

Engineering Export-Import Monitor

DECEMBER 2025



Engineering The Future

EEPCINDIA
ENGINEERING THE FUTURE

ENGINEERING TRADE ANALYSIS FOR DECEMBER 2025

Engineering exports grew only marginally in December 2025 after a robust growth in November

Trade Flow	Export figures (in US\$ billion)				% Growth	
	Dec-2024	Dec-2025	Apr - Dec 2024-25	Apr - Dec 2025-26	Dec 2025 over Dec 2024	Apr-Dec 2025 over Apr-Dec 2024
Engineering Exports	10.84	10.98	87.34	90.73	1.28%	3.88%
Overall Merchandise Exports	37.80	38.51	322.41	330.29	1.86%	2.44%
Share of Engineering	28.68%	28.52%	27.09%	27.47%	---	---
Service Exports	36.97	35.50	285.53	303.97	-3.98%	6.46%

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

After registering highest engineering exports and highest year-on-year growth of fiscal 2025-26 in the month of November 2025, Indian engineering exports recorded a marginal growth in December 2025 at 1.28 percent. Although the engineering shipment in December 2025 at USD 10.98 billion was the second highest of fiscal 2025-26 and very close to that of November 2025 at USD 11.01 billion, the growth was marginal due to high base of the previous year as December 2024 saw engineering exports at USD 10.84 billion. While high growth of November 2025 resulted from lower statistical base, slower year-on-year growth in December 2025 was due to higher base. On a cumulative basis, engineering exports grew by 3.88 percent to USD 90.73 billion during April-December 2025-26 from USD 87.34 billion during the same period last fiscal. As per the quick estimates of the government, the share of engineering in total merchandise exports was recorded at an impressive 28.5 percent in December 2025 albeit as against a higher 28.9 percent in November 2025. The share was recorded at 27.47 percent on a cumulative basis during April – December 2025-26. High exports and growth in December 2025 was attributed to abnormally high Copper exports securing 124.9 percent growth year-on-year along with decent to sizeable increase in exports of Iron and Steel, Aluminium and products, Motor Vehicles/Cars, Other construction machinery, and Ships, Boats and Floating Structures among others. Among the regions, top two export destinations US and EU secured decent growth while ASEAN was the topmost contributor as engineering exports to ASEAN achieved 46.4 percent year-on-year growth. Exports to WANA, South Asia and Other Europe however conceded decline in shipment during December 2025. Country-wise analysis showed 1 percent growth in engineering exports to USA despite stringent tariffs but exports to UAE and Saudi Arabia continued to decline. Exports to Singapore more than doubled in December 2025.

HIGHLIGHTS

- ✚ After registering highest engineering exports and highest year-on-year growth of fiscal 2025-26 in the month of November 2025, Indian engineering exports recorded a marginal growth in December 2025 at 1.28 percent.
- ✚ Although the engineering shipment in December 2025 at USD 10.98 billion was the second highest of fiscal 2025-26 and very close to that of November 2025 at USD 11.01 billion, the growth was marginal due to high base of the previous year as December 2024 saw engineering exports at USD 10.84 billion.
- ✚ While slower year-on-year growth in December 2025 was due to higher base, high growth of November 2025 resulted from lower statistical base.
- ✚ On a cumulative basis, engineering exports from India grew by 3.88 percent to USD 90.73 billion during April-December 2025-26 from USD 87.34 billion during the same period last fiscal.
- ✚ As per the quick estimates of the government, the share of engineering in total merchandise exports was recorded at an impressive 28.5 percent in December 2025 albeit as against a higher 28.9 percent in November 2025. The share was recorded at 27.47 percent on a cumulative basis during April – December 2025-26.
- ✚ In December 2025, 29 out of 34 engineering panels witnessed positive year-on-year growth. While 5 engineering panels including zinc and its products, aircraft, spacecraft and parts, medical and scientific instrument, hand tools and cutting tools and prime mica and products witnessed decline in exports during December 2025 vis-à-vis December 2024.
- ✚ On a cumulative basis, 31 out of 34 engineering panels recorded growth and remaining 3 engineering panels including Aircraft and Spacecrafts, Ships, boats and floating structures and project goods recorded negative growth during April-December 2025-26.
- ✚ Region wise, North America and EU remained the top two exporting regions for Indian engineering. Also, export growth was recorded in all regions in December 2025. In cumulative terms increase was noted in all regions barring WANA, ASEAN, Other Europe and CIS.
- ✚ Country-wise, USA remained the top destination followed by UAE and Saudi Arabia although exports to both countries declined year-on-year in December 2025. On a cumulative basis too, decline was noted in UAE and Saudi Arabia.

