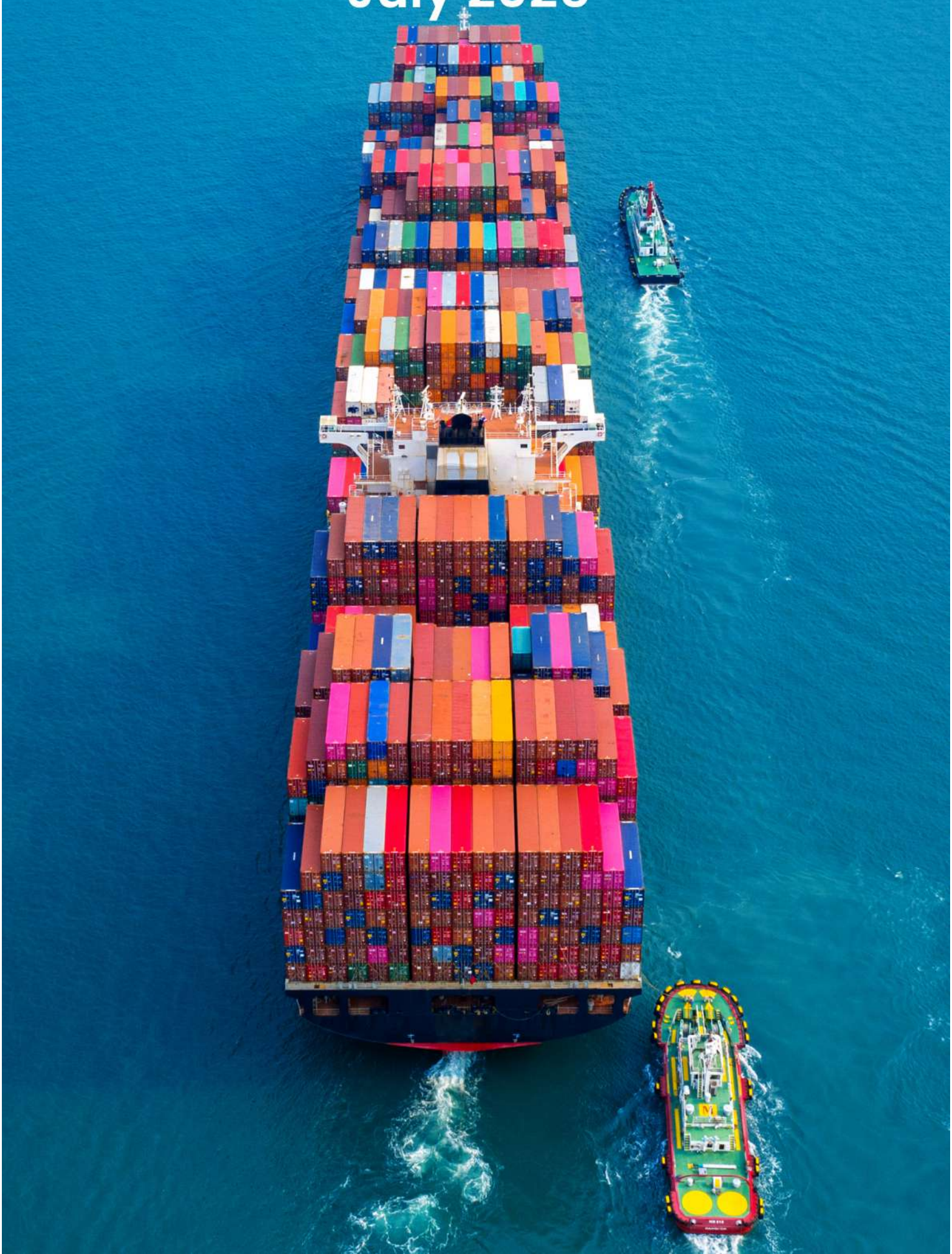
July 2025



EEPCINDIA
ENGINEERING THE FUTURE

ENGINEERING TRADE ANALYSIS FOR JULY 2025

Engineering Goods exports in July 2025 crossed USD 10 billion for the first time in current fiscal with double-digit year-on-year growth

Trade Flow	Export figures (in $ billion)				% Growth	
	Jul-2024	Jul-2025	Apr - Jul 2024-25	Apr - Jul 2025-26	Jul 2025 over Jul 2024	Apr-Jul 2025 over Apr-Jul 2024
Engineering Exports	9.16	10.43	37.08	39.34	13.81%	6.08%
Overall Merchandise Exports	34.71	37.24	144.76	149.20	7.29%	3.07%
Share of engineering	26.41%	28.00%	25.62%	26.36%	---	---
Service Exports	30.60	31.03	119.07	128.43	1.41%	7.86%

