Engineering Export-Import Monitor

SEPTEMBER 2025

Engineering The Future

EEPCINDIA
ENGINEERING THE FUTURE

ENGINEERING TRADE ANALYSIS FOR SEPTEMBER 2025

Engineering exports from India recorded growth for the fourth month in a row to September 2025 but with further moderation in pace

Trade Flow	Export figures (in $ billion)				% Growth	
	Sep-2024	**Sep-2025**	**Apr - Sep 2024-25**	**Apr - Sep 2025-26**	**Sep 2025 over Sep 2024**	**Apr-Sep 2025 over Apr-Sep 2024**
Engineering Exports	9.83	10.11	56.34	59.36	2.93%	5.35%
Overall Merchandise Exports	34.08	36.38	213.68	220.12	6.76%	3.02%
Share of engineering	28.83%	27.80%	26.37%	26.97%	---	---
Service Exports	32.60	30.82	182.03	193.18	-5.46%	6.13%

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

Engineering exports continued its growth run for the fourth straight month to September 2025 but with a moderated growth of 2.93 percent as against 4.90 percent in August 2025 and a high double digit growth of 13.86 percent in July 2025. Engineering exports in September 2025 was recorded at USD 10.11 billion as against USD 9.83 billion in the same month last year. Engineering exports recorded increase on a month-on-month basis too as it crossed USD 10 billion for the second month in this fiscal after July 2025 but higher base of September 2024 resulted in a slower growth rate on a year-on-year basis. It is definitely a good sign that despite of 9.4 percent decline in engineering exports to USA due to the tariff escalation by the USA from end of August 2025, engineering exports from India is still growing. On a cumulative basis, engineering exports recorded 5.35 percent year-on-year growth during the first half of fiscal 2025-26 as it went up to USD 59.36 billion in Apr – Sep 2025-26 from USD 56.34 billion during the same period last fiscal. The share of engineering in total merchandise exports was recorded at 27.8 percent in September 2025 while it was recorded at around 27 percent on a cumulative basis during April – September 2025-26. This growth in September 2025 was basically attributed to growth in shipment of Lead and products of Lead, Motor vehicles/Cars, Two and three wheelers, Iron and steel, and Electric Machinery among others. Region wise, decent growth in exports to ASEAN, North-East Asia, Sub-Saharan Africa, Latin America and South Asia helped engineering exports to improve over the year.

HIGHLIGHTS

- Engineering exports continued its growth run for the fourth straight month to September 2025 but with a moderated growth of 2.93 percent as against 4.90 percent in August 2025 and a high double digit growth of 13.86 percent in July 2025.
- Engineering exports in September 2025 was recorded at USD 10.11 billion as against USD 9.83 billion in the same month last year.
- Engineering exports recorded increase on a month-on-month basis too as it crossed USD 10 billion for the second month in this fiscal after July 2025 but higher base of September 2024 resulted in a slower growth rate on a year-on-year basis.
- On a cumulative basis, engineering exports recorded 5.35 percent year-on-year growth during the first half of fiscal 2025-26 as it went up to USD 59.36 billion in Apr – Sep 2025-26 from USD 56.34 billion during the same period last fiscal.
- The share of engineering in total merchandise exports was recorded at 27.80 percent in September 2025. The share was recorded at around 27 percent on a cumulative basis during April – September 2025-26.
- In September 2025, 23 out of 34 engineering panels witnessed positive year-on-year growth. While 11 engineering panels including mainly Industrial Boilers, Pumps and Valves, Air-condition and Refrigeration Machinery, Aircrafts and Spacecrafts, Ship and Boats, Medical and Scientific Instruments, Hand Tools and Cutting Tools and Cranes, Lifts and Winches, etc. witnessed decline in exports during September 2025 vis-à-vis September 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 and Zinc products, Aircraft and Spacecrafts and Ships, boats and floating products and Cranes, Lifts and Winches etc. recorded negative growth during April-September 2025-26.
- Region wise, North America and EU remained the top two exporting regions for Indian engineering but exports to both the regions declined in September 2025 on a year-on-year basis. Decent growth in exports was observed in ASEAN, North-East Asia, Sub-Saharan Africa, Latin America and South Asia. On a cumulative basis however, engineering exports to North America and EU are still growing.
- Country-wise, USA remained the top destination followed by UAE but exports to these two countries declined year-on-year in September 2025 while for the other top destinations viz Germany, UK and Saudi Arabia, exports recorded double digit growth in September 2025 over the same month last fiscal. On a cumulative basis, exports to USA grew over the years but shipments to UAE and Saudi Arabia declined.