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

Month	Values in US\$ million		
	2024-25	2025-26	Growth (%)
April	8557.11	9515.19	11.20
May	9974.13	9889.09	-0.85
June	9386.21	9506.66	1.28
April-June	27917.46	28910.94	3.56

Month	2024-25	2025-26	Growth (%)
July	9162.17	10433.12	13.87
August	9437.14	9900.70	4.91
September	9826.24	10113.95	2.93
July-September	28425.55	30447.77	7.11
October	11253.08	9372.43	-16.71
November	8897.84	11014.88	23.79
December	10843.35	10981.94	1.28
October-December	30994.27	31369.25	1.21
April- December	87337.28	90727.95	3.88

Source: DGCIS, Govt. of India

TOP 25 ENGINEERING EXPORT DESTINATIONS IN DECEMBER 2025

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

**Table 2: Engineering exports country-wise
US\$ Million**

Countries	Dec-24	Dec-25	Growth (%)	Apr' -Dec' 2024-25	Apr' -Dec' 2025-26	Growth (%)
U S A	1647.2	1663.3	1.0%	13991.09	14681.66	4.9%
UAE	750.5	630.0	-16.1%	6262.664	5756.687	-8.1%
SAUDI ARABIA	920.2	515.2	-44.0%	4472.066	3670.525	-17.9%
GERMANY	336.7	423.1	25.7%	3140.243	3637.643	15.8%
U K	389.5	395.6	1.6%	2911.329	3483.154	19.6%
SINGAPORE	213.0	529.2	148.4%	3766.317	3305.315	-12.2%
ITALY	233.7	361.0	54.4%	2279.36	2632.545	15.5%
MEXICO	319.1	353.0	10.6%	2673.203	2520.094	-5.7%
CHINA	251.6	357.9	42.2%	2003.254	2332.33	16.4%
KOREA RP	158.7	261.2	64.6%	1920.56	2228.432	16.0%
SOUTH AFRICA	240.2	231.7	-3.6%	1862.219	2154.284	15.7%
JAPAN	213.9	188.8	-11.7%	1756.294	1929.536	9.9%

Countries	Dec-24	Dec-25	Growth (%)	Apr' -Dec' 2024-25	Apr' -Dec' 2025-26	Growth (%)
BRAZIL	185.6	207.1	11.5%	1675.691	1879.206	12.1%
NEPAL	200.8	198.5	-1.2%	1668.88	1753.536	5.1%
FRANCE	338.5	196.9	-41.8%	1870.768	1740.035	-7.0%
NETHERLAND	165.5	225.2	36.1%	1417.296	1687.653	19.1%
THAILAND	167.2	206.6	23.6%	1484.816	1654.38	11.4%
BANGLADESH	205.6	180.2	-12.4%	1581.461	1472.881	-6.9%
TURKEY	194.6	146.1	-24.9%	2392.887	1425.117	-40.4%
VIETNAM	134.6	171.6	27.5%	1092.548	1418.423	29.8%
BELGIUM	101.2	163.7	61.7%	1060.919	1343.034	26.6%
SPAIN	179.2	182.5	1.9%	1070.533	1323.349	23.6%
SRI LANKA	184.9	110.1	-40.5%	862.1121	1275.092	47.9%
MALAYSIA	163.2	196.9	20.6%	1156.429	1220.622	5.6%
AUSTRALIA	103.6	143.2	38.2%	911.0685	1156.539	26.9%
Total engineering exports to top 25 countries	7998.9	8238.5	3.0%	65284.0	67682.1	3.7%
Total engineering exports	10843.4	10981.9	1.3%	87337.3	90728.0	3.9%

Source: DGCI&S

REGION WISE INDIA'S ENGINEERING EXPORTS

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

Table 3: Region wise engineering exports in April-December 2025-26 vis-à-vis April-December 2024-25
US\$ Million

Region	Dec-24	Dec-25	Growth (%)	Apr' -Dec' 2024-25	Apr' -Dec' 2025-26	Growth (%)
NORTH AMERICA	2074.2	2125.1	2.5%	17578.9	18192.3	3.5%
EUROPEAN UNION	1853.9	1992.8	7.5%	14994.4	16340.3	9.0%
WANA	2256.9	1690.3	-25.1%	14800.6	13686.7	-7.5%
ASEAN	893.3	1307.9	46.4%	9785.7	9588.9	-2.0%
SSA(Sub Saharan Africa)	799.0	866.6	8.5%	6264.5	7365.9	17.6%

