

# Engineering Export-Import Monitor

DECEMBER 2024



*Engineering The Future*

**EEPCINDIA**  
ENGINEERING THE FUTURE

**ENGINEERING TRADE ANALYSIS FOR DECEMBER 2024**

**India's engineering exports registered year-on-year growth for eighth straight month to December 2024**

Trade Flow	Export figures (in US\$ billion)				Growth (%)	
	Dec-2023	Dec-2024	Apr - Dec 2023-24	Apr – Dec 2024-25	Dec-2024 over Dec-2023	Apr-Dec 2024-25 over Apr-Dec 2023-24
Engineering exports	10.01	10.84	79.33	87.21	8.35%	9.94%
Overall merchandise exports	38.39	38.01	316.65	321.71	-0.99%	1.60%
Share of engineering (%)	26.07%	28.53%	25.05%	27.11%	---	---
Service Exports	31.63	32.66	251.71	280.94	3.26%	11.61%

**Source:** Compiled from data by DGCI&S and Quick Estimates published by the Government of India.

Indian engineering exports continued its growth run for the eighth straight month to December 2024 but growth rate moderated to 8.35 percent from 13.72 percent in November 2024 on a year-on-year basis. This growth, like previous months was driven by exceptionally high growth in exports of Aircraft, spacecraft and parts. Among the other major product groups, 'Electric Machinery' and 'Medical and Scientific Instruments' witnessed good growth while 'Products of Iron and Steel' and 'Motor vehicles/cars' managed decent growth. On the flipside, exports of 'Ships, Boats and Floating Structures' conceded sharp fall in year-on-year shipment while 'Iron and Steel' also recorded noticeable decline in year-on-year exports during December 2024 after achieving decent growth in the last couple of months. Among the destination regions, significant export growth was noted in South Asia, Other Europe, Sub-Saharan Africa, Latin American region and WANA in December 2024. Country-wise, USA remained the largest export destination while maximum increase in engineering exports was noted in France, Saudi Arabia, South Africa and Sri Lanka on a year-on-year basis.



## HIGHLIGHTS

- Indian engineering exports continued its growth run for the eighth straight month to December 2024 but year-on-year growth moderated further to 8.35 percent as against 13.72 percent in November 2024.
- December is the second month in fiscal 2024-25 after October when India's engineering exports crossed USD 10 billion, but a high base effect pulled down the growth as shipment was also above USD 10 billion in December 2023. In December 2024, engineering exports was recorded at USD 10,842.88 million as against USD 10,007.56 million during the same month last fiscal.
- On a cumulative basis, growth in engineering exports is spiraling up. Engineering exports during April-December 2024-25 is recorded at USD 87,214.23 million as against USD 79,329.49 million during the same period of the last fiscal, registering an increase of 9.94 percent. During April-November 2024-25, year-on-year growth in cumulative engineering exports was at a lower 8.87 percent.
- According to the Quick Estimates of Department of Commerce, Government of India, share of engineering in India's total merchandise exports was recorded at 28.53 percent in December 2024 as against a lower 26.07 percent in December 2023. The share was recorded at 27.71 percent in November 2024 and 28.72 percent in October 2024. On a cumulative basis, the share is recorded at 27.11 percent during April-December 2024-25.
- In December 2024, 24 out of 34 engineering panels witnessed positive year-on-year growth. While 10 engineering panels including Iron and Steel, Copper and products, Aluminium and products, Industrial Boilers, Industrial Machinery for dairy, Machine Tools, Ships and Boats, Cranes, Lifts and Winches and Office Equipments witness decline in exports during December 2024 vis-à-vis December 2023.
- On a cumulative basis, 27 out of 34 engineering panels recorded positive growth and remaining 7 engineering panels including Iron and Steel, some non-ferrous sectors including Copper, Aluminium and Zinc products, Office Equipment and Mica Products recorded negative growth during April-December 2024-25.
- Region wise, for the first time, WANA came in the top with a share of 20.8% followed by North America (19.1%) and EU (17.1%) in December 2024. Significant export growth was noted in South Asia (54%), Other Europe (18.7%), SSA (18.2%), LAC (18.2%) and WANA (16.4%) in December 2024. In cumulative terms, all regions experienced growth barring Oceania (-12.5%)
- Country-wise, USA remained the top destinations followed by Saudi Arabia and UAE in December 2024 while maximum increase was noted in France (145%), Saudi Arabia (88%), South Africa (43%) and Sri Lanka (118%).
- In cumulative terms too USA remained the number one destination. Significant export growth was noted in UAE, Saudi Arabia, France, UK and Mexico.

**Overall Engineering Exports vs Engineering Exports Excluding Steel Segment**  
(Values in USD Million)

Trade Flow	Export in Dec 2023	Exports in Dec 2024	Growth (%)	Exports in Apr-Dec 2023-24	Exports in Apr-Dec 2024-25	Growth (%)
Overall engineering exports	10007.56	10842.88	8.35	79329.49	87214.23	9.94
Engineering exports excluding Iron and Steel	9022.41	10039.51	11.27	80214.17	27.69	13.27

**Source:** DGCI&S, Govt. of India

**Observation:** Excluding the export of iron and steel, engineering exports recorded a higher year-on-year growth both on a monthly as well as cumulative basis as exports of Iron and Steel declined on both estimates. In December 2024 exports of Iron and Steel declined by 18.45 percent while on a cumulative basis, the decline was 17.75 percent during April-December 2024-25.