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

Engineering exports from India turned out quite impressive in the month of July 2025 with shipments crossing USD 10 billion for the first time in fiscal 2025-26 and recorded highest year-on-year growth on a monthly basis in the current fiscal so far. Indian engineering exports in July 2025 stood at USD 10.43 billion as against USD 9.16 billion in July 2024, securing 13.81 percent growth. On a cumulative basis, engineering exports recorded 6.1 percent year-on-year growth as it went up to USD 39.34 billion in Apr –Jul 2025-26 from USD 37.08 billion during the same period last fiscal. The share of engineering in total merchandise exports rose sharply to 28 percent in July 2025 from 26.4 percent in July 2024 and also went up on a cumulative basis to 26.4 percent during Apr-Jul 2025-26 from 25.6 percent during the same period last fiscal. The growth run of engineering exports in this fiscal was attributed to good performances of product segments namely Electric machinery and equipment, Motor vehicles/Cars, Products of Iron and steel, and Industrial machinery among others while Aircrafts and spacecraft was the biggest spoilsport. North America remained the top export destination followed by the European Union, both showing healthy growth in this fiscal till date. Latin America and Sub-Saharan Africa stood out with impressive double-digit growth while Northeast Asia also performed well with a double digit growth. CIS, WANA and Other Europe were the damagers with negative cumulative export growth. However, within CIS, engineering exports to Russia witnessed excellent growth during July 2025. Among the top destination countries, UAE, Saudi Arabia and Singapore conceded decline in engineering exports from India during this fiscal.

HIGHLIGHTS

- Engineering exports from India turned out quite impressive in the month of July 2025 with shipments crossing USD 10 billion for the first time in fiscal 2025-26 and recorded higest year-on-year growth on a monthly basis in the current fiscal so far.
- Indian engineering exports in July 2025 stood at USD 10.43 billion as against USD 9.16 billion in July 2024, securing 13.81 percent growth, the highest in this fiscal so far.
- On a cumulative basis, engineering exports recorded 6.1 percent year-on-year growth as it went up to USD 39.34 billion in Apr –Jul 2025-26 from USD 37.08 billion during the same period last fiscal.
- The share of engineering in total merchandise exports, according to the Quick Estimates of Department of Commerce, Government of India, rose sharply to 28 percent in July 2025 from 26.4 percent in July 2024.
- On a cumulative basis also the share of engineering in total merchandise exports went up to 26.4 percent during Apr-Jul 2025-26 from 25.6 percent during the same period last fiscal.
- In July 2025, 29 out of 34 engineering panels witnessed positive year-on-year growth. While 5 engineering panels including mainly Aircrafts and Spacecrafts, Ship and Boats, Zinc and its products, etc. witnessed decline in exports during July 2025 vis-à-vis July 2024.
- On a cumulative basis, 28 out of 34 engineering panels recorded positive growth and remaining 6 engineering panels including Non-ferrous sectors including Aluminium products, Zinc products and Nickel, Aircraft and Spacecrafts, ships, boats and floating products, etc. recorded negative growth during April-July 2025-26.
- Region wise, North America maintained its spot as the number one export destination with a share of 22% followed by EU (18%) and WANA (14%) in Apr-July 2025.
- Country-wise, USA remained the top destinations followed by UAE and Germany in July 2025 while maximum increase was noted in Belgium (58.3%), Japan (55.2%), France (38.5%) and UK (46.5%)

ENGINEERING EXPORTS: MONTHLY TREND

The monthly engineering export figures for 2025-26 vis-à-vis 2024-25 are shown below as per the latest DGCI&S estimates:

Table 1: Engineering Exports: Monthly Trend in 2025-26

Values in US$ million

Month	2024-25	2025-26	Growth (%)
April	8557.11	9512.84	11.17
May	9974.13	9889.11	-0.85
June	9386.21	9506.26	1.28

Month	2024-25	2025-26	Growth (%)
April – June	**27917.46**	**28908.21**	**3.55**
July	9162.17	10427.22	13.81
April – July	**37079.63**	**39335.43**	**6.08**

Source: DGCIS, Govt. of India

TOP 25 ENGINEERING EXPORT DESTINATIONS IN JULY 2025

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during June 2025 over June 2024 as well as in cumulative terms during April-July 2025-26 vis-à-vis April-July 2024-25. The data clearly shows that top 25 countries contribute 74.5% of total engineering exports.

Table 2: Engineering exports country-wise

US$ Mn.

Country	Jul-24	Jul-25	Growth %	Apr'24 - Jul'24	Apr'25 - Jul'25	Growth %
USA	1523.1	1815.8	19.2%	6174.5	6952.0	12.6%
UAE	629.8	574.4	-8.8%	2623.3	2427.2	-7.5%
GERMANY	332.1	457.6	37.8%	1343.9	1616.8	20.3%
SINGAPORE	397.5	353.3	-11.1%	1366.7	1590.2	16.4%
UK	274.8	402.5	46.5%	1287.6	1539.6	19.6%
SAUDI ARABIA	411.5	381.8	-7.2%	1819.6	1478.0	-18.8%
MEXICO	340.7	290.6	-14.7%	1269.8	1076.4	-15.2%
ITALY	226.3	292.4	29.2%	1069.3	1076.4	0.7%
SOUTH KOREA	230.3	236.7	2.8%	848.5	951.8	12.2%
JAPAN	165.3	256.6	55.2%	707.8	893.2	26.2%
BRAZIL	180.2	227.8	26.4%	726.9	859.0	18.2%
SOUTH AFRICA	218.1	227.4	4.3%	717.5	847.2	18.1%
CHINA	194.4	263.9	35.8%	817.0	845.2	3.4%
NEPAL	178.7	178.4	-0.1%	719.7	796.5	10.7%
FRANCE	144.9	200.6	38.5%	614.2	738.8	20.3%
NETHERLAND	170.8	179.3	5.0%	653.0	732.9	12.2%
THAILAND	161.0	202.3	25.7%	638.0	729.3	14.3%
TURKEY	265.8	183.1	-31.1%	1229.4	700.0	-43.1%
BANGLADESH	153.8	174.7	13.6%	696.6	687.4	-1.3%