Region	Dec-24	Dec-25	Growth (%)	Apr' -Dec' 2024-25	Apr' -Dec' 2025-26	Growth (%)
N E ASIA	720.6	914.7	26.9%	6417.9	7364.9	14.8%
OTHER EUROPE	653.3	579.3	-11.3%	5703.7	5268.9	-7.6%
LATIN AMERICA	595.7	601.4	1.0%	4570.2	5253.6	15.0%
SOUTH ASIA	705.6	541.8	-23.2%	4808.1	4984.2	3.7%
CIS	165.3	193.0	16.7%	1345.9	1279.8	-4.9%
OCEANIA	113.1	154.4	36.5%	1026.3	1272.6	24.0%
OTHERS	12.4	14.6	17.2%	41.1	129.9	216.1%
Grand Total	10843.4	10981.9	1.3%	87337.3	90728.0	3.9%

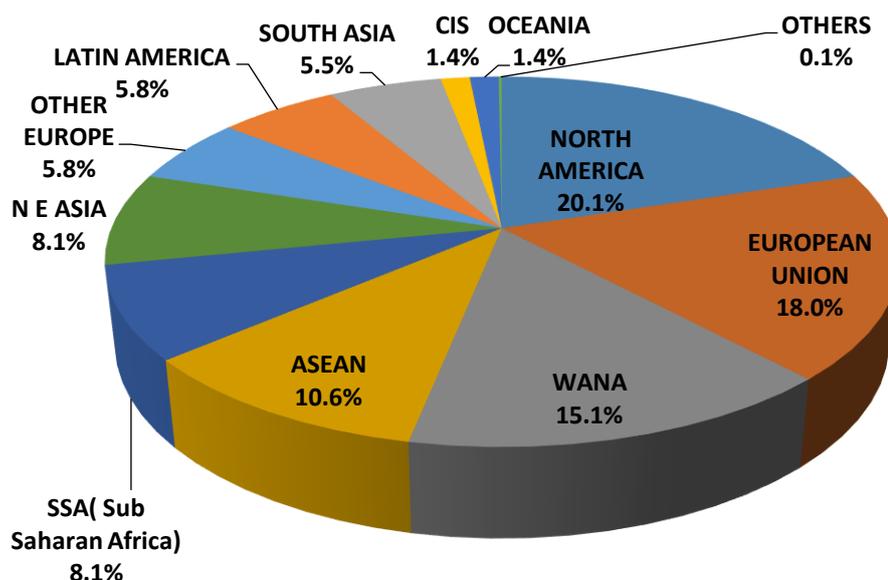
Source: DGCI&S

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

Region-wise observations:

- **WANA:** Exports to WANA declined on both monthly and cumulative basis. The decline in exports to WANA is mainly due to significant drop in exports to UAE (8.1% decline on a cumulative basis and 16.1% decline in monthly basis) and Saudi Arabia (17.9% decline on a cumulative basis and 44% decline in monthly basis). Panel-wise observation indicates the major decline is witnessed in aircraft, spacecraft and parts. The decline in exports can be attributed to volatility in MRO activities. The industry also feels that since the imposition of the US tariffs and increased compliance regarding origin of goods, it has become difficult for Indian exporters to use UAE as a base for export to US with tax benefits. This has also impacted our exports to UAE. The industry hopes that the recent FTA with Oman will be instrumental in increasing India's exports to the region
- **ASEAN:** Exports declined on cumulative basis while in December 2025, exports actually recorded a growth of 46.4%. In December 2025, exports to almost all ASEAN countries including Singapore, Thailand, Vietnam and Malaysia recorded significant growth which is a positive indication.
- **Other Europe:** Mainly declined due to decline in exports to Turkey – geopolitical conflicts and diplomatic issues have impacted India's prospects. In December 2025, India's exports to Turkey declined by around 25% while in cumulative terms it declined by around 40%.
- **South Asia:** The decline was mainly due to decline in exports to Bangladesh (both monthly and cumulative exports declined by 25% and 40% respectively) and Sri Lanka where monthly exports declined by around 40% mainly due to decline in exports of aircrafts, spacecrafts and parts, cumulative exports stayed positive at 47% growth.

Figure 1: Region-wise shares of India's engineering exports during April-December 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 December 2025 vis-à-vis December 2024 as well as cumulative exports for April-December 2025-26 vis-à-vis April-December 2024-25. These are indicated in the table below.