**ENGINEERING EXPORTS: MONTHLY TREND**

The monthly engineering figures for 2024-25 vis-à-vis 2023-24 are shown below as per the latest DGCI&S estimates:

**Table 1: Engineering Exports: Monthly Trend in 2024-25**

Values in US\$ million

Month	2023-24	2024-25	Growth (%)
<b>April</b>	8949.36	8547.86	-4.49
<b>May</b>	9300.62	9991.25	7.43
<b>June</b>	8515.72	9389.75	10.26
<b>April-June</b>	<b>26765.71</b>	<b>27928.87</b>	<b>4.35</b>
<b>July</b>	8720.30	9039.68	3.66
<b>August</b>	9048.65	9434.06	4.26
<b>September</b>	8886.54	9822.44	10.53
<b>July-September</b>	<b>26655.49</b>	<b>28296.18</b>	<b>6.16</b>
<b>October</b>	8078.48	11250.85	39.27
<b>November</b>	7822.25	8895.45	13.72
<b>December</b>	10007.56	10842.88	8.35
<b>October-December</b>	<b>25908.29</b>	<b>30989.18</b>	<b>19.61</b>
<b>April-December</b>	<b>79329.49</b>	<b>87214.23</b>	<b>9.94</b>

**Source:** DGCIS, Govt. of India

## TOP 25 ENGINEERING EXPORT DESTINATIONS IN DECEMBER 2024

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during December 2024 over December 2023 as well as in cumulative terms during April-December 2024-25 vis-à-vis April-December 2023-24. The data clearly shows that top 25 countries contribute 75.3% of total engineering exports.

**Table 2: Engineering exports country-wise**

US\$ Mn.

Country	Dec-23	Dec-24	Growth (%)	Apr'23 - Dec'23	Apr'24 - Dec'24	Growth (%)
U S A	1572.82	1647.30	5%	13007.52	13975.89	7%
SAUDI ARAB	489.82	920.32	88%	3580.31	4472.76	25%
U ARAB EMTS	908.42	750.39	-17%	4336.43	6256.18	44%
U K	295.38	389.77	32%	2651.04	2909.49	10%
FRANCE	138.57	338.85	145%	1530.47	1867.82	22%
GERMANY	344.19	335.56	-3%	3039.86	3130.79	3%
MEXICO	280.55	319.00	14%	2411.64	2671.59	11%
CHINA P RP	261.55	251.62	-4%	1905.25	2002.90	5%
SOUTH AFRICA	168.29	240.38	43%	1653.34	1861.46	13%
ITALY	337.77	232.70	-31%	2685.33	2274.14	-15%
JAPAN	202.25	213.69	6%	1381.38	1754.50	27%
SINGAPORE	377.67	212.86	-44%	2465.54	3766.01	53%
BANGLADESH PR	173.26	205.68	19%	1651.55	1580.86	-4%
NEPAL	150.29	200.76	34%	1607.37	1659.57	3%
TURKEY	233.09	194.54	-17%	2088.16	2345.94	12%
BRAZIL	184.88	185.49	0%	1518.24	1666.77	10%
SRI LANKA DSR	84.82	184.92	118%	674.88	859.87	27%
SPAIN	128.43	179.06	39%	1084.68	1068.33	-2%
THAILAND	179.28	167.16	-7%	1395.41	1481.77	6%
NETHERLAND	147.40	165.43	12%	1432.71	1411.15	-2%
MALAYSIA	238.69	163.15	-32%	1469.65	1155.39	-21%
KOREA RP	199.59	158.65	-21%	2003.77	1920.32	-4%
INDONESIA	127.75	141.32	11%	1948.12	1554.90	-20%
VIETNAM SOC REP	114.23	134.60	18%	884.05	1087.47	23%
CANADA	108.19	107.82	0%	872.13	914.35	5%

Country	Dec-23	Dec-24	Growth (%)	Apr'23 - Dec'23	Apr'24 - Dec'24	Growth (%)
Total engineering exports to the top 25 countries	7447.18	8041.02	8%	59278.83	65650.22	11%
India's total engineering exports	10007.56	10842.8	8.3%	79329.49	87214.23	9.9%
Share % of Top 25 destinations	74.4%	74.2%		74.7%	75.3%	

Source: DGCI&S

## REGION WISE INDIA'S ENGINEERING EXPORTS

The following table depicts region wise India's engineering exports for April-December 2024 as compared to April-December 2023