Country	Jul-24	Jul-25	Growth %	Apr'24 - Jul'24	Apr'25 - Jul'25	Growth %
BELGIUM	112.2	177.6	58.3%	463.7	594.8	28.3%
INDONESIA	168.1	168.6	0.3%	643.1	571.9	-11.1%
AUSTRALIA	94.2	118.9	26.3%	388.8	484.9	24.7%
SPAIN	118.1	134.4	13.8%	443.0	483.5	9.1%
VIETNAM	115.7	128.0	10.6%	469.4	472.5	0.7%
CANADA	93.2	106.6	14.4%	415.8	428.6	3.1%
Total engineering exports to top 25 countries	**6900.3**	**7733.4**	**12.1%**	**28147.2**	**29574.1**	**5.1%**
Total engineering exports	**9162.2**	**10427.8**	**13.8%**	**37079.6**	**39335.4**	**6.1%**
Share (%)	**75.3%**	**74.2%**		**75.9%**	**75.2%**	

Source: DGCI&S

REGION WISE INDIA'S ENGINEERING EXPORTS

The following table depicts region wise India's engineering exports for April-July 2025 as compared to April-July 2024

Table 3: Region wise engineering exports in April-July 2025-26 vis-à-vis April-July 2024-25

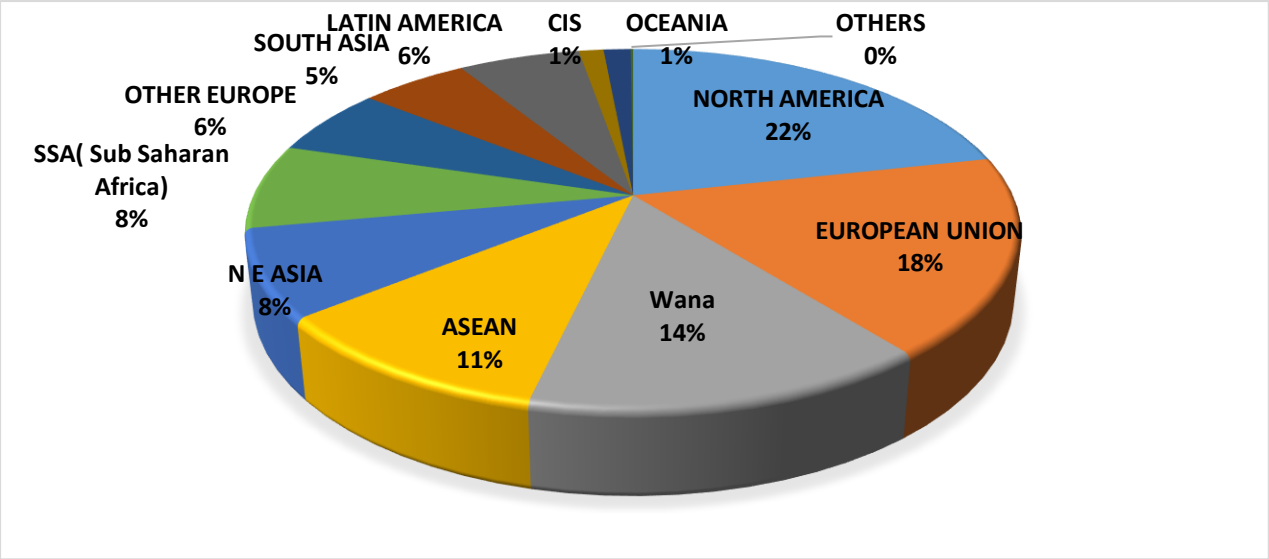
US$ Mn

Region	Jul-24	Jul-25	Growth %	Apr'24 - Jul'24	Apr'25 - Jul'25	Growth %
NORTH AMERICA	1956.9	2212.9	13.1%	7860.2	8456.9	7.6%
EUROPEAN UNION	1627.6	1901.1	16.8%	6357.7	7001.9	10.1%
WANA	1410.9	1463.8	3.7%	6011.4	5638.7	-6.2%
ASEAN	1038.1	1059.5	2.1%	3988.1	4156.9	4.2%
N E ASIA	670.9	865.0	28.9%	2736.4	3093.1	13.0%
SSA(Sub Saharan Africa)	711.0	808.1	13.6%	2473.0	2994.2	21.1%
LATIN AMERICA	463.1	664.2	43.4%	1930.8	2401.1	24.4%
OTHER EUROPE	565.2	623.4	10.3%	2697.8	2394.5	-11.2%
SOUTH ASIA	476.0	530.5	11.5%	2022.7	2125.6	5.1%
CIS	131.0	150.5	14.9%	551.9	490.3	-11.2%
OCEANIA	107.9	132.8	23.1%	442.5	533.8	20.6%
OTHERS	3.6	15.6	334.9%	7.1	48.6	579.2%
Total engineering exports	**9162.2**	**10427.8**	**13.8%**	**37079.6**	**39335.4**	**6.1%**