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

	Panel	Dec-24	Dec-25	Growth %	Apr'24 - Dec'24	Apr'25 - Dec'25	Growth %	Share % (April - Dec 2024)	Share % (April - Dec 2025)
1. Iron and Steel and Products made of Iron and Steel									
A	Iron and Steel	803.3	978.5	22%	7006.5	7658.8	9.3%	8.0%	8.4%
B	Products of Iron and Steel	933.0	932.0	0%	7404.2	7804.0	5%	8.5%	8.6%
Sub Total		1736.3	1910.6	10%	14410.8	15462.8	7%	16.5%	17.0%
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals									
A	Copper and products	236.9	532.9	125%	1715.1	2540.4	48%	2.0%	3%
B	Aluminium and products	625.7	762.7	22%	5130.5	5101.2	-1%	5.9%	6%
C	Zinc and products	80.6	74.9	-7%	557.8	603.0	8%	0.6%	1%
D	Nickel and products	15.6	15.8	1%	134.6	135.4	1%	0.2%	0%
E	Lead and products	92.4	115.3	25%	663.5	944.3	42%	0.8%	1%
F	Tin and products	2.3	3.6	59%	17.2	28.3	65%	0.02%	0.03%

	Panel	Dec-24	Dec-25	Growth %	Apr'24 - Dec'24	Apr'25 - Dec'25	Growth %	Share % (April - Dec 2024)	Share % (April - Dec 2025)
G	Other Non-Ferrous Metals	72.2	89.3	24%	637.4	763.6	20%	0.7%	1%
	Sub Total	1125.8	1594.6	42%	8856.0	10116.2	14.2%	10.1%	11.1%
3. Industrial Machinery									
A	Industrial Machinery like Boilers, parts, etc	56.9	113.2	99%	614.6	771.0	25%	0.7%	0.8%
B	IC Engines and Parts	355.9	365.4	3%	2816.3	3128.3	11%	3.2%	3.4%
C	Pumps of all types	142.6	164.5	15%	1161.7	1235.3	6%	1.3%	1.4%
D	Air condition and Refrigerators	170.6	192.8	13%	1405.2	1658.5	18%	1.6%	1.8%
E	Industrial Machinery for dairy, food processing , textiles etc	712.0	789.5	11%	6075.3	6758.0	11%	7.0%	7.4%
F	Machine Tools	64.7	82.0	27%	587.8	689.4	17%	0.7%	0.8%
G	Machinery for Injecting moulding, valves and ATMs	263.3	271.8	3%	2064.5	2320.5	12%	2.4%	2.6%
	Sub Total	1765.9	1979.2	12%	14725.5	16561.0	12%	16.9%	18.3%
4.0	Electrical Machinery	1238.0	1235.9	0%	10592.0	11451.4	8%	12.1%	12.6%
5. Automobiles									
A	Motor Vehicle/cars	789.7	907.0	15%	6688.9	8211.5	23%	7.7%	9.1%
B	Two and Three Wheelers	291.8	348.5	19%	2381.9	2910.9	22%	2.7%	3.2%
C	Auto Components/Part	696.2	722.8	3.8%	6084.6	6432.7	6%	7.0%	7.1%
D	Auto Tyres and Tubes	282.4	295.8	5%	2290.2	2389.0	4%	2.6%	2.6%
	Sub Total	2060.2	2274.2	10%	17445.6	19944.1	14.3%	20.0%	22.0%
6	Aircrafts and Spacecraft parts and products	1266.2	131.8	-90%	5771.5	1223.5	-79%	6.6%	1.3%
7	Ships Boats and Floating products and parts	252.0	323.7	28%	3723.7	2943.7	-21%	4.3%	3.2%
10. Other engineering products									
A	Medical and Scientific instruments	260.7	240.7	-8%	2081.6	2125.1	2%	2.4%	2.3%
B	Railway Transport	48.4	61.3	27%	282.5	383.0	36%	0.3%	0.4%
C	Hand Tools & Cutting Tools	88.1	84.1	-5%	768.1	770.7	0%	0.9%	0.8%
D	Bicycle & Parts	36.6	40.7	11%	290.8	348.7	20%	0.3%	0.4%
E	Cranes Lifts & Winches	84.8	89.5	6%	814.1	825.4	1%	0.9%	0.9%
F	Office Equipments	25.0	33.5	34%	218.6	301.1	38%	0.3%	0.3%
G	Other Construction Machinery	244.1	321.6	32%	2233.9	2601.3	16%	2.6%	2.9%
H	Prime Mica & Mica Products	2.5	2.3	-7%	23.0	23.3	2%	0.0%	0.0%
I	Other Misc. Items	456.4	502.6	10%	3779.4	4237.7	12%	4.3%	4.7%