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	9512.81	11.17
May	9974.13	9889.10	-0.85
June	9386.21	9506.66	1.28
April-June	**27917.46**	**28908.56**	**3.55**
July	9162.17	10433.11	13.87
August	9437.14	9899.94	4.90
September	9826.24	10114.57	2.93
July-September	**28425.55**	**30447.62**	**7.11**
April- September	**56343.01**	**59356.18**	**5.35**

Source: DGCIS, Govt. of India

TOP 25 ENGINEERING EXPORT DESTINATIONS IN SEPTEMBER 2025

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during September 2025 over September 2024 as well as in cumulative terms during April-September 2025-26 vis-à-vis April-September 2024-25. The data clearly shows that top 25 countries contribute almost 75 % of total engineering exports.

Table 2: Engineering exports country-wise in April-September 2025-26 vis-à-vis April-September 2024-25

US$ Mn.

Countries	Sep-24	Sep-25	Growth (%)	Apr'24 – Sep'24	Apr'25 - Sep'25	Growth (%)
U S A	1553.48	1407.42	-9.4%	9294.85	10041.75	8.0%
UAE	672.39	636.86	-5.3%	3909.22	3713.28	-5.0%
GERMANY	362.56	429.89	18.6%	2093.53	2460.11	17.5%

Countries	Sep-24	Sep-25	Growth (%)	Apr'24 – Sep'24	Apr'25 - Sep'25	Growth (%)
U K	325.05	390.38	20.1%	1944.52	2312.95	18.9%
SAUDI ARABIA	388.34	441.37	13.7%	2612.96	2278.30	-12.8%
SINGAPORE	287.85	299.14	3.9%	1960.54	2079.60	6.1%
ITALY	202.88	295.56	45.7%	1490.41	1674.82	12.4%
MEXICO	300.86	274.45	-8.8%	1893.58	1659.96	-12.3%
KOREA RP	192.72	276.91	43.7%	1286.63	1449.57	12.7%
SOUTH AFRICA	277.86	269.69	-2.9%	1173.30	1426.66	21.6%
CHINA	264.15	302.21	14.4%	1343.06	1389.96	3.5%
JAPAN	256.99	249.37	-3.0%	1166.58	1307.31	12.1%
BRAZIL	192.58	202.60	5.2%	1106.03	1277.60	15.5%
NEPAL	200.83	177.90	-11.4%	1104.51	1186.18	7.4%
NETHERLAND	151.32	172.27	13.8%	952.51	1100.17	15.5%
FRANCE	386.01	169.34	-56.1%	1159.14	1099.61	-5.1%
THAILAND	179.26	187.61	4.7%	1001.27	1091.71	9.0%
BANGLADESH	175.95	152.72	-13.2%	1024.89	1014.91	-1.0%
TURKEY	199.85	131.04	-34.4%	1709.87	993.16	-41.9%
BELGIUM	138.35	148.30	7.2%	716.22	913.08	27.5%
SPAIN	150.29	200.45	33.4%	696.39	830.04	19.2%
INDONESIA	142.93	134.62	-5.8%	1087.71	810.20	-25.5%
VIETNAM	121.06	165.44	36.7%	703.81	780.35	10.9%
MALAYSIA	114.61	203.70	77.7%	725.62	749.18	3.2%
AUSTRALIA	105.12	119.24	13.4%	601.88	731.31	21.5%
Total engineering exports to top 25 countries	7343.28	7438.47	1.3%	42759.03	44371.77	3.8%
Total engineering exports	**9826.24**	**10114.57**	**2.9%**	**56343.01**	**59356.18**	**5.3%**