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-July 2025-26



Source: DGCI&S

PANEL WISE INDIA'S ENGINEERING EXPORTS

In this section we look at the Engineering Panel wise exports for the month of July 2025 vis-à-vis July 2024 as well as the cumulative exports for **April-July 2025-26 vis-à-vis April-July 2024-25**. These are indicated in the tables below.

Table 4: Panel-wise Export Analysis for April-May 2025-26 vis-à-vis April-May 2024-25

US$ Million

Product panels	July 2024	July 2025	Growth (%)	April-July 2024-25	April-July 2025-26	Growth (%)
Ferrous						
Iron and Steel	732.5	800.5	9%	3081.2	3195.7	3.7%
Products of Iron and Steel	785.7	996.6	27%	3115.5	3484.9	12%
Sub Total	**1518.2**	**1797.1**	**18%**	**6196.8**	**6680.6**	**8%**
Non-ferrous						
Copper and products	180.2	238.0	32%	623.6	797.8	28%
Aluminium and products	540.0	543.5	1%	2264.8	2027.8	-10%
Zinc and products	52.8	47.6	-10%	248.5	199.9	-20%

Product panels	July 2024	July 2025	Growth (%)	April-July 2024-25	April-July 2025-26	Growth (%)
Nickel and products	13.8	16.0	16%	56.1	55.0	-2%
Lead and products	73.8	94.0	27%	299.0	345.8	16%
Tin and products	2.2	3.5	62%	6.8	9.7	43%
Other Non-Ferrous Metals	71.2	93.5	31%	271.0	351.7	30%
Sub Total	**934.0**	**1036.0**	11%	**3769.9**	**3787.8**	0.5%
Industrial Machinery						
Industrial Machinery like Boilers, parts, etc.	59.9	70.6	18%	248.0	308.0	24%
IC Engines and Parts	315.7	379.3	20%	1205.6	1417.0	18%
Pumps of all types	131.5	144.5	10%	494.4	524.6	6%
Air condition and Refrigerators	142.9	183.1	28%	575.8	745.3	29%
Industrial Machinery for dairy, food processing, textiles etc.	650.1	803.8	24%	2688.2	2954.9	10%
Machine Tools	62.7	108.3	73%	263.5	304.5	16%
Machinery for Injecting moulding, valves and ATMs	225.0	275.6	22%	890.2	1027.8	15%
Sub Total	**1587.7**	**1965.2**	24%	**6365.8**	**7282.2**	14%
Electrical Machinery						
Electrical Machinery	**1141.0**	**1435.4**	**26%**	**4543.3**	**5234.7**	**15%**
Automobile and auto component						
Motor Vehicle/cars	722.2	837.4	16%	2833.1	3336.7	18%
Two and Three Wheelers	262.1	346.4	32%	1019.1	1215.0	19%
Auto Components/Part	702.8	791.4	13%	2703.1	2880.4	7%
Auto Tyres and Tubes	237.8	272.9	15%	1014.6	1074.0	6%
Sub Total	**1924.9**	**2248.1**	17%	**7569.9**	**8506.2**	12.4%
Aircrafts and related products						
Aircrafts and Spacecraft parts and products	**384.7**	**139.3**	-64%	**1833.9**	**521.4**	-72%
Ships Boats and Floating products and parts						
Ships Boats and Floating products and parts	**381.4**	**313.3**	-18%	**1726.3**	**1612.6**	-7%
Miscellaneous engineering products						
Medical and Scientific instruments	220.1	246.5	12%	840.0	951.6	13%
Railway Transport	25.3	36.4	44%	102.9	138.3	34%
Hand Tools & Cutting Tools	84.4	93.4	11%	324.5	355.7	10%
Bicycle & Parts	29.3	41.0	40%	120.3	153.0	27%

Product panels	July 2024	July 2025	Growth (%)	April-July 2024-25	April-July 2025-26	Growth (%)
Cranes Lifts & Winches	87.4	104.6	20%	366.7	374.5	2%
Office Equipment	23.2	36.0	55%	89.3	125.0	40%
Other Construction Machinery	245.4	282.6	15%	993.2	1117.6	13%
Prime Mica & Mica Products	2.8	1.8	-35%	9.6	10.7	12%
Project Goods	0.4	0.2	-50%	0.7	0.4	-38%
Other Rubber Product Except Footwear	147.9	171.5	16%	577.3	631.6	9%
Other Misc. Items	423.7	478.8	13%	1649.4	1851.7	12%
Sub total	**1141.8**	**1321.0**	16%	**4495.8**	**5078.1**	13%
Total engineering exports	**9162.2**	**10427.2**	13.8%	**37079.6**	**39335.4**	6.08%