	Panel	Dec-24	Dec-25	Growth %	Apr'24 - Dec'24	Apr'25 - Dec'25	Growth %	Share % (April - Dec 2024)	Share % (April - Dec 2025)
8.0	Project Goods	0.4	0.4	12%	2.0	1.5	-25%	0.0%	0.0%
9.0	Other Rubber Product Except Footwear	152.3	155.3	2%	1318.4	1407.4	7%	1.5%	1.6%
Sub total		1246.5	1376.2	10%	10491.9	11616.3	11%	12.0 %	12.8 %
	Total engineering exports	10843.4	10981.9	1.3%	87337.3	90728.0	3.88 %		

Sectoral Observations:

India's engineering exports grew by about 3.9% in April–December 2025-26 to around US\$90.73 billion, with mixed performance across panels:

- Exports of iron and steel rose by 9.3% during April–December 2025-26, supported by higher shipments of primary steel, while products of iron and steel grew at a slower 5%. Overall, India's steel exports rose 7% to US\$15.46 billion during April–December 2025-26, supported by strong demand from the USA, EU markets (Italy, Belgium, Germany, Spain) and select WANA destinations (Oman, Qatar).
As reflected in the BigMint assessment, domestic steel prices remained firm towards end-December, with billet, rebar and HRC prices edging up and cost support from higher iron ore, scrap and alloy prices, which helped sustain export competitiveness. However, export growth was partly offset by sharp declines in Saudi Arabia, the UK, Nepal, Russia and Mexico. Global price volatility and fluctuating raw material costs resulted in slower growth compared
- The non-ferrous metals panel emerged as a major growth driver, with exports rising by 14.2% to US\$10.12 billion during April–December 2025-26. Among which,
 - Aluminium and aluminium products witnessed a marginal decline to US\$5.10 billion from US\$5.13 billion. India's Apr–Dec 2025-26 aluminium export value dipped ~1% chiefly due to a sharp fall in shipments to a handful of markets—Turkey, Mexico, Korea, and Bangladesh—which outweighed strong gains to the USA, Vietnam, China, EU and WANA; a mild price/realisation softening in late Q3–Q4 further capped headline values.
 - Copper and copper products surged to US\$2.54 billion from US\$1.72 billion, a sharp 48% increase. India's exports of copper and products rose sharply by 48% to US\$2.54 billion in April–December 2025-26, driven by strong demand from China, Saudi Arabia, Korea, the USA and key EU markets. The surge was further supported by higher global copper prices, with LME copper rallying sharply, which lifted export realisations. The price uptrend also pushed up domestic copper scrap and CCR prices by 5–9% w-o-w, boosting export values despite a brief slowdown in domestic spot trading as buyers adopted a wait-and-watch approach.
 - Lead and lead products rose significantly to US\$944 million (+42%), while tin products expanded to US\$28 million (+65%), albeit on a low base.
- Exports of industrial machinery increased by 12% to US\$16.56 billion during April–December 2025-26, driven by strong demand for boilers, processing machinery, and machine tools, reflecting rising global investment in automation and manufacturing. However, exports of IC engines and parts grew only moderately.

- Exports of electrical machinery grew by 8% to US\$11.45 billion, supported by demand for power equipment, switchgear, and transmission-related products. Despite this, monthly exports showed stagnation.
- The automobile sector recorded robust growth of 14.3%, with exports reaching US\$19.94 billion, led by South Africa, Mexico, UAE and Saudi Arabia, reflecting sustained demand for vehicles and components in emerging and West Asian markets. Sharp growth was also observed in Latin America (notably Colombia and Brazil) and Europe (Germany, Spain, UK). In South Asia, a strong rebound in Sri Lanka and Nepal boosted exports. However, shipments to Turkey, Indonesia and the USA moderated
- Exports of other engineering products rose by 11% to US\$11.62 billion, supported by strong growth in railway transport equipment, office equipment, and construction machinery. In contrast, medical and scientific instruments saw a marginal decline

ENGINEERING EXPORTS – STATE-WISE ANALYSIS

State wise engineering export performance- Data as on 2025-26

The table below indicates the exports from top Indian states. It is evident from the table that almost 95% of India’s exports is contributed by the listed 12 states. Within this almost more than 60 percent of exports is done by Maharashtra, Tamil Nadu and Gujarat together during April-November 2025-26

Table 5: Top state wise engineering export performance – April-November 2024-25
Value in US\$ billion

States	April-November 2024-25	April-November 2025-26	Growth %	Share %
Maharashtra	20.2	22.1	9%	28%
Tamil Nadu	14.5	15.9	9%	20%
Gujarat	10.0	11.8	18%	14%
Delhi	5.1	4.7	-7%	6%
Karnataka	3.2	4.5	44%	6%
Haryana	3.0	3.4	12%	4%
Odisha	2.8	3.1	10%	4%
West Bengal	2.9	3.0	2%	4%
Andhra Pradesh	3.6	2.7	-24%	4%
Uttar Pradesh	2.1	2.2	7%	3%
Punjab	1.4	1.4	0%	2%
Rajasthan	1.0	1.1	6%	1%