Source: DGCI&S

REGION WISE INDIA'S ENGINEERING EXPORTS

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

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

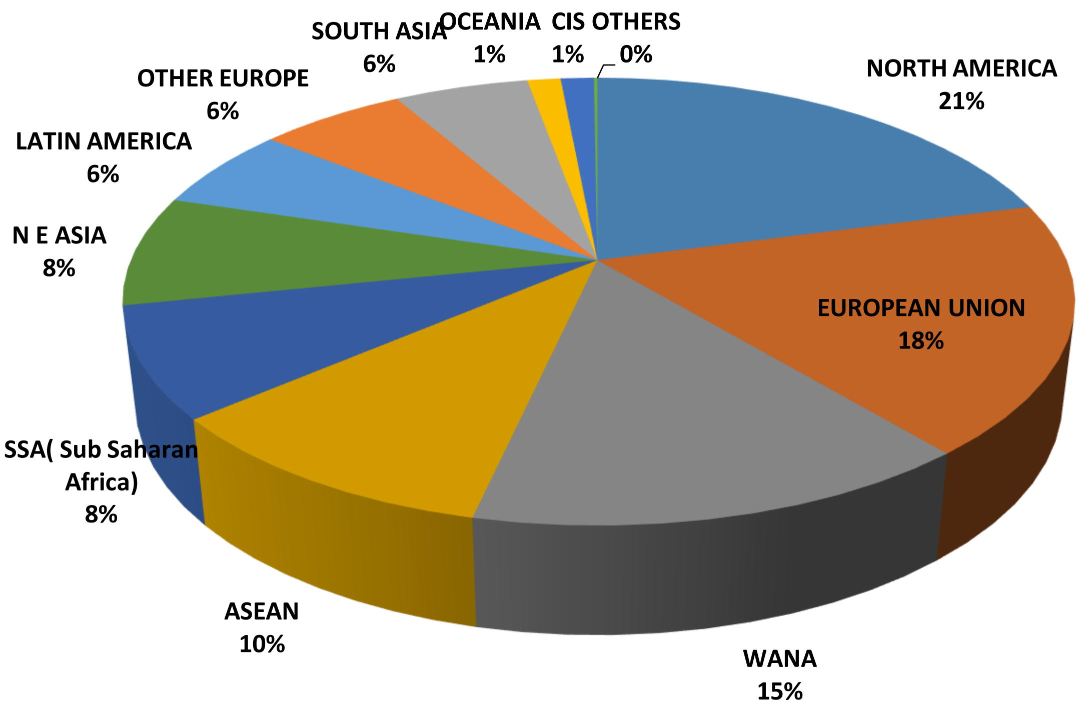
US$ Mn

Region	Sep-24	Sep-25	Growth (%)	Apr'24 – Sep'24	Apr'25 - Sep'25	Growth (%)
NORTH AMERICA	1951.6	1796.6	-7.9%	11796.5	12373.9	4.9%
EUROPEAN UNION	1914.2	1874.4	-2.1%	9729.8	10719.1	10.2%
WANA	1614.3	1586.2	-1.7%	9119.3	8674.9	-4.9%
ASEAN	906.3	1081.7	19.4%	5994.7	6079.3	1.4%
SSA(Sub Saharan Africa)	794.9	869.1	9.3%	3948.2	4751.2	20.3%
N E ASIA	770.4	915.5	18.8%	4285.3	4722.9	10.2%
LATIN AMERICA	510.1	577.3	13.2%	2936.8	3543.9	20.7%
OTHER EUROPE	556.9	564.7	1.4%	3892.8	3543.6	-9.0%
SOUTH ASIA	523.1	559.4	6.9%	3051.9	3252.0	6.6%
OCEANIA	118.9	134.4	13.0%	691.0	807.5	16.9%
CIS	160.1	143.3	-10.5%	880.6	802.8	-8.8%
OTHERS	5.6	11.9	114.8%	16.0	84.9	431.9%
Grand Total	**9826.2**	**10114.6**	**2.9%**	**56343.0**	**59356.2**	**5.3%**

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-September 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 September 2025 vis-à-vis September 2024 as well as the cumulative exports for **April-September 2025-26 vis-à-vis April-September 2024-25**. These are indicated in the tables below.