Source: DGCI&S

Reasons for Decline (As per April-July 2025-26):

Aluminium:

- While cumulative aluminium exports have remained negative, it recorded slight growth in July 2025, first time in the current fiscal.
- Massive decline has been noted in Turkey (-78%) during April-July 2025 mainly due to ongoing geo-political tensions. In July alone the decline is more than 90%
- Decline has been noted in Mexico in both cumulative and monthly terms. Decline in Bangladesh (-25%) is also noted in both monthly and cumulative terms mainly due to export restrictions put by both countries

Zinc:

- The decline in Zinc exports is primarily due to global supply exceeding demand. As per the International Lead and Zinc Study Group, the global market for refined zinc metal was in surplus by 151kt over the first four months of 2025[1]
- Main decline has been noted in ASEAN countries including Singapore, Malaysia and Indonesia. The downward trend may be due to slowdown in authotive and synthetic rubber segments

Nickel:

[1] https://www.ilzsg.org/wp-content/uploads/3.PRESS%20RELEASES/20250618_ILZSG%20Press%20Release%20June%202025.pdf

- The decline in India's Nickel exports is mainly due to rising domestic demand especially in the EV and renewable sector and also rising geopolitical tensions affecting exports to CIS region, Middle East and Europe. Export decline has been noted majorly in Saudi Arabia, Mexico and Germany

Table 5: Panel-wise shares in India's total engineering exports during April-July 2025-26

S. No	Product Panels	Apr'24 - July'24 (Share%)	Apr'25 - July'25 (Share %)
1. Iron and Steel and Products made of Iron and Steel			
A	Iron and Steel	8.3%	8.1%
B	Products of Iron and Steel	8.4%	8.9%
Sub Total		**16.7%**	**17.0%**
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals			
A	Copper and products	1.7%	2%
B	Aluminium and products	6.1%	5%
C	Zinc and products	0.7%	1%
D	Nickel and products	0.2%	0%
E	Lead and products	0.8%	1%
F	Tin and products	0.0%	0%
G	Other Non-Ferrous Metals	0.7%	1%
Sub Total		**10.2%**	**9.6%**
3. Industrial Machinery			
A	Industrial Machinery like Boilers, parts, etc	0.7%	0.8%
B	IC Engines and Parts	3.3%	3.6%
C	Pumps of all types	1.3%	1.3%
D	Air condition and Refrigerators	1.6%	1.9%
E	Industrial Machinery for dairy, food processing , textiles etc	7.2%	7.5%
F	Machine Tools	0.7%	0.8%
G	Machinery for Injecting moulding, valves and ATMs	2.4%	2.6%
Sub Total		**17.2%**	**18.5%**
4.	**Electrical Machinery**	**12.3%**	**13.3%**
5. Automobiles			
A	Motor Vehicle/cars	7.6%	8.5%
B	Two and Three Wheelers	2.7%	3.1%
C	Auto Components/Part	7.3%	7.3%
D	Auto Tyres and Tubes	2.7%	2.7%
Sub Total		**20.4%**	**21.6%**
6	**Aircrafts and Spacecraft parts and products**	**4.9%**	**1.3%**
7	**Ships Boats and Floating products and parts**	**4.7%**	**4.1%**
10. Other engineering products			
A	Medical and Scientific instruments	2.4%	2.3%
B	Railway Transport	0.4%	0.3%
C	Hand Tools & Cutting Tools	0.9%	0.9%
D	Bicycle & Parts	0.4%	0.3%
E	Cranes Lifts & Winches	1.0%	1.0%
F	Office Equipments	0.3%	0.2%

S. No	Product Panels	Apr'24 - July'24 (Share%)	Apr'25 - July'25 (Share %)
G	Other Construction Machinery	2.8%	2.7%
H	Prime Mica & Mica Products	0.0%	0.0%
I	Other Misc. Items	4.7%	4.4%
8	Project Goods	0.0%	0.0%
9	Other Rubber Product Except Footwear	1.6%	1.6%
Sub total		**12.1%**	**12.9%**
Total engineering exports		100%	100%

Source: DGCI&S

ENGINEERING EXPORTS – STATE-WISE ANALYSIS

State wise engineering export performance- Data as on 2024-25
(Note: Current fiscal 2025-26 data not yet updated as per Niryat Portal)

The table below indicates the exports from top Indian states. It is evident from the table that almost 91.5% of India's exports is contributed by the listed 12 states. Within this almost 50 percent of exports is done by Maharashtra, Tamil Nadu and Gujarat together.

