Charging Ahead: Battery Market to Hit $51B by 2013

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Electric car makers and clean energy developers can't take all the credit for a battery boom, but they have earned a nod from analysts for their potential to boost an industry already on the rise. According to new research from SBI Reports, the market for rechargeable batteries could grow to $51 billion by 2013, up from $36 billion in 2008, driven largely by demand for portable electronics and power tools — and helped along by expanded hybrid and plug-in hybrid vehicle production and large-scale renewable energy projects.

Lithium-ion batteries, in particular, stand to make big gains over the next several years — if research efforts pan out. According to SBI:

> *Lithium-ion is the battery chemistry of choice for future generations of portable electronics and hybrid and plug-in hybrid electric vehicles. In 2008, lithium-ion battery research had more funding than all other battery technologies combined. Nanotechnology and chemistry advances in electrode design are the key research topics that companies are using to push lithium-ion to be the dominant energy storage technology in the future.*

Today's forecast from SBI comes on the heels of a roadmap for advances in lithium-ion batteries for plug-in hybrid and electric cars from government agency dedicated to promoting energy-efficiency and renewables R&D in Japan, where some of the world's largest battery makers are based. Called the New Energy and Industrial Technology Organization, or NEDO, the agency unveiled late last week an ambitious target to lower the cost-per-kilowatt hour for lithium-ion battery packs by half in 2010, according to a report from the Nikkei publication Tech-On.

As for ultracapacitor companies like EEStor, the next five years don't look particularly hot, in the view of SB analysts:

> *There are other possibilities on the energy storage horizon such as ultracapacitors and fuel cells. But the reality of the next five years is that rechargeable batteries will continue to be the energy storage system of choice for portable electronics and power tools, as well expand new markets in motor vehicles and large scale renewable energy systems.*