Table 4: Panel-wise Export Analysis for April-September 2025-26 vis-à-vis April-September 2024-25 (Value in US$ million)

S. No	Product panel	Sep-24	Sep-25	Growth %	Apr'24 - Sep'24	Apr'25 - Sep'25	Growth %
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and steel	739.3	868.7	17%	4613.4	4905.3	6.3%
B	Products of Iron and Steel	827.7	829.6	0%	4808.3	5204.9	8%
Sub Total		**1567.0**	**1698.3**	**8%**	**9421.6**	**10110.2**	**7%**
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	246.7	271.3	10%	1052.5	1296.2	23%
B	Aluminium and products	526.2	551.1	5%	3310.8	3122.8	-6%
C	Zinc and products	58.1	71.8	24%	347.4	329.7	-5%
D	Nickel and products	15.2	18.2	20%	87.7	89.1	2%
E	Lead and products	64.4	121.8	89%	421.5	563.9	34%
F	Tin and products	3.0	3.9	31%	11.3	16.4	45%
G	Other Non-Ferrous Metals	77.7	80.6	4%	424.7	517.6	22%
Sub Total		**991.2**	**1118.8**	**13%**	**5655.9**	**5935.7**	**4.9%**
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	90.4	74.3	-18%	409.8	468.5	14%

S. No	Product panel	Sep-24	Sep-25	Growth %	Apr'24 - Sep'24	Apr'25 - Sep'25	Growth %
B	IC Engines and Parts	324.6	354.2	9%	1846.9	2121.8	15%
C	Pumps of all types	136.0	134.2	-1%	759.6	791.6	4%
D	Air condition and Refrigerators	175.9	169.3	-4%	915.1	1094.0	20%
E	Industrial Machinery for dairy, food processing, textiles etc	701.3	733.6	5%	4067.8	4447.5	9%
F	Machine Tools	61.1	81.6	34%	393.0	471.4	20%
G	Machinery for Injecting moulding, valves and ATMs	241.4	263.0	9%	1363.2	1549.1	14%
Sub Total		**1730.7**	**1810.2**	**5%**	**9755.5**	**10943.9**	**12%**
4	Electrical Machinery	**1273.5**	**1349.7**	**6%**	**6973.7**	**7731.4**	**11%**
5. Automobiles							
A	Motor Vehicle/cars	**788.7**	**1045.2**	**33%**	**4397.7**	**5399.2**	**23%**
B	Two and Three Wheelers	265.5	329.4	24%	1544.7	1891.3	22%
C	Auto Components/Part	688.9	741.0	7.6%	4093.1	4387.8	7%
D	Auto Tyres and Tubes	257.0	245.5	-4%	1513.7	1573.7	4%
Sub Total		**2000.0**	**2361.1**	**18%**	**11549.2**	**13252.0**	**14.7%**
6	Aircrafts and Spacecraft parts and products	**716.2**	**129.3**	**-82%**	**2989.4**	**798.2**	**-73%**
7	Ships Boats and Floating products and parts	**169.6**	**164.5**	**-3%**	**2171.0**	**1871.5**	**-14%**
8. Other engineering products							
A	Medical and Scientific instruments	260.6	237.9	-9%	1345.0	1429.0	6%
B	Railway Transport	22.2	62.0	179%	153.7	252.8	64%
C	Hand Tools & Cutting Tools	89.2	81.3	-9%	503.9	526.1	4%
D	Bicycle & Parts	34.7	41.6	20%	188.9	237.4	26%
E	Cranes Lifts & Winches	107.3	86.0	-20%	562.2	555.4	-1%
F	Office Equipment	22.3	38.7	73%	140.8	198.2	41%
G	Other Construction Machinery	268.8	293.5	9%	1526.9	1711.0	12%
H	Prime Mica & Mica Products	2.6	2.5	-2%	15.0	16.2	8%
I	Other Misc. Items	427.6	490.2	15%	2513.2	2840.1	13%
9	Project Goods	0.3	0.2	-39%	1.1	0.7	-37%
10	Other Rubber Product Except Footwear	142.6	149.0	4%	875.9	946.3	8%
Sub total		**1235.2**	**1333.7**	**8%**	**6949.7**	**7766.3**	**12%**
Total engineering exports		**9826.2**	**10114.6**	**2.9%**	**56343.0**	**59356.2**	**5.35%**