**Table 3: Region wise engineering exports in April-December 2024-25 vis-à-vis April-December 2023-24**

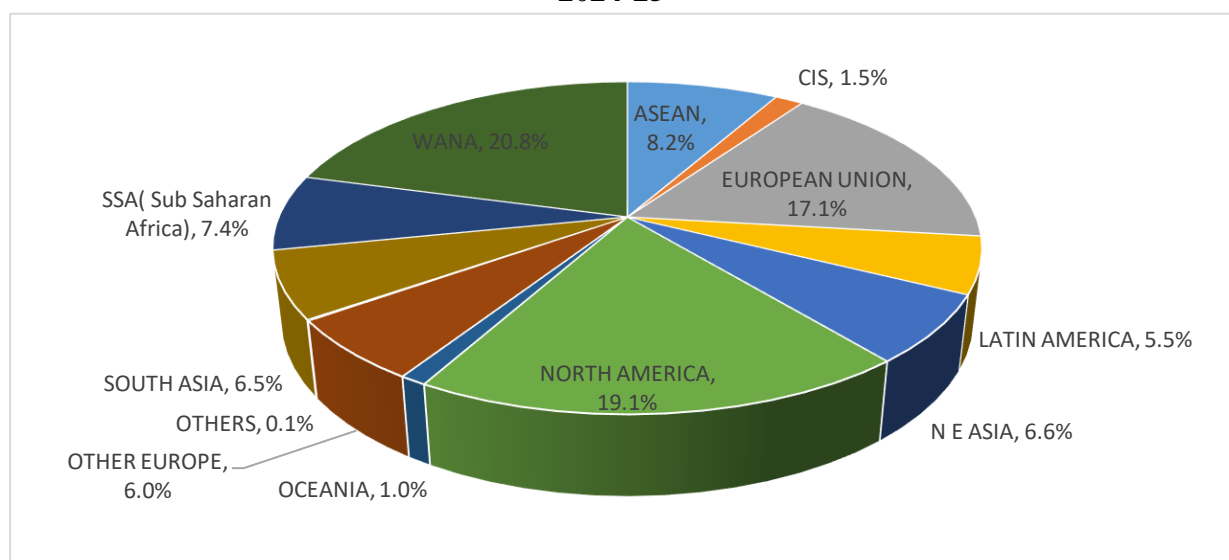
US\$ Mn

Region	Dec-23	Dec-24	Growth (%)	Apr'23 - Dec'23	Apr'24 - Dec'24	Growth (%)
WANA	1940.08	2257.31	16.4%	11765.50	14789.45	25.7%
NORTH AMERICA	1961.55	2074.13	5.7%	16291.29	17561.83	7.8%
EUROPEAN UNION	1753.98	1851.91	5.6%	14429.35	14961.78	3.7%
ASEAN	1110.91	893.08	-19.6%	8780.69	9770.25	11.3%
SSA( Sub Saharan Africa)	675.98	799.22	18.2%	5999.59	6263.80	4.4%
N E ASIA	748.68	720.88	-3.7%	5961.60	6409.92	7.5%
SOUTH ASIA	458.14	705.61	54.0%	4365.39	4795.82	9.9%
OTHER EUROPE	552.65	653.46	18.2%	4997.63	5654.74	13.1%
LATIN AMERICA	501.57	595.47	18.7%	4322.22	4560.25	5.5%
CIS	147.10	166.50	13.2%	1226.46	1381.47	12.6%
OCEANIA	155.59	112.86	-27.5%	1171.22	1024.29	-12.5%
OTHERS	1.34	12.45	829.5%	18.57	40.65	119.0%
Grand Total	10007.56	10842.88	8.3%	79329.49	87214.23	9.9%

Source: DGCI&S

Note: Myanmar has been included in ASEAN and not in South Asia, since ASEAN is a formal economic grouping.

**Figure 1: Region-wise shares of India's engineering exports during April-December 2024-25**



Source: DGCI&S

## PANEL WISE INDIA'S ENGINEERING EXPORTS

In this section we look at the Engineering Panel wise exports for the month of December 2024 vis-à-vis December 2023 as well as the cumulative exports for **April-December 2024-25 vis-à-vis April-December 2023-24**. These are indicated in the tables below.

**Table 4: Panel-wise Export Analysis for April-December 2024-25 vis-à-vis April-December 2023-24**

Product panels	December 2023	December 2024	Growth (%)	April-December 2023-24	April-December 2024-25	Growth (%)
<b>Ferrous</b>						
Iron and Steel	985.1	803.4	-18%	8511.0	7000.1	-18%
Products of Iron and Steel	884.1	933.0	6%	7269.5	7402.8	2%
<b>Sub Total</b>	<b>1869.2</b>	<b>1736.3</b>	<b>-7%</b>	<b>15780.5</b>	<b>14402.8</b>	<b>-9%</b>
<b>Non-ferrous</b>						
Copper and products	268.6	236.9	-12%	1870.7	1715.8	-8%
Aluminium and products	647.0	625.7	-3%	5354.3	5069.0	-5%
Zinc and products	73.5	80.6	10%	576.0	557.8	-3%
Nickel and products	10.9	15.7	43%	125.6	134.6	7%
Lead and products	80.2	92.4	15%	540.6	663.5	23%