DGCIS Portal

Maharashtra leads with 22.1 billion USD in engineering exports (April-Nov 2025-26), up 9% from 20.2 billion USD, securing a 28% national share through its robust ecosystem in engineering goods. West Bengal recorded marginal 2% growth reaching US\$ 3 billion, holding a 4% share. Odisha achieved 10% growth to 3.1 billion USD (4% share) during April-November 2025-26. Karnataka achieved the highest growth of 44% during April-November 2025-26 reaching US\$ 4.5 billion holding a share of 6%. Delhi contracted 7% to US\$4.7 bn (6% share) and Andhra Pradesh fell 24% to US\$2.7 bn (4% share), while Punjab was flat. Overall, growth remains concentrated in the western–southern hubs.

Table 6: India’s Region wise engineering exports
Value in US\$ billion

Region Wise	April-November 2024-25	April-November 2025-26	Growth %	Share %
EASTERN REGION	6.7	7.0	6%	8.8%
NORTHERN REGION	13.0	13.2	2%	16.4%
SOUTHERN REGION	26.4	24.9	-5%	31.1%
WESTERN REGION	31.1	35.1	13%	43.7%
Grand Total	77.1	80.3	4%	

DGCIS Portal

India’s region-wise engineering exports (DGCIS) rose 4% to US\$80.3 bn in Apr–Nov 2025-26, led by the Western Region at US\$35.1 bn (+13%, 43.7% share), which more than offset a contraction in the Southern Region to US\$24.9 bn (–5%, 31.1% share). The Northern Region inched up 2% to US\$13.2 bn (16.4% share), while the Eastern Region posted steady growth of 6% to US\$7.0 bn (8.8% share). Overall, exports remain highly concentrated in the West and South (~75% share), with the West acting as the primary growth engine this period.

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 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. 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. October 2025 saw both going down with decline in engineering exports while Novbemebr 2025 witnessed surged in both with substantially higher 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 7: 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	11.20	3.1
May 2025	-0.85	3.2
June 2025	1.28	3.7
July 2025	13.87	6.0
August 2025	4.91	3.8
September 2025	2.93	5.6
October 2025	-16.71	2.0
November 2025	23.79	8.0

(Source: Department of Commerce and CSO)

IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during December 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 December 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 8: 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

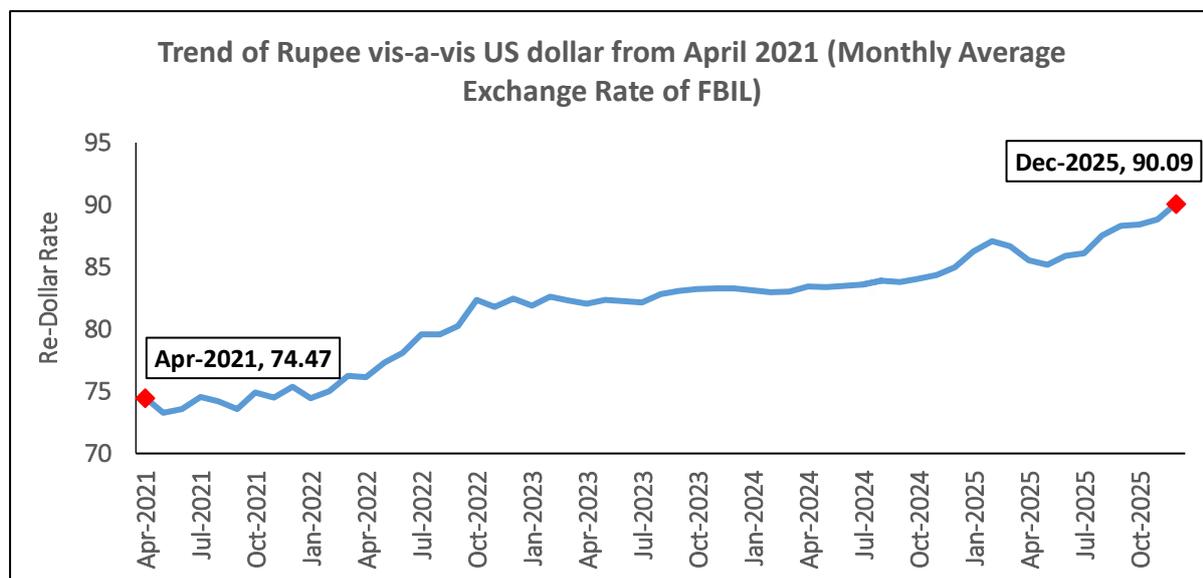
Monthly Average Exchange Rate (1 USD to INR)			Year-on- Year Change (%)	Direction	Month- on-Month Change (%)	Direction
Month	2024-25	2025-26				
August	83.90	87.52	4.31	Depreciation	1.64	Depreciation
September	83.81	88.32	5.38	Depreciation	0.91	Depreciation
October	84.03	88.42	5.22	Depreciation	0.11	Depreciation
November	84.36	88.83	5.30	Depreciation	0.46	Depreciation
December	84.99	90.09	6.00	Depreciation	1.42	Depreciation

