Engineering Export-Import Monitor

JANUARY 2026

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ENGINEERING TRADE ANALYSIS FOR JANUARY 2026

Engineering exports recorded more than 10% growth in January 2026 after registering marginal growth last month

Trade Flow	Export figures (in US$ billion)				% Growth	
	Jan-2025	Jan-2026	Apr - Jan 2024-25	Apr - Jan 2025-26	Jan 2026 over Jan 2025	Apr-Jan 2026 over Apr-Jan 2025
Engineering Exports	9.42	10.40	96.76	101.13	10.4%	4.52%
Overall Merchandise Exports	36.33	36.55	358.74	366.62	0.61%	2.20%
Share of Engineering	25.9%	28.5%	27.0%	27.6%	---	---
Service Exports	34.75	43.90	320.28	354.13	26.33%	10.57%

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

After registering a marginal growth last month, in January 2026, India's engineering exports increased by more than 10%. This is despite the fact that engineering shipment in January 2026 at USD 10.4 billion was lower than that pof December 2025 at USD 10.98 billion. 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 low growth of December 2025 resulted from lower statistical base, higher year-on-year growth in January 2026 was due to lower base last year. On a cumulative basis, engineering exports from India grew by 4.52 percent to USD 101.13 billion during April-January 2025-26 crossing over the USD 100 billion mark for the first time in the current 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 January 2026. The share was recorded at 27 percent on a cumulative basis during April – January 2025-26. High exports and growth in January 2026 was attributed to abnormally high Copper exports securing more than 50% 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 Region wise, North America and EU remained the top two exporting regions for Indian engineering. Also, export growth was recorded in all regions in January 2026 barring North America, SSA, Latin America and CIS . In cumulative terms increase was noted in all regions barring WANA, Other Europe and CIS. Country-wise, USA remained the top destination although exports declined. USA is followed by UAE and Saudi Arabia both countries recording a y-o-y growth in exports in January 2026. On a cumulative basis, decline was noted in UAE and Saudi Arabia

HIGHLIGHTS

- After registering a marginal growth last month, in January 2026, India's engineering exports increased by more than 10%.
- This is despite the fact that engineering shipment in January 2026 at USD 10.4 billion was lower than that pof December 2025 at USD 10.98 billion – the significant growth therefore can be attributed to low base in the January of last year.
- On a cumulative basis, engineering exports from India grew by 4.52 percent to USD 101.13 billion during April-January 2025-26 crossing over the USD 100 billion mark for the first time in the current 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 January 2026. The share was recorded at 27 percent on a cumulative basis during April – January 2025-26.
- In January 2026, 28 out of 34 engineering panels witnessed positive year-on-year growth. While 6 engineering panels including Nickel and its products, aircraft, spacecraft and parts, hand tools and cutting tools and prime mica and products and project exports witnessed year-on-year decline in exports.
- On a cumulative basis too, 28 out of 34 engineering panels recorded growth and remaining 3 engineering panels including Nickel and its products, Aircraft and Spacecrafts, Ships, boats and floating structures, hand tools and cutting tools, prima mica and project goods recorded negative growth during April-January 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 January 2026 barring North America, SSA, Latin America and CIS . In cumulative terms increase was noted in all regions barring WANA, Other Europe and CIS.
- Country-wise, USA remained the top destination although exports declined. USA is followed by UAE and Saudi Arabia both countries recording a y-o-y growth in exports in January 2026. On a cumulative basis, 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

Values in US$ million

Month	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**
July	9162.17	10433.12	13.87
August	9437.14	9900.70	4.91
September	9826.24	10113.95	2.93

Month	2024-25	2025-26	Growth (%)
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**
January	9424.17	10401.80	10.4
April- January	**96761.45**	**101131.86**	**4.52**

Source: DGCIS, Govt. of India

TOP 25 ENGINEERING EXPORT DESTINATIONS IN JANUARY 2026

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during January 2026 over January 2025 as well as in cumulative terms during April-January 2025-26 vis-à-vis April-January 2024-25. The data clearly shows that top 25 countries contribute more than 74 % of total engineering exports.

Table 2: Engineering exports country-wise

US$ Mn.