Product panels	December 2023	December 2024	Growth (%)	April-December 2023-24	April-December 2024-25	Growth (%)
Tin and products	1.1	2.3	112%	11.3	17.2	51%
Other Non-Ferrous Metals	64.0	72.2	13%	552.6	637.2	15%
<b>Sub Total</b>	<b>1145.3</b>	<b>1125.8</b>	<b>-2%</b>	<b>9031.2</b>	<b>8794.9</b>	<b>-3%</b>
<b>Industrial Machinery</b>						
Industrial Machinery like Boilers, parts, etc.	65.7	56.6	-14%	533.1	612.2	15%
IC Engines and Parts	316.8	354.6	12%	2713.9	2813.0	4%
Pumps of all types	112.0	142.6	27%	1017.4	1160.9	14%
Air condition and Refrigerators	156.8	171.2	9%	1249.1	1405.6	13%
Industrial Machinery for dairy, food processing, textiles etc.	737.2	713.2	-3%	5992.3	6075.0	1%
Machine Tools	85.2	64.6	-24%	576.1	587.6	2%
Machinery for Injecting moulding, valves and ATMs	218.3	262.8	20%	1840.3	2062.0	12%
<b>Sub Total</b>	<b>1692.0</b>	<b>1765.6</b>	<b>4%</b>	<b>13922.3</b>	<b>14716.2</b>	<b>6%</b>
<b>Electrical Machinery</b>						
<b>Electrical Machinery</b>	1063.1	1242.2	17%	9154.7	10589.6	16%
<b>Automobile and auto component</b>						
Motor Vehicle/cars	737.2	789.8	7%	6334.4	6689.0	6%
Two and Three Wheelers	254.7	292.5	15%	1993.1	2382.5	20%
Auto Components/Part	687.8	696.2	1%	5676.1	6081.4	7%
Auto Tyres and Tubes	263.7	282.5	7%	2091.4	2288.0	9%
<b>Sub Total</b>	<b>1943.4</b>	<b>2060.9</b>	<b>6%</b>	<b>16095.0</b>	<b>17441.0</b>	<b>8.4%</b>
<b>Aircrafts and related products</b>						
Aircrafts and Spacecraft parts and products	<b>505.3</b>	<b>1262.6</b>	150%	<b>1568.8</b>	<b>5755.0</b>	267%
<b>Ships Boats and Floating products and parts</b>						
Ships Boats and Floating products and parts	<b>508.3</b>	<b>252.0</b>	-50%	<b>2855.6</b>	<b>3724.7</b>	30%
<b>Miscellaneous engineering products</b>						
Medical and Scientific instruments	228.5	257.8	13%	1809.0	2066.6	14%
Railway Transport	28.8	48.4	68%	243.1	282.5	16%
Hand Tools & Cutting Tools	75.2	88.1	17%	684.1	767.2	12%
Bicycle & Parts	31.1	36.6	18%	267.6	290.2	8%
Cranes Lifts & Winches	114.4	84.9	-26%	779.2	814.1	4%



Product panels	December 2023	December 2024	Growth (%)	April-December 2023-24	April-December 2024-25	Growth (%)
Office Equipment	27.9	25.0	-10%	249.4	218.4	-12%
Other Construction Machinery	237.3	244.3	3%	2214.4	2233.8	1%
Prime Mica & Mica Products	3.5	2.5	-28%	28.8	23.0	-20%
Project Goods	0.0	0.4	832%	2.2	2.0	-6%
Other Rubber Product Except Footwear	145.7	152.2	4%	1239.3	1317.6	6%
Other Misc. Items	388.4	457.3	18%	3404.5	3774.7	11%
<b>Total engineering exports</b>	<b>10007.6</b>	<b>10842.9</b>	<b>8.3%</b>	<b>79329.5</b>	<b>87214.2</b>	<b>9.94%</b>

### Reasons for Decline (As per April-December 2024-25):

#### Iron and Steel :- Insights

- During April-December 2024-25, India's exports of Iron and Steel deteriorated by 18% vis-à-vis same period last fiscal, while Products of Iron and Steel witnessed growth for the third consecutive month to the extent of 2% during the same period, after continuous decline for many months.
- India's exports of steel, spanning products in the flats and longs segments, fell by 6% y-o-y in CY'24 to around 7.6 million tonnes (mnt) from over 8 mnt in the preceding calendar year, as per BigMint. Finished flat steel exports, comprising over 82% of total exports, dropped around 6% y-o-y to 6.3 mnt from around 6.7 mnt in CY'23. Exports of semi-finished products such as billets and slabs stood roughly at 746,000 t compared with 858,000 t in CY'23. However, exports of finished longs remained largely flat at around 580,000 t.
- The European Union (EU) remained the top destination for Indian steel exports, largely flat products, with total shipments inching up slightly y-o-y in CY'24. Nepal, the US and the UAE were the other major export destinations, although total volumes showed a declining trend due to a plethora of domestic and global factors.
- The global steel market remained oversupplied in CY'24, with Chinese steel exports rising to a multi-year high of over 110 million tonnes (mnt). China's presence was overbearing in India's traditional export markets such as Vietnam. Indian suppliers found it difficult to compete with Chinese offers. Chinese hot rolled coil (HRC) prices to Vietnam were lower by around \$30/t compared with Indian prices in CNF terms in CY'23, which widened to over \$60/t in CY'24. Overall, Indian HRC export prices were around \$60/t higher than Chinese FOB prices in CY'24.
- India utilised only 3% of its HRC quota for the October-December quarter for steel exports to the EU which were hit by weak demand and the EU's anti-dumping probe launched in August.

The European Commission started registering all HRC imports from Egypt, India, Japan and Vietnam, paving the way for a potential retroactive application of anti-dumping duties.

Vietnam launched anti-dumping investigations against HRC exports from China and India in August.

Malaysia's trade ministry has also imposed provisional anti-dumping duties on flat-rolled steel products from India and other countries.

- f) On the other hand, possible implementation of a safeguard duty in India is likely to rein in steel imports and impact the domestic prices.