Source: DGCI&S

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

Aluminium

- While cumulative aluminium exports have remained negative, it recorded growth in both August and September which is a positive trend
- Massive decline noted in Turkey (80%) mainly due to ongoing geo-political tensions. Decline was also noted in Mexico, Netherlands, Bangladesh, Canada and Spain
- Increase in exports to US by more than 20% despite the Section 232 tariff
- Increase in domestic demand is also a reason behind declining exports

Zinc

- As per the London Metal Exchange the global zinc market is facing significant downturn due to international trade tensions and weak macroeconomic conditions

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

S. No	Product Panels	Apr'24 - September'24 (Share%)	Apr'25 - September'25 (Share %)
1. Iron and Steel and Products made of Iron and Steel			
A	Iron and Steel	8.2%	8.3%
B	Products of Iron and Steel	8.5%	8.8%
	Sub Total	**16.7%**	**17%**
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals			
A	Copper and products	1.9%	2%
B	Aluminium and products	5.9%	5%
C	Zinc and products	0.6%	1%
D	Nickel and products	0.2%	0%
E	Lead and products	0.7%	1%
F	Tin and products	0%	0%
G	Other Non-Ferrous Metals	0.8%	1%
	Sub Total	**10.0%**	**10%**
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%	1.8%
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	**17.3%**	**18.4%**
4.	**Electrical Machinery**	**12.4%**	**13%**
5. Automobiles			
A	Motor Vehicle/cars	7.8%	9.1%
B	Two and Three Wheelers	2.7%	3.2%
C	Auto Components/Part	7.3%	7.4%
D	Auto Tyres and Tubes	2.7%	2.7%
	Sub Total	**20.5%**	**22.3%**
6	**Aircrafts and Spacecraft parts and products**	**5.3%**	**1.3%**

S. No	Product Panels	Apr'24 - September'24 (Share%)	Apr'25 - September'25 (Share %)
7	**Ships Boats and Floating products and parts**	**3.9%**	**3.2%**
	10. Other engineering products		
A	Medical and Scientific instruments	2.4%	2.4%
B	Railway Transport	0.3%	0.4%
C	Hand Tools & Cutting Tools	0.9%	0.9%
D	Bicycle & Parts	0.3%	0.4%
E	Cranes Lifts & Winches	1.0%	0.9%
F	Office Equipments	0.2%	0.3%
G	Other Construction Machinery	2.7%	2.9%
H	Prime Mica & Mica Products	0%	0%
I	Other Misc. Items	4.5%	4.8%
8	Project Goods	0%	0%
9	Other Rubber Product Except Footwear	1.6%	1.6%
Sub total		**12.3%**	**13.1%**
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 in 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	-9.4%
NORTHERN REGION	22651.0	22571.4	-0.4%
SOUTHERN REGION	33012.2	38262.6	15.9%
WESTERN REGION	41415.4	42797.8	3.3%

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 as 10 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. Then, In June, July and August 2025 however, both moved on the same direction. In June and July, both witnessed improvement in growth while in Aug 2025, both conceded moderation in growth. In September 2025 however, engineering growth continued to slowdown but manufacturing growth accelerated.