Table 6:Top state wise engineering export performance – April-March 2024-25

US$ Million

Top States	2023-24	2024-25	Growth %	%Share in India's Eng Export	Remark
Maharashtra	22992.9	22546.4	-1.9%	19.7%	**91.5% share covered by top 12 states**
Tamil Nadu	16844.6	18108.6	7.5%	15.8%	
Gujarat	14753.3	16590.5	12.5%	14.5%	
Telangana	3458.0	7536.2	117.9%	6.6%	
Karnataka	6709.1	7277.3	8.5%	6.3%	
Haryana	6753.8	6764.5	0.2%	5.9%	
Odisha	7125.2	5910.1	-17.1%	5.2%	
Delhi	4599.7	4684.5	1.8%	4.1%	
Uttar Pradesh	4117.9	4348.7	5.6%	3.8%	
Andhra Pradesh	4885.6	4319.4	-11.6%	3.8%	
West Bengal	3134.8	3523.7	12.4%	3.1%	
Rajasthan	3405.3	3375.7	-0.9%	2.9%	

Source: NIRYAT portal

- *Top 12 states constitute over 91.5 % of India's engineering Exports. Once again, Karnataka maintained its 5th position, Telengana retained its 4th position, Odisha coming down to 7th position, West Bengal coming down to 11th position, while Rajasthan moving up to 12th position and Haryana remarkably moved up to 6th position during the fiscal April-March 2024-25 compared to the same period last fiscal.(as per estimates of Niryat Portal)*
- *Major negative growth witnessed in states like Maharashtra (decline by 1.9%), Odisha, (decline by 17.1%), Andhra Pradesh (decline by 11.6%) and Rajasthan (decline by 0.9%) during April-March 2024-25 compared to the same period last fiscal.*
- *Maharashtra being the highest state in terms of Engineering Goods exports (constituting a share of 19.7%) is leading by US$ 4.44 billion from Tamil Nadu(Second Highest State) for the period of April-March 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 34.1 percent share. Tamil Nadu from the Southern Region has retained its export performance and it ranked second after Maharashtra, while Gujarat and Telengana ranked third and fourth during April-March 2024-25.

Table 7: Region wise exports from India

Value in US$ million

Region	2023-24	2024-25	Growth%
EASTERN REGION	12236.7	11089.7	-4.3%
NORTHERN REGION	22651.0	22571.4	-64.6%
SOUTHERN REGION	33012.2	38262.6	22.2%
WESTERN REGION	41415.4	42797.8	4.6%

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 DGCI&S

CORRELATION BETWEEN MANUFACTURING OUTPUT 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 monthswhile in each of fiscal 2022-23 and 2023-24, as many as10 out of 12 months saw engineering exports and manufacturing output moved in the same direction. In 2024-25, both moved in the same direction in eight out of 12 months.

The first two month of fiscal 2025-26 saw engineering export growth and manufacturing output growth moved in the opposite direction. In April, engineering export growth surged to double digit and manufacturing growth decelerated, while in May engineering export declined and manufacturing output growth inched up over the month. In June 2025 however, both moved on the same direction witnessing improvement in growth.

The link between these two may not be established in one or two months, but a positive correlation may be seen if medium to long term trend is considered.

Table 8: Engineering exports growth vis-à-vis manufacturing growth from April 2022

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
April 2023	-7.52	5.5

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
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	5.12	4.7
August 2024	4.28	1.2
September 2024	10.55	4.0
October 2024	39.27	4.4
November 2024	13.72	5.5
December 2024	8.33	3.7
January 2025	7.49	5.8
February 2025	-8.64	2.8
March 2025	-3.92	4.0
April 2025	11.29	3.1
May 2025	-0.80	3.2
June 2025	1.28	2.9

(Source: Department of Commerce and CSO)

IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during July 2025 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 July 2025, but also considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 2023-24, 2024-25 and fiscal 2025-26 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 9: USD-INR monthly average exchange rate in 2025-26 vis-à-vis 2024-25
(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	2024-25	2025-26				
April	83.41	85.56	2.58	Depreciation	-1.25	Appreciation
May	83.39	85.19	2.16	Depreciation	-0.43	Appreciation
June	83.47	85.90	2.91	Depreciation	0.83	Depreciation
July	83.59	86.11	3.01	Depreciation	0.24	Depreciation