- ***Non- Ferrous Sector (Copper, Aluminium)***

#### **Copper:**

- a) The major reason behind dwindling copper export is the increasing demand in the domestic market – India's domestic production is not sufficient to cater to its domestic needs and India already depends on imports for more than 30% of its refined copper need
- b) The Ministry of Mines projects that the demand for copper in India, particularly from the EV sector, will increase by 1.7 million tonnes by 2027. The per capita copper consumption in India is also expected to rise from the current level of 0.6 kg to 1 kg in the coming years.
- c) Closure of Vedanta's Sterlite copper plant has also impacted the domestic supply of copper

#### **Aluminium**

The decline in aluminium exports is noted mainly in the RCEP region including Japan (-41.6%), South Korea (-39%), Malaysia (-85.2%), China (-65%), Taiwan (-20%) – this decline may be attributed to massive expansion of aluminium smelting capacity in Malaysia and Indonesia in the last year and also an increase in intra-RCEP trade – as per our members Indonesia has been on an expansion spree to manufacture Primary Aluminium with capacity expansion from 261 KTPA to 636 KTPA from 2018 to 2023 and plans to expand even further to 1.5 MTPA by 2027. Malaysia has increased its production capacity of Primary Aluminium from 760 KTPA to 1.1 MTPA from 2018 to 2023.

#### **Industrial Machinery like Boilers, parts, etc.**

The decline was majorly noted in USA, UAE and Saudi Arabia, which also are the most prominent export destinations

#### **Machine tools**

Massive decline noted in exports to USA and Russia

## ENGINEERING EXPORTS – STATE-WISE ANALYSIS

### State wise engineering export performance

The table below indicates the exports from top Indian states. It is evident from the table that almost 94.6 % of India's exports is contributed by the listed 12 states. Within this almost 56.9 percent of exports is done by Maharashtra, Tamil Nadu and Gujarat together.

**Table 5:Top state wise engineering export performance – April-November 2024-25**

US\$ Million

Top States	April-November 2023-24	April-November 2024-25	Growth %	%Share in India's Eng Export	Remark
Maharashtra	14636.1	14616.5	-0.1%	22.3%	<b>94.6 % share covered by top 12 states</b>
Tamil Nadu	11085.3	11634.9	5.0%	17.8%	
Gujarat	9356.3	11014.7	17.7%	16.8%	
Telangana	1244.1	4866.9	291.2%	7.4%	
Karnataka	4347.5	4625.7	6.4%	7.1%	
Odisha	4384.1	3903.3	-11.0%	6.0%	
Andhra Pradesh	3300.7	3215.6	-2.6%	4.9%	
Uttar Pradesh	2732.7	2838.9	3.9%	4.3%	
West Bengal	2085.9	2251.4	7.9%	3.4%	
Madhya Pradesh	1187.7	1260.1	6.1%	1.9%	
Rajasthan	2097.3	917.9	-56.2%	1.4%	
Daman & Diu And Dadra & Nagar Haveli	962.0	821.8	-14.6%	1.3%	

Source: NIRYAT portal

- Top 12 states constitute over 94.6 % of India's engineering Exports. Karnataka deteriorated in its performance dropping down to 5<sup>th</sup> position, Telangana moved up the order to 4<sup>th</sup> position, Odisha maintaining its 6<sup>th</sup> position, while Daman and Diu moved up to 12<sup>th</sup> position and Haryana moved further down to 13<sup>th</sup> position during the fiscal April-November 2024-25 compared to the same period last fiscal.
- Major negative growth witnessed in states like Maharashtra, Odisha, Andhra Pradesh, Rajasthan and Daman and Diu during April-Nov 2024-25 compared to the same period last fiscal.
- Maharashtra being the highest state in terms of Engineering Goods exports is leading by US\$ 2981.6 million from Tamil Nadu(Second Highest State) for the period of April-Nov 2024-25

### India's Region wise engineering exports

In terms of region, western region which includes industrial states like Maharashtra and Gujarat is the front runner in terms of exports with 39.1 percent share. Tamil Nadu from the Southern Region has retained its export performance and it ranked second after Maharashtra, while Gujarat and Telangana ranked third and fourth during April-November 2024-25.

**Table 6: Region wise exports from India**

Value in US\$ million

Region	April-Nov 2023-24	April-Nov 2024-25	Growth%
EASTERN REGION	7704.9	7287.1	-5.4%
NORTHERN REGION	14689.0	5250.1	-64.3%
SOUTHERN REGION	20739.1	25010.6	20.6%
WESTERN REGION	26342.3	27986.2	6.2%

Source: NIRYAT portal

*Note: The total engineering exports given in the above table is taken from NIRYAT as per the latest available data and may not tally with the total engineering exports as given by DGCIS. ( Updated till November 2024)*

### **CORRELATION BETWEEN MANUFACTURING PRODUCTION AND ENGINEERING EXPORTS**

Engineering forms a considerable part of the broader manufacturing sector and the share of engineering production in overall manufacturing output is quite significant. As exports generally come from what is produced within a country, some correlation between manufacturing production growth and engineering export growth should exist. We briefly look at the trend in manufacturing growth as also engineering export growth to see if they move in tandem. It may be mentioned that manufacturing has 77.63% weightage in India's industrial production.

**Engineering export growth and manufacturing output growth moved in the same direction in as many as nine out of twelve months in each of the fiscal years 2019-20 and 2020-21. During fiscal 2021-22, engineering export growth and manufacturing growth moved in the same direction in seven out of twelve months while in each of fiscal 2022-23 and 2023-24, as many as 10 out of 12 months saw engineering exports and manufacturing output moved in the same direction.**

The first two month of fiscal 2024-25 also saw manufacturing output growth and engineering exports growth moving in the same direction. April 2024 saw engineering exports declined from a growth in Mar 2024 and manufacturing output growth decelerated. The month of May 2024 witnessed just the opposite. Engineering exports bounced back to growth path and manufacturing output growth accelerated. Then June, July and August 2024 however saw both moved in the opposite direction. June and August 2024 saw higher engineering export growth but lower manufacturing growth in comparison to the previous month while July 2024 just witnessed the reverse. September and October 2024 again saw both moving in the same direction by securing acceleration in growth. November 2024 however saw slowdown in engineering export growth but faster manufacturing growth vis-à-vis October 2024.