Countries	Jan-25	Jan-26	Growth (%)	Apr -Jan 2024-25	Apr -Jan 2025-26	Growth (%)
U S A	1622.85	1513.23	-6.8%	15613.93	16195.43	3.7%
UAE	611.79	871.48	42.4%	6874.46	6628.23	-3.6%
SAUDI ARABIA	389.16	518.58	33.3%	4861.23	4189.04	-13.8%
GERMANY	360.31	443.49	23.1%	3500.55	4081.21	16.6%
U K	347.66	408.91	17.6%	3258.99	3892.03	19.4%
SINGAPORE	169.72	363.80	114.4%	3936.04	3669.11	-6.8%
ITALY	211.02	284.86	35.0%	2490.38	2917.50	17.2%
MEXICO	272.58	244.68	-10.2%	2945.79	2764.77	-6.1%
CHINA P RP	240.69	304.85	26.7%	2243.94	2637.18	17.5%
KOREA RP	189.46	248.33	31.1%	2110.02	2476.77	17.4%
SOUTH AFRICA	245.96	246.67	0.3%	2108.17	2400.95	13.9%
JAPAN	230.88	285.85	23.8%	1987.18	2215.39	11.5%
BRAZIL	170.06	187.62	10.3%	1845.75	2067.09	12.0%
NEPAL	185.61	208.15	12.1%	1854.49	1961.81	5.8%
FRANCE	202.11	177.55	-12.1%	2072.88	1917.59	-7.5%

Countries	Jan-25	Jan-26	Growth (%)	Apr -Jan 2024-25	Apr -Jan 2025-26	Growth (%)
NETHERLAND	163.60	183.75	12.3%	1580.90	1871.40	18.4%
THAILAND	170.23	153.50	-9.8%	1655.05	1807.88	9.2%
BANGLADESH	189.77	150.56	-20.7%	1771.23	1623.44	-8.3%
VIETNAM	104.52	202.83	94.1%	1197.07	1621.26	35.4%
TURKEY	215.65	184.26	-14.6%	2608.54	1609.37	-38.3%
SPAIN	105.67	152.05	43.9%	1176.20	1475.42	25.4%
BELGIUM	95.84	112.93	17.8%	1156.76	1455.97	25.9%
SRI LANKA	89.88	163.23	81.6%	951.99	1438.32	51.1%
MALAYSIA	94.15	108.95	15.7%	1250.58	1329.57	6.3%
INDONESIA	130.91	149.08	13.9%	1685.81	1305.18	-22.6%
Total engineering exports to top 25 countries	**6810.08**	**7869.19**	**15.6%**	**72737.92**	**75551.91**	**3.9%**
Total engineering exports	**9424.17**	**10401.80**	**10.4%**	**96761.45**	**101131.86**	**4.5%**

Source: DGCI&S

REGION WISE INDIA'S ENGINEERING EXPORTS

The following table depicts region wise India's engineering exports for April-January 2026 as compared to April-January 2025

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

US$ Mn

Region	Jan-25	Jan-26	Growth (%)	Apr -Jan 2024-25	Apr -Jan 2025-26	Growth (%)
NORTH AMERICA	1996.95	1879.61	-5.9%	19575.84	20072.46	2.5%
EUROPEAN UNION	1585.12	1761.09	11.1%	16579.48	18101.59	9.2%
WANA	1473.28	1857.16	26.1%	16273.86	15543.97	-4.5%
ASEAN	735.99	1075.40	46.1%	10521.71	10664.28	1.4%
N E ASIA	735.63	964.33	31.1%	7153.57	8329.22	16.4%

Region	Jan-25	Jan-26	Growth (%)	Apr -Jan 2024-25	Apr -Jan 2025-26	Growth (%)
SSA(Sub Saharan Africa)	938.68	825.67	-12.0%	7203.16	8192.35	13.7%
OTHER EUROPE	594.96	640.85	7.7%	6298.69	5909.68	-6.2%
LATIN AMERICA	549.47	538.09	-2.1%	5119.68	5791.98	13.1%
SOUTH ASIA	542.13	568.73	4.9%	5350.19	5553.07	3.8%
CIS	153.31	141.15	-7.9%	1499.22	1420.96	-5.2%
OCEANIA	107.80	137.13	27.2%	1134.10	1409.79	24.3%
OTHERS	10.85	12.58	16.0%	51.95	142.51	174.3%
Grand Total	9424.17	10401.80	10.4%	96761.45	101131.86	4.5%