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 2024

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
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	11.17	3.1
May 2025	-0.85	3.2
June 2025	1.28	3.7
July 2025	13.87	6.0
August 2025	4.90	3.8
September 2025	2.93	4.8

(Source: Department of Commerce and CSO)

IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during September 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 September 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
August	83.90	87.52	4.31	Depreciation	1.64	Depreciation
September	83.81	88.32	5.38	Depreciation	0.91	Depreciation

Rupee depricitaed vis-à-vis the US Dollar for the fourth straight month to September 2025 both on a monthly as well as yearly basis: INR depreciated vis-à-vis the US Dollar by 0.91 percent in September 2025 over the previous month and a much higher 5.38 percent on a year-on-year basis. Rupee closed the month of September at 88.79, just a step away from it's all-time weakest level of 88.80. Capital outflow due to uncertainty over US pressure on India in the form of higher tariff and warning on oil purchase from Russia weighed on rupee. Higher governemnt borrowing and rise in gold import added fuel to it. Despite of a weakening dollar index, rupee is down.

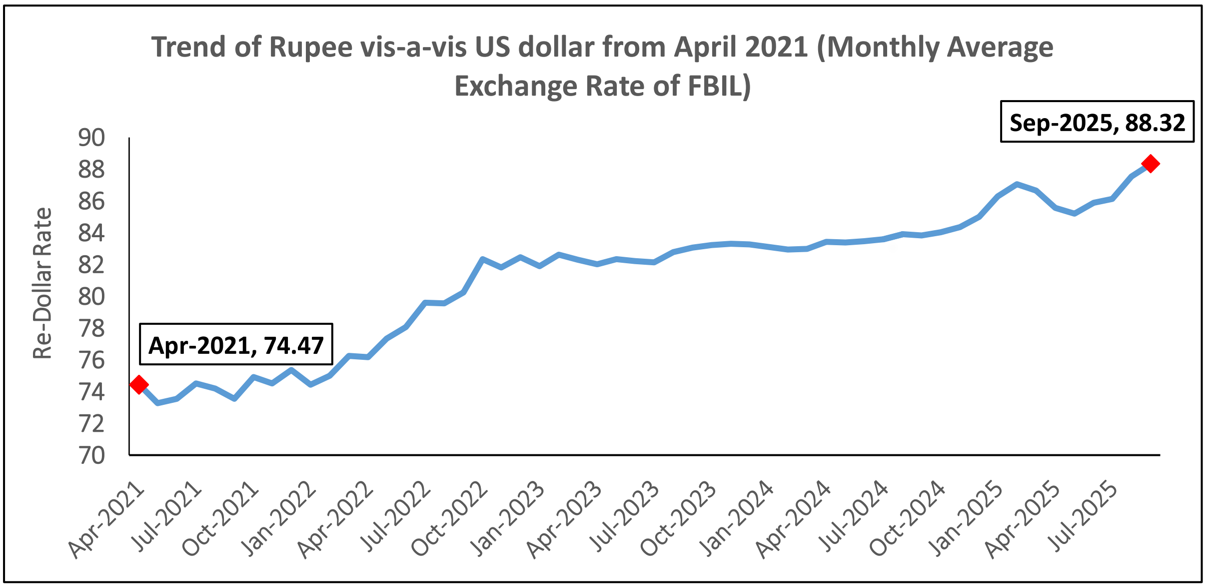
Outlook: Rupee is not expected to see any further sharp fall in the near term. It is expected to remain rangebound as dollar remains under pressure against some major currencies. However, global uncertainty will keep the currency market volatile.

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

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2023-24	2024-25				
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 September 2025 were valued at US$ 13.4 billion compared to US$ 12.4 billion in September 2024 registering a positive growth of 8.1 percent in dollar terms. In cumulative terms (Apr-Sep 2025), India's imports increased by 6.0%.