The link between these two may not be established on a monthly basis, but a positive correlation may be seen if medium to long term trend is considered.



**Table 7: Engineering exports growth vis-à-vis manufacturing growth from April 2022**

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
April 2023	-7.52	5.5
May 2023	-4.25	6.3
June 2023	-11.12	3.5
July 2023	-6.91	5.3
August 2023	7.66	10.0
September 2023	6.50	5.1
October 2023	6.99	10.6
November 2023	-3.48	1.3
December 2023	9.82	4.6
January 2024	4.20	3.6
February 2024	15.90	4.9
March 2024	10.66	5.9
April 2024	-4.49	4.2
May 2024	7.43	5.1
June 2024	10.26	3.5
July 2024	3.66	4.7
August 2024	4.26	1.2
September 2024	10.53	3.9
October 2024	39.27	4.4
November 2024	13.72	5.8

(Source: Department of Commerce and CSO)

## IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during November 2024 and what was the recent trend in Re-Dollar movement? In order to get a clearer picture of the recent Re-Dollar trend, not only we took the exchange rate of November 2024, but also considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 2023-24 and 2024-25 till October 2024 as per the latest data published, as mere one-month figure does not reflect any trend. The following two tables clearly depicts the short-term trend:

**Table 8: USD-INR monthly average exchange rate in 2024-25 vis-à-vis 2023-24**  
(As per latest data released by FBIL)

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2023-24	2024-25				
April	82.02	83.41	1.69	Depreciation	0.49	Depreciation
May	82.34	83.39	1.28	Depreciation	-0.02	Appreciation
June	82.23	83.47	1.51	Depreciation	0.10	Depreciation
July	82.15	83.59	1.75	Depreciation	0.14	Depreciation
August	82.79	83.89	1.33	Depreciation	0.36	Depreciation
September	83.05	83.81	0.92	Depreciation	-0.10	Appreciation
October	83.24	84.02	0.94	Depreciation	0.25	Depreciation
November	83.30	84.36	1.27	Depreciation	0.40	Depreciation
December	83.28	84.99	2.05	Depreciation	0.75	Depreciation

**Rupee continued to weaken vis-à-vis the US Dollar in the new fiscal 2024-25 on a year-on-year basis and also on a month-on-month basis in December 2024.**

**Rupee in 2024:** The Indian Rupee faced continuous depreciation vis-a-vis the US dollar and reached its lifetime low below 85 level in 2024. As per Reuters, Rupee has conceded seventh straight year of depreciation against the greenback in as it ended the year 2024 with a 2.8% drop. While the reasons behind strengthening of US Dollar in 2024 were manifold including US Fed's measured approach on rate cuts and victory of Donald Trump as US President in the last quarter of 2024, the Indian currency fared better than many of its Asian peers that declined between 3% and 12% vis-à-vis the US Dollar.

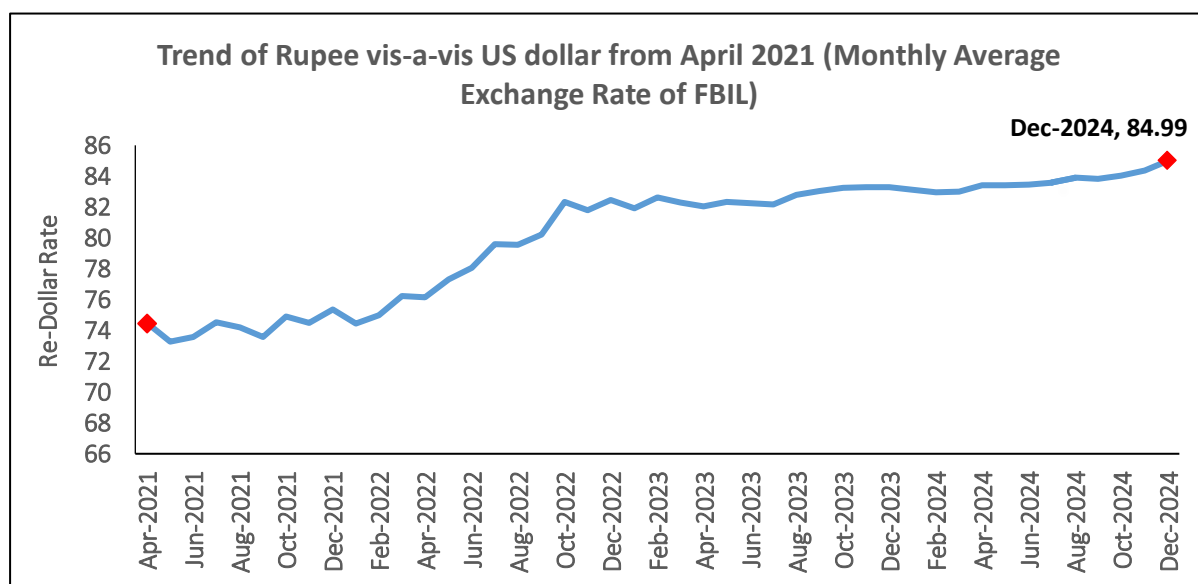
**Outlook:** The weakening of rupee vis-à-vis the US Dollar is apprehended to persist at least in the first few months of 2025 in absence of any new turn in global economic direction.