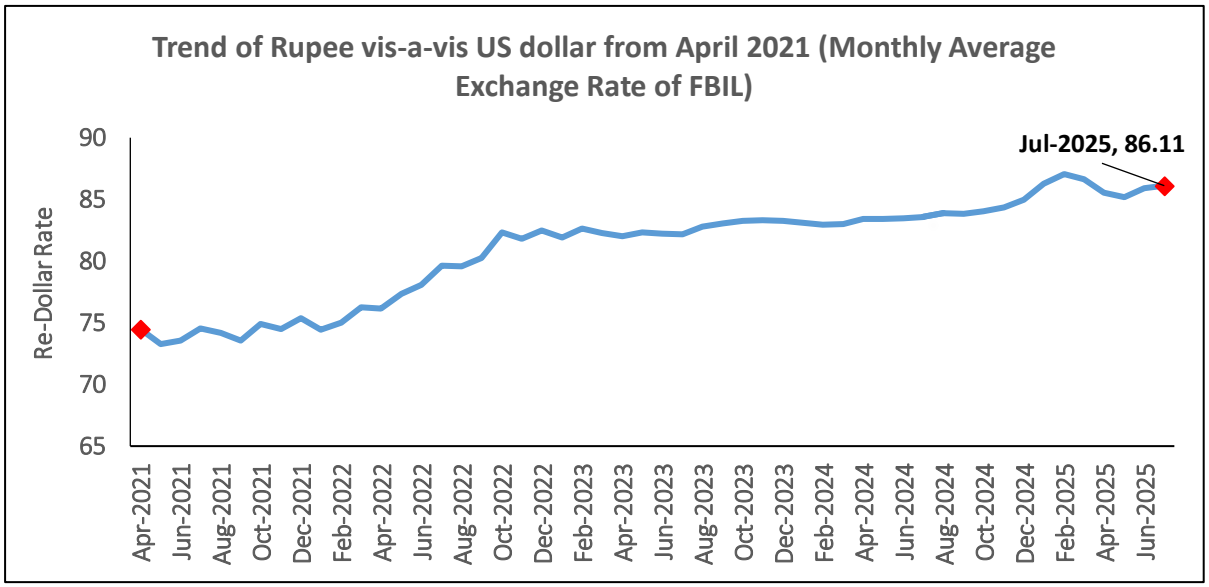
Rupee continued to depreciate both on a monthly as well as yearly basis in July 2025: INR depreciated vis-à-vis the US Dollar by 0.24 percent in July 2025 over the previous month and a much higher 3.01 percent on a year-on-year basis. Rupee dropped to below 87 per US Dollar by the end of July 2025 and closed the month at 87.55 per US Dollar. Uncertainty over an India-U.S. trade deal after U.S. President Donald Trump hinted at tariff hike wighed on rupee. Month-end dollar demand from importers and sustained foreign fund outflows also weighed on the Indian local unit.

Outlook: Uncertainty on trade due to imposition of reciprocal tariff by USA clouded the global socio-economic scenario and hence the outlook for rupee. A trend may be established once tariff stability is seen.

Table 10: 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
January	83.14	86.27	3.76	Depreciation	1.51	Depreciation
February	82.96	87.05	4.93	Depreciation	0.90	Depreciation
March	83.00	86.64	4.39	Depreciation	-0.47	Appreciation

Fig 2: Trend of Rupee vis-a-vis US dollar from April 2021 (Monthly Average Rate of FBIL has been considered)

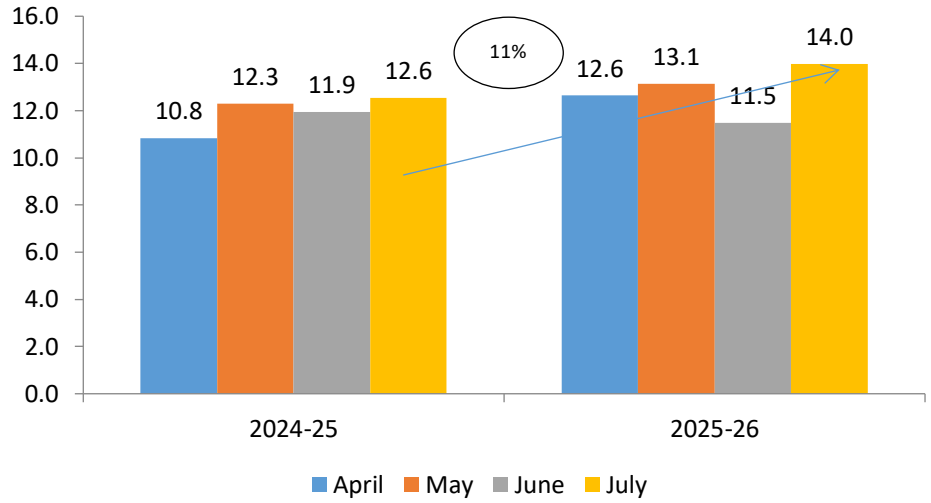


Source: FBIL

ANALYSIS OF INDIA'S ENGINEERING IMPORTS

- India's Engineering imports during July 2025 were valued at US$ 14 billion compared to US$ 12.5 billion in July 2024 registering a growth of 11 percent in dollar terms. In cumulative terms (Apr-Jul 2025), India's imports increased by 8%
- In July 2025, imports increased for zinc and its products, motor vehicles & cars, railway transport, machine tools, electric machinery & equipments, pumps, aluminium and products, industrial machinery for diary, products of iron & etc.
- In July 2025, import increase was mainly noted from South Asia, WANA, Latin America, CIS , Other European nations . In cumulative terms too barring Latin America, import increased mainly happened from these regions.
- The share of engineering imports in India's total merchandise imports in Apr-July 2025 was estimated at 21 percent**.**
- 42.4% of India's engineering imports come from N E Asia and almost 20% from the EU. The next major suppliers are ASEAN (13%), WANA (7.5%) and North America (6.9%)

Fig 3: Monthly Engineering Imports for April-July 2025-26 vis-a-vis April-July 2024-25



Source: DGCI&S

TREND IN ENGINEERING TRADE BALANCE

We now present the trend in two-way yearly trade for the engineering sector for the 2025-26 depicted in the table below:

Table 11: Monthly Trend in Engineering Trade Balance for the current FY 2025-26
(US$ Billions)

Trade Flow	Apr	May	June	July
Engineering Export	9.5	9.9	9.5	10.4
Engineering Import	12.6	13.1	11.5	14.0
Trade Balance	-3.1	-3.2	-2.0	-3.6

Source: DGCI&S, EEPC India Analysis

Conclusion

The Indian engineering exports recorded a growth for the second consecutive month after conceding a decline in May 2025. The decline was mainly due to decline in exports to WANA region including UAE and Saudi Arabia due to increasing logistics and shipping costs primarily after the geopolitical tensions in the region. There is also significant decline in exports to Turkey stemming out of the geopolitical tensions with India. In terms of products major decline was witnessed in metals including aluminium, zinc nickel.