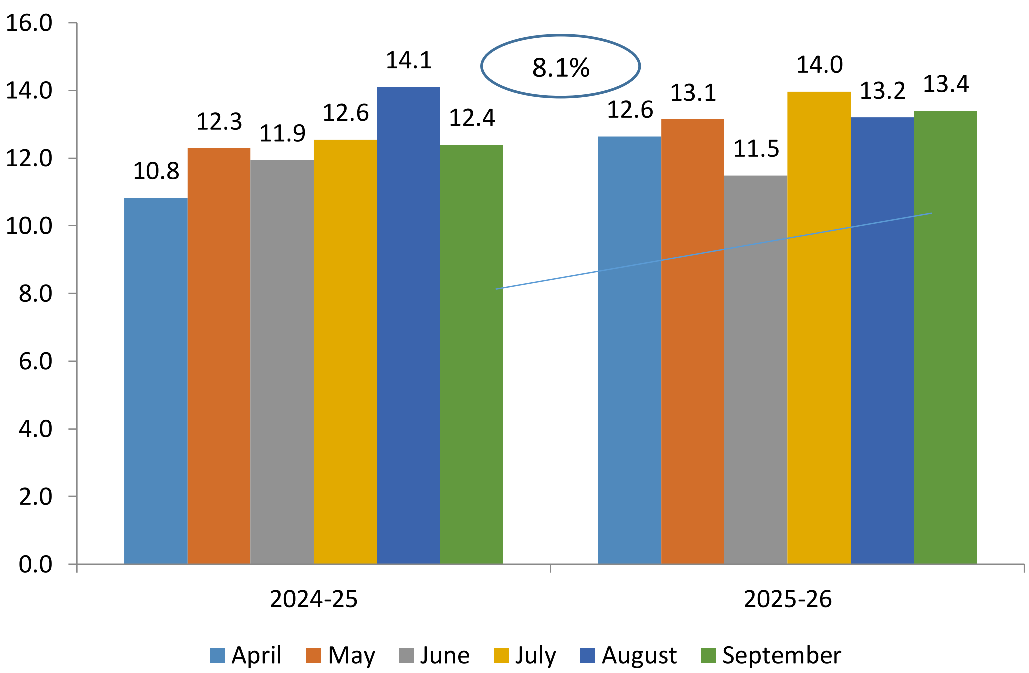
- In September 2025, imports increased for two and three wheelers, motor vehicles & cars, project goods, zinc and its products, cranes, lifts & winches,auto tyres & tubes, electric machinery & equipments, aluminium and its products, nuclear reactors & industrial boilers, IC engines & parts, medical & scientific instruments, etc.

- In September 2025, import increase was mainly noted from CIS, SSA(Sub Saharan Africa), North America, NE Asia and ASEAN. In cumulative terms also import increased mainly happened from NE Asia and ASEAN along with WANA, Other European nations, CIS and South Asia.

- The share of engineering imports in India's total merchandise imports in Apr-Sep 2025 was estimated at 21.0 percent**.**

- 42.4% of India’s engineering imports come from N E Asia and 19.7% from the EU. The next major suppliers are ASEAN (12.7%), North America (7.8%) and WANA (6.9%) during Apr-Sep 2025.

Fig 3: Monthly Engineering Imports for April-September 2025-26 vis-a-vis April-September 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	Aug	Sep
Engineering Export	9.5	9.9	9.5	10.4	9.9	10.1
Engineering Import	12.6	13.1	11.5	14.0	13.2	13.4
Trade Balance	-3.1	-3.2	-2.0	-3.6	-3.3	-3.3

Source: DGCI&S, EEPC India Analysis

Conclusion

The latest version of UNCTAD's Global Trade update published this month paints a significantly positive picture of global trade when compared to its previous updates. It mentions that global trade expanded by almost USD 500 billion in the first six months of 2025 despite significant threats regarding USA's tariff imposition, protectionist policies in EU, ongoing geographical conflicts, etc. Global merchandise trade grew by almost 2 to 2.5% quarter over quarter. This is indeed also reflected by India's engineering export performance - Engineering exports continued its growth run for the fourth straight month to September 2025. India's exports to Sub-Saharan Africa, ASEAN, Latin America and ASEAN regions gained significantly – this cooroborates with the UNCTAD global trade updte which states that the major driver of global trade has been South-South trade. Among India's major export destinations, exports to the USA declined mainly due to the imposition of reciprocal tariff. It needs to be noted here that the impact of the Section 232 tariff has been low especially on steel and aluminium sector as during September 2025, exports to the US for both sectors grew significantly. Among other major destinations, there was a decline in exports to UAE which is mainly due to decline in exports in the ships, boats and floating structure – in September alone its exports declined by more than 60% while exports of all other major commidities rose. Given the above trends, it is important to note that South-South trade will be a major driver of global trade even in the coming years. Therefore India is in the right direction as it negotiates key FTAs with Latin American countries such as Chile, Peru and MERCOSUR and GCC countries. Going forward several challenges are still plaguing the domestic engineering sectors including high raw material prices, lack of access to export funding, export controls by other countries on critical raw material such as the Rare-Earth export controls by China, etc. We are hopeful that with proper guidance from the Government we will be able to face these challenges and continue the growth streak.