**Table 9: USD-INR monthly average exchange rate in 2023-24 vis-à-vis 2022-23**  
(As per latest data released by FBIL)

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2022-23	2023-24				
April	76.17	82.02	7.68	Depreciation	-0.33	Appreciation
May	77.32	82.34	6.49	Depreciation	0.39	Depreciation
June	78.04	82.23	5.37	Depreciation	-0.13	Appreciation

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2022-23	2023-24				
July	79.60	82.15	3.20	Depreciation	-0.10	Appreciation
August	79.56	82.79	4.06	Depreciation	0.78	Depreciation
September	80.23	83.04	3.50	Depreciation	0.30	Depreciation
October	82.34	83.24	1.09	Depreciation	0.24	Depreciation
November	81.81	83.30	1.82	Depreciation	0.07	Depreciation
December	82.46	83.28	0.99	Depreciation	-0.02	Appreciation
January	81.90	83.12	1.49	Depreciation	-0.19	Appreciation
February	82.61	82.96	0.42	Depreciation	-0.19	Appreciation
March	82.29	83.00	0.86	Depreciation	0.05	Depreciation

**Fig 2: Trend of Rupee vis-a-vis US dollar from April 2020 (Monthly Average Rate of FBIL has been considered)**



## ANALYSIS OF INDIA'S ENGINEERING IMPORTS

India's Engineering imports during December 2024 were valued at US\$ 13246.6 million compared to US\$ 13003.8 million in December 2023 registering a positive growth of 1.9 percent in dollar terms. Iron & Steel, Non-Ferrous metals Transport equipment witnessed a decline in import during December 2024 compared to December 2023. While other panels registered positive growth over the same period.

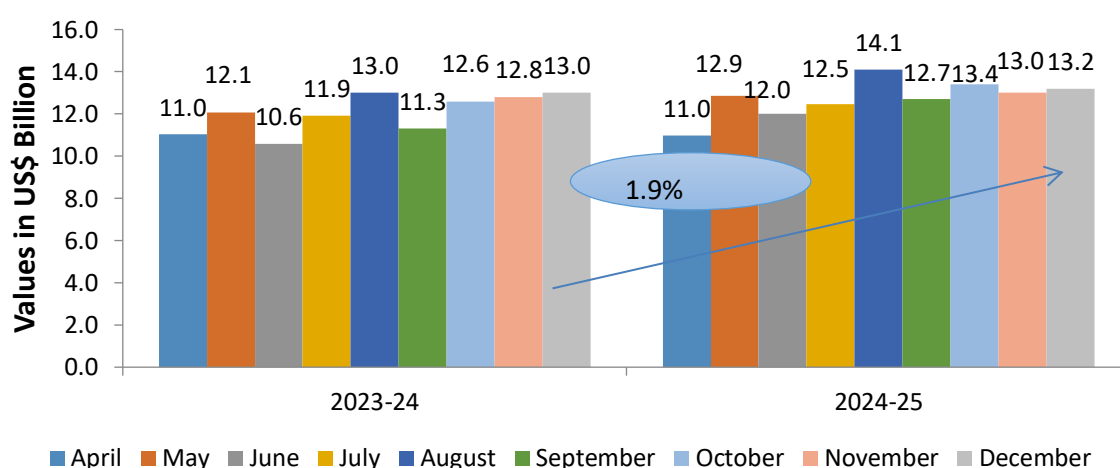
The share of engineering imports in India's total merchandise imports in December 2024 was estimated at 22.1 percent, lower than that of December 2023 which was estimated at 22.8 %. The figure below depicts engineering imports **for December 2024 compared to December 2023**.

**Table 10: India's engineering imports in April-December 2024-25 vis-à-vis April-December 2023-24**

Values in US\$ MN	December '23	December '24	Growth %	April-December '23	April-December '24	Growth %
India's Engineering Imports	13003.8	13246.6	1.9%	108360.4	114769.5	5.9%

Source: Quick Estimates, MoC

**Fig 3: Monthly Engineering Imports for April-December 2024-25 vis-a-vis April-December 2023-24**



Source: EEPC India analysis

## TREND IN ENGINEERING TRADE BALANCE

We now present the trend in two-way yearly trade for the engineering sector for the 2024-25 depicted in the table below:

**Table 11: Monthly Trend in Engineering Trade Balance for the current FY 2024-25 (US\$ Billions)**

Trade Flow	Apr	May	June	July	August	September	October	November	December
Engineering Export	8.7	10.0	9.4	9.0	9.4	9.8	11.2	8.9	10.8
Engineering Import	11.0	12.9	12.0	12.5	14.1	12.7	13.4	13.0	13.2



Trade Flow	Apr	May	June	July	August	September	October	November	December
Trade Balance	-2.3	-2.9	-2.6	-3.5	-4.7	-2.9	-2.2	-4.1	-2.4

Source: DGCI&S, EEPC India Analysis

## CONCLUSION

India's engineering exports continued its stellar performance for the seventh straight month although monthly growth moderated to 8.35 percent in December 2024. On cumulative basis the growth reached 9.94 percent. Like previous months, exports in aircrafts, spacecrafts and parts recorded tremendous growth of 150 percent. Growth was also noted in industrial machinery, electrical machinery, automobiles and auto components, medical devices, etc.

