has had a detrimental effect on the market for industrial batteries. For instance, the COVID-19 pandemic has forced top battery producer Exide to divest its production operations in North America in order to survive.* 

Continuous technological developments in the industrial battery sector, rising annual industrial battery deployment capabilities, and strict government restrictions put in place to curb rising pollution are some of the key factors influencing the worldwide industrial battery market trend at the moment. Additionally, the usage of industrial batteries in increasingly more applications, such as forklift power or backup power for data centers and telecom base stations, has a substantial impact on the market growth for industrial batteries. According to data done by the Statistical Review of World Energy in 2020, the yearly use of renewable energy worldwide (including biofuels) increased at an all-time high (3.2 EJ). This was the biggest increase for any energy source in 2019 thus far. Industrial batteries also don't release potentially harmful chemicals like sulfuric acid, which supports environmental sustainability and helps the worldwide industry expand.

Additionally, the expansion of the market is influenced by the depletion of natural resources, the rise in carbon emissions, and ongoing attempts made by the public and private sectors to cut back on fuel use and carbon emissions. Government carbon emission laws are likely to enhance the use of lithium-ion batteries, which will propel the industrial batteries market shares internationally.

Along with developing better equipment and solutions for individual needs, manufacturers also advance technology and fuel economy to lower operating costs and improve battery productivity in industrial settings. Due to these needs, there is now more demand for industrial batteries used in equipment manufacture. Since the global industrial batteries market is predicted to grow quickly, offering plenty of chances over the forecast period, the majority of industrial battery manufacturers are working with battery raw material suppliers to boost the supply of battery raw materials.

However, throughout the anticipated period, the market expansion for industrial batteries is likely to be constrained by the high cost of lithium-ion batteries. The cost of a lithium-ion battery is 805.3 USD/KWh, whereas the cost of a lead-acid battery is 172.6 USD/KWh, according to PowerTech Systems, which manufactures, distributes, exports, and imports a wide variety of frequency inverters, AC drives, and VFDs. Due to a drop in usage across a variety of applications, the size of the global market for industrial batteries has been constrained. Due to the regional concentration of raw materials for industrial batteries, metal deposits in nations like China and the DRC raise the possibility of supply shortages in the event of any export restrictions.

### **Up to 2030, lithium-ion batteries are expected to offer plenty of financial opportunities**

The market for industrial batteries is segmented into three types: lead-based, nickel-based, and lithium-ion batteries (including those made of lithium cobalt oxide, lithium magnesium oxide, and lithium titanite). Applications for industrial batteries include grid storage, energy, equipment, telecom & data communication, uninterruptible power supplies (UPS), and others (railways, utility, and security).

In 2020, Asia-Pacific held the biggest market share due to the rising industrialisation of China and India as well as the existence of manufacturing facilities.

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