Indian Rupee slipped below 90 per US Dollar for the first time in history and conceded 6 percent depreciation vis-à-vis the greenback in the Calendar year 2025: Depreciation of Indian Rupee continued vis-à-vis the US Dollar for the seventh straight month to December 2025 on a monthly while on a yearly basis, the depreciation continued since last fiscal. INR depreciated vis-à-vis the US Dollar by 1.42 percent in December 2025 over the previous month. Despite of intermittent intervention by the RBI, uncertainty on trade deal with the USA and capital outflow from Indian markets continued to weigh on rupee. Increase in gold import was also sighted as one of the reasons for weakening of rupee.

Table 9: 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

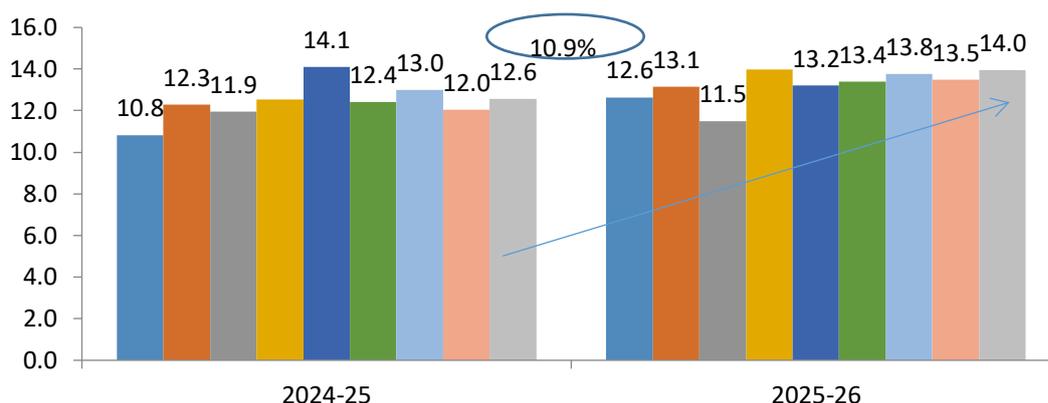
ANALYSIS OF INDIA'S ENGINEERING IMPORTS

- India's Engineering imports during December 2025 were valued at US\$ 14.0 billion compared to US\$ 12.6 billion in December 2024 registering a positive growth of 10.9 percent in dollar terms. In cumulative terms (Apr-Dec 2025), India's imports increased by 8.2 percent.

In December 2025, imports increased sharply for Copper and its products along with increase in Two and Three Wheelers, Other Construction Machinery, Aluminium and its products, Electric machinery & equipments, Industrial Machinery for dairy, Medical & Scientific and etc.

- In December 2025, import increase was mainly noted from NE Asia , ASEAN, EU, South Asia , Latin America and CIS. In cumulative terms, imports increased from all regions barring North America, Oceania and Latin America.
- The share of engineering imports in India's total merchandise imports in Apr-Dec 2025 was estimated at 21 percent.
- 42.0 % of India's engineering imports come from N E Asia and 20.7 % from the EU. The next major suppliers are ASEAN (12.6%), North America (7.5%) and WANA (6.9%) during Apr-Dec 2025.

Fig 3: Monthly Engineering Imports for April-December 2025-26 vis-a-vis April-December 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 10: Monthly Trend in Engineering Trade Balance for the current FY 2025-26 (US\$ Billions)

Trade Flow	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Engineering Export	9.5	9.9	9.5	10.4	9.9	10.1	9.4	11.0	11.0
Engineering Import	12.6	13.1	11.5	14.0	13.2	13.4	13.8	13.5	14.0
Trade Balance	-3.1	-3.2	-2.0	-3.6	-3.3	-3.3	-4.4	-2.5	-3.0