While the growth continues, the global trade trends are not very stable as per UNCTAD's recent report – The upcoming global trade trends will be largely impacted by protective measures by the developed nations especially the USA and the threat of possible trade wars. The rate of growth of global merchandise trade has already slowed down compared to the services trade in 2024. Therefore there is significant concern of uncertainty among global players

In this context, India should diversify their presence in new markets especially those in Latin America, Africa and even Oceania. For this purpose, it is important that Indian exporters get proper support from the government to continue to advertise Brand India in global markets and showcase India's expertise in various global exhibitions. Simultaneously while we support a self-reliant India, often imports become necessary for domestic markets as well as exports especially in cases where there is no sufficient domestic availability. While we also oppose import of cheaper raw materials, we also urge the government to provide support to our exporters for importing critical raw materials. Price of domestically available raw materials should also be rationalised to cater to the exporter's demand. Another important factor where more focus should be given is export logistics since our analysis found that in many markets Indian products become uncompetitive due to high logistics cost.



## ENGINEERING PRODUCT PANELS – COUNTRY-WISE ANALYSIS

We now analyze the performance of some of the important products for the fiscal April-December 2024-25 vis-à-vis April- December 2023-24. We have taken the major panels and computed the top importers to get an idea of the current trade pattern.

### Engineering Product Panel - Country matrix

Value in USD million

Product panels	Top 5 nations	Apr-Dec 2023-24	Apr-Dec 2024-25	Growth
Iron and Steel	ITALY	1237.8	830.0	-33%
	NEPAL	623.9	578.5	-7%
	UAE	468.7	514.1	10%
	U K	278.9	426.5	53%
	BELGIUM	475.2	401.4	-16%
Products of Iron and Steel	U S A	2064.9	2226.1	8%
	UAE	428.1	597.1	39%
	SAUDI ARAB	380.9	442.6	16%
	GERMANY	332.7	343.9	3%
	U K	266.4	261.7	-2%
Industrial Machinery	U S A	2749.1	3065.0	11%
	UAE	603.8	717.4	19%
	GERMANY	751.0	658.0	-12%
	CHINA	525.0	640.4	22%
	THAILAND	603.7	557.4	-8%
Automobiles (Motor Vehicles/Cars and Two and Three Wheelers)	SAUDI ARAB	1289.6	1185.3	-8%
	SOUTH AFRICA	935.7	1086.6	16%
	MEXICO	887.5	993.9	12%
	JAPAN	127.0	574.3	352%
	UAE	415.3	550.3	32%
Non-Ferrous metals	U S A	1093.1	1080.2	-1%
	KOREA RP	884.8	719.4	-19%
	SAUDI ARAB	893.6	547.1	-39%
	TURKEY	146.6	527.4	260%
	CHINA	442.4	464.5	5%
Electrical Machinery and Components	U S A	1743.6	2038.9	17%
	SINGAPORE	767.4	1209.8	58%
	U K	702.4	778.3	11%
	GERMANY	545.3	701.8	29%

Product panels	Top 5 nations	Apr-Dec 2023-24	Apr-Dec 2024-25	Growth
	KOREA RP	340.3	498.6	47%
Aircrafts and Space crafts	UAE	183.2	1424.8	678%
	SAUDI ARAB	1.8	1113.6	60996%
	FRANCE	143.0	614.8	330%
	U S A	359.3	330.6	-8%
	CZECH REPUBLIC	3.5	309.7	8715%
Ships, Boats and Floating Structures and parts	SINGAPORE	753.7	1676.5	122%
	UAE	821.3	879.0	7%
	INDONESIA	556.2	306.4	-45%
	U S A	52.7	251.2	377%
	SRI LANKA	304.1	233.6	-23%
Auto Components (including Auto Parts and Auto Tyre)	U S A	1750.8	1742.8	0%
	BRAZIL	365.5	463.3	27%
	GERMANY	423.9	454.7	7%
	TURKEY	422.5	375.9	-11%
	MEXICO	330.5	366.5	11%

Source: DGCI&S

- In April-December 2024, Italy, Nepal and UAE ranked as the top importers of Indian Iron and Steel, while the USA, UAE and Saudi Arabia lead in import of 'Products of Iron & Steel.'
- The USA stood out as the primary importer of Indian 'Industrial machinery,' making up 21% of India's global exports in this category, followed by UAE 5% and Germany with 4% shares, respectively.
- Saudi Arabia, South Africa, Mexico and Japan were top importers of India's Automobiles during April-December 2024 in India's global exports respectively over April- December 2023.
- USA, South Korea and Saudi Arabia were the top three importers of India's Non-ferrous metals and products' during April-December 2024 whereas USA, Singapore, UK and Germany were the top importers of Indian Electrical Machinery & Components during the same period.
- UAE, Saudi Arabia and France were the top three importers of India's Aircrafts and Spacecraft during April-December 2024 in India's total global exports of the product followed by USA and Czech Republic.
- Singapore, UAE and Indonesia became the largest importer of ships, boats and floating structures followed by USA and Sri Lanka. While for the auto components' product group, USA remained the top importer in April-December 2024 followed by Brazil, Germany, Turkey and Mexico.