The landscape of international trade in July 2025 is marked by tensions from escalating US tariff, regional diversgence and heightened policy uncertainty. As per WTO global merchandise trade is projected to decline by 0.2% in 2025 with a possible deeper fall of up to 1.5% if trade tensions or new tariff measures intensify. The world is witnessing realignment of supply chains, and growing inward-looking trade policy in major economies threatening established production networkd. India also faces a huge tariff imposition from the US which makes our future quite uncertain given that US is our major export partner. In this scenario we need to diversify our markets and products to survive and increase our global market share. The support of Government of India both in terms of foreign policy and access to credit would be of great importance at this juncture.

ANNEXURE-I

ENGINEERING PRODUCT PANELS – COUNTRY-WISE ANALYSIS

We now analyze the performance of some of the important products for the fiscal April-July 2025-26 vis-à-vis April-July 2024-25. 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	April-July 2024-25	April-July 2025-26	Growth
Iron and Steel	Italy	438.9	353.9	-19%
	USA	123.3	301.3	144%
	Belgium	183.9	239.9	30%
	Nepal	221.7	235.0	6%
	UAE	183.1	167.6	-8%
Products of Iron and Steel	USA	935.0	1050.6	12%
	UAE	214.7	283.9	32%
	Germany	147.1	165.1	12%
	Saudi Arabia	218.3	132.1	-39%
	Qatar	97.4	124.5	28%
Industrial Machinery	USA	1340.1	1570.0	17%
	UAE	283.6	398.0	40%
	Germany	318.8	329.7	3%
	China	302.7	294.5	-3%
	Thailand	251.3	266.6	6%
Automobiles (Motor Vehicles/Cars and Two and Three Wheelers)	South Africa	400.6	508.9	27%
	Saudi Arabia	526.2	500.5	-5%
	Mexico	538.9	479.4	-11%
	Japan	196.5	301.0	53%
	UAE	208.3	240.7	16%
Non-Ferrous metals	USA	476.3	605.0	27%
	Korea RP	301.1	342.8	14%
	Saudi Arabia	222.8	318.5	43%
	China	159.1	205.3	29%
	UAE	144.0	151.7	5%
Electrical Machinery and Components	USA	897.8	1065.9	19%
	UK	370.6	583.0	57%
	Singapore	475.7	512.6	8%
	Germany	240.3	373.1	55%
	Korea RP	245.6	307.1	25%
Aircrafts and Space crafts	USA	145.8	153.5	5%
	France	75.6	90.3	19%
	UK	47.6	58.5	23%
	Singapore	16.1	33.8	110%
	Germany	23.9	33.2	39%
	Singapore	469.8	690.3	47%
	UAE	627.9	467.8	-25%

Product panels	Top 5 nations	April-July 2024-25	April-July 2025-26	Growth
Ships, Boats and Floating Structures and parts	Indonesia	95.2	96.2	1%
	Sri Lanka	87.1	89.1	2%
	Oman	0.1	65.9	115900%
Auto Components (including Auto Parts and Auto Tyre)	USA	792.4	781.5	-1%
	Germany	206.2	257.2	25%
	Brazil	208.7	247.9	19%
	UAE	114.8	186.1	62%
	Bangladesh	132.5	178.3	35%

Source: DGCI&S

- In April-July 2025, Italy, USA and Belgium ranked as the top three importers of Indian Iron and Steel, while the USA, UAE and Germany lead in import of products of Iron & Steel.
- The USA stood out as the primary importer of Indian 'Industrial machinery,' making up 22% of India's global exports in this category, followed by UAE and Germany with 5% ad 5% shares, respectively.
- South Africa, Saudi Arabia, Mexico, Japan and UAE were top importers of India's Automobiles during April-July 2025 in India’s global exports respectively over the same period previous fiscal.
- USA, South Korea, Saudi Arabia and China were the top importers of India's Non-ferrous metals and products during April-July 2025.
- USA, UK, Singapore and Germany were the top importers of Indian Electrical Machinery & Components during the same period with 20%, 11%, 10% and 7% shares respectively.
- USA, France,UK, Singapore and Germany were the top importers of India's Aircrafts and Spacecraft during April-July 2025, making up to 71% of India’s total export of Aircrafts and Spacecraft
- Singapore, UAE and Indonesia became the largest importer of ships, boats and floating structures followed by Sri Lanka and Oman.
- For the auto components’ product group, USA remained the top importer in April-July 2025 followed by Germany, Brazil, UAE and Bangladesh, making up to 42% of India’s total export under this category.

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