Source: DGCI&S, EEPC India Analysis

Conclusion

India's engineering exports continued its growth run in December 2025 registering a growth of 1.28%. Despite growing protectionism in the developed countries, India's engineering exports to US and major EU economies remained positive which is a significantly positive indicator at this difficult time. As per the recent update by the UNCTAD, as we enter 2026, global trade is subjected to increasing pressure from several factors including slower growth, geopolitical fragmentation, accelerating digital and green transitions and tighter national regulations - UNCTAD estimates global growth will remain subdued at 2.6 per cent in 2025 and 2026, despite potential gains from technologies such as artificial intelligence. The various policies and steps adopted by the Government of India has assumed importance at this critical juncture. The FTA with EU is expected to result in significant gains for the exporting community. The Government also announced The Market Access Support (MAS) scheme under the Export Promotion Mission - Niryat Disha notified on 31 December 2025 - testament to this commitment as it accords priority consideration to several product and services sectors of national importance including agriculture, food processing, construction, etc. Engineering goods especially machineries and parts have significant contribution in these sectors. Hence it is expected that the MAS scheme would also help uplift engineering exports.



ENGINEERING PRODUCT PANELS – COUNTRY-WISE ANALYSIS

We now analyze the performance of some of the important products for the fiscal April-December 2025-26 vis-à-vis April- December 2024-25. We have taken the major panels and computed the top importing countries to get an idea of the current trade pattern.

Engineering Product Panel - Country matrix

Value in USD million

Product panels	Top 5 nations	April- December 2024-25	April- December 2025-26	Growth
Iron and Steel	Italy	830.3	966.5	16%
	USA	399.0	562.7	41%
	Nepal	578.6	521.7	-10%
	Belgium	401.4	501.4	25%
	UAE	517.0	470.6	-9%
Products of Iron and Steel	USA	2226.7	2259.2	1%
	UAE	597.3	664.9	11%
	Germany	343.9	381.8	11%
	Saudi Arab	442.5	319.2	-28%
	UK	261.7	239.5	-8%
Industrial Machinery	USA	3068.8	3259.4	6%
	UAE	718.7	998.5	39%
	Germany	658.5	725.2	10%
	China	640.5	706.6	10%
	Thailand	557.4	600.2	8%
Automobiles (Motor Vehicles/Cars and Two and Three Wheelers)	South Africa	1086.6	1326.9	22%
	Saudi Arab	1185.3	1243.2	5%
	Mexico	993.9	1078.3	8%
	Japan	574.3	651.1	13%
	UAE	550.3	622.7	13%
Non-Ferrous metals	USA	1084.6	1305.3	20%
	Korea RP	719.4	912.8	27%
	Saudi Arab	547.1	897.5	64%
	China	464.5	776.2	67%
	Vietnam	314.4	547.6	74%
Electrical Machinery and Components	USA	2036.7	2302.1	13%
	U K	778.5	1181.1	52%
	Singapore	1209.8	1114.4	-8%
	Germany	702.5	803.7	14%
	Korea RP	498.8	605.9	21%
Aircrafts and Space crafts	USA	335.3	373.9	12%
	France	615.1	224.1	-64%
	UK	112.1	136.3	22%
	Germany	56.3	71.2	27%
	Singapore	66.6	58.1	-13%
	Singapore	1676.5	1120.5	-33%
	UAE	879.0	917.5	4%

Product panels	Top 5 nations	April- December 2024-25	April- December 2025-26	Growth
Ships, Boats and Floating Structures and parts	Sri Lanka	233.6	289.0	24%
	Indonesia	306.4	99.4	-68%
	Oman	10.0	87.4	778%
Auto Components (including Auto Parts and Auto Tyre)	USA	1744.5	1628.5	-7%
	Germany	455.6	593.8	30%
	Brazil	463.5	542.0	17%
	UAE	288.0	437.2	52%
	Bangladesh	343.9	395.4	15%

Source: DGCI&S

- In April-December 2025, Italy, USA and Nepal 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% and 4% shares, respectively during April-December 2025.
- South Africa, Saudi Arabia, Mexico, Japan and UAE were top importers of India's Automobiles during April-December 2025 in India's global exports respectively over the same period previous fiscal.
- USA, South Korea, Saudi Arab, China and Vietnam were the top importers of India's Non-ferrous metals and products during April-December 2025.
- USA, UK, Singapore and Germany were the top importers of Indian Electrical Machinery & Components during the same period with 20%, 10%, 10% and 7% shares respectively.
- USA, France, UK, Germany and Singapore were the top importers of India's Aircrafts and Spacecraft during April-December 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 during April-December 2025.
- For the auto components' product group, USA remained the top importer in April-December 2025 followed by Germany, Brazil, UAE and Bangladesh, making up to 41% of India's total export under this category.