ENGINEERING PRODUCT PANELS – COUNTRY-WISE ANALYSIS

We now analyze the performance of some of the important products for the fiscal April-September 2025-26 vis-à-vis April- September 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-September 2024-25	April-September 2025-26	Growth
Iron and Steel	Italy	576.7	595.2	3%
	USA	222.6	394.0	77%
	Belgium	265.9	378.9	43%
	Nepal	351.9	341.3	-3%
	UAE	312.6	286.3	-8%
Products of Iron and Steel	USA	1425.1	1559.8	9%
	UAE	361.3	449.2	24%
	Germany	227.7	251.7	11%
	Saudi Arab	340.0	198.3	-42%
	U K	181.4	153.9	-15%
Industrial Machinery	USA	2048.5	2241.1	9%
	UAE	449.9	622.1	38%
	Germany	463.1	492.5	6%
	China	424.7	441.0	4%
	Thailand	391.8	403.6	3%
Automobiles (Motor Vehicles/Cars and Two and Three Wheelers)	South Africa	682.9	891.5	31%
	Saudi Arab	790.3	795.5	1%
	Mexico	742.5	765.3	3%
	Japan	369.4	432.2	17%
	UAE	342.2	383.0	12%
Non-Ferrous metals	USA	714.5	867.8	21%
	Korea RP	473.4	520.8	10%
	Saudi Arab	345.2	499.4	45%
	China	305.1	390.3	28%
	Vietnam	197.5	289.5	47%
Electrical Machinery and Components	USA	1353.1	1561.0	15%
	U K	532.1	814.2	53%
	Singapore	786.9	748.7	-5%
	Germany	430.5	572.7	33%
	Korea RP	361.6	464.9	29%
Aircrafts and Space crafts	USA	217.2	237.8	9%
	France	327.6	147.1	-55%
	U K	73.4	92.8	26%
	Germany	38.0	47.3	25%
	Singapore	25.6	45.3	77%

Product panels	Top 5 nations	April-September 2024-25	April-September 2025-26	Growth
Ships, Boats and Floating Structures and parts	Singapore	591.4	715.5	21%
	UAE	737.6	582.9	-21%
	Sri Lanka	104.6	131.3	25%
	Indonesia	232.7	99.4	-57%
	Oman	9.5	65.9	595%
Auto Components (including Auto Parts and Auto Tyre)	USA	1175.0	1110.6	-5%
	Germany	306.1	382.6	25%
	Brazil	314.1	377.4	20%
	UAE	182.7	323.1	77%
	Bangladesh	205.2	268.8	31%

Source: DGCI&S

- In April-September 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 20% of India's global exports in this category, followed by UAE and Germany with 6% ad 5% shares, respectively during April-September 2025.
- South Africa, Saudi Arabia, Mexico, Japan and UAE were top importers of India's Automobiles during April-September 2025 in India's global exports respectively over the same period previous fiscal.
- USA, South Korea, Saudi Arabia, China and Vietnam were the top importers of India's Non-ferrous metals and products during April-September 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, Germany and Singapore were the top importers of India's Aircrafts and Spacecraft during April-September 2025, making up to 71% of India's total export of Aircrafts and Spacecraft.
- Singapore, UAE and Sri Lanka became the largest importer of ships, boats and floating structures followed by Indonesia and Oman.
- For the auto components' product group, USA remained the top importer in April-September 2025 followed by Germany, Brazil, UAE and Bangladesh, making up to 41% of India's total export under this category.