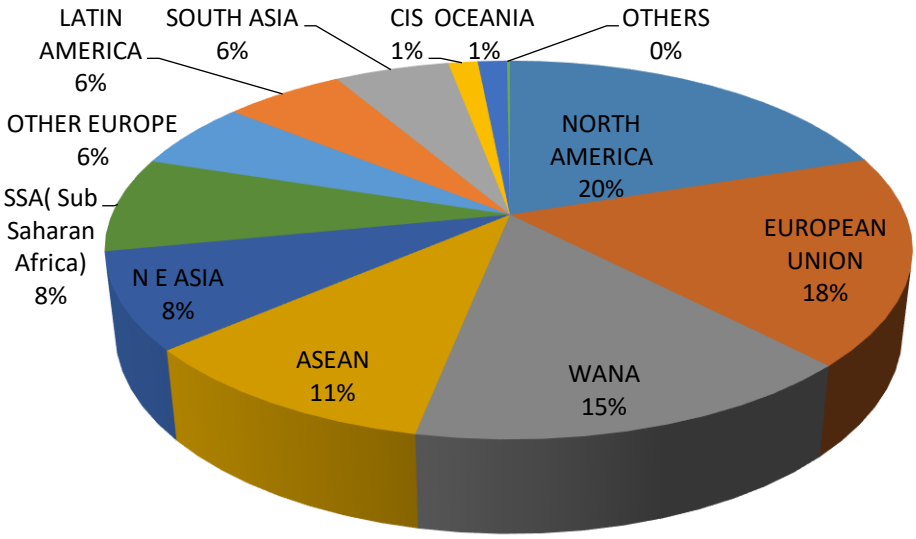
Source: DGCI&S

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

Region-wise observations:

- **North America:** Exports to North America declined mainly due to decline in exports to the US (-6.8%) during January 2026. Within US major decline was noted in exports of iron and steel and products, aluminium and products and auto components all of which are under Section 232 tariff. Apart from this, exports also declined in electrical machinery and industrial machinery
- **SSA:** Decline in exports to SSA was mainly sue to falling exports in Nigeria. Exports of two and three wheelers, products of iron and steel, industrial and electrical machinery recorded significant dip in exports to Nigeria
- **Latin America:** Exports to Latin America declined by 2.1% mainly due to some exports decline to Chile and Argentina
- **CIS:** In CIS region, exports to Russia declined by around 8% which also contributed towards decline in exports to the CIS
- **WANA**: On a positive note After registering decline in the last month, exports to WANA again registered significant growth this month mainly due to growing exports in both UAE and Saudi Arabia

Figure 1: Region-wise shares of India's engineering exports during April-January 2025-26



Source: DGCI&S

PANEL WISE INDIA'S ENGINEERING EXPORTS

Table 4: Panel wise in April-January 2025-26 vis-à-vis April-January 2024-25
US$ Mn

	Panel	January -25	January -26	Growth %	Apr'24 - January '25	Apr'25 - January '26	Growth %	Share %(April - January 2025)	Share %(April - January 2026)
1. Iron and Steel and Products made of Iron and Steel									
A	Iron and Steel	745.7	912.0	22%	7752.2	8570.8	10.6 %	8.0%	8.5%
B	Products of Iron and Steel	899.8	908.6	1%	8304.0	8711.5	5%	8.6%	8.6%
	Sub Total	**1645.5**	**1820.6**	**11%**	**16056.2**	**17282.4**	**8%**	**16.6 %**	**17.1 %**
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals									
A	Copper and products	227.9	346.9	52%	1943.0	2887.3	49%	2.0%	3%
B	Aluminium and products	575.4	666.2	16%	5706.0	5767.4	1%	5.9%	6%
C	Zinc and products	60.2	82.5	37%	618.0	685.4	11%	0.6%	1%
D	Nickel and products	18.3	14.7	-20%	152.9	150.1	-2%	0.2%	0%
E	Lead and products	79.7	118.9	49%	743.2	1063.2	43%	0.8%	1%
F	Tin and products	1.4	6.0	329%	18.5	34.2	85%	0.02 %	0.03 %
G	Other Non-Ferrous Metals	76.0	92.8	22%	713.4	856.4	20%	0.7%	1%
	Sub Total	**1039.1**	**1327.9**	**28%**	**9895.1**	**11444.1**	**15.7 %**	**10.2 %**	**11.3 %**

	Panel	January -25	January -26	Growth %	Apr'24 - January '25	Apr'25 - January '26	Growth %	Share %(April - January 2025)	Share %(April - January 2026)
	3. Industrial Machinery								
A	Industrial Machinery like Boilers, parts, etc	65.4	71.1	9%	680.0	842.3	24%	0.7%	0.8%
B	IC Engines and Parts	324.9	315.3	-3%	3141.2	3444.0	10%	3.2%	3.4%
C	Pumps of all types	121.4	135.6	12%	1283.1	1370.9	7%	1.3%	1.4%
D	Air condition and Refrigerators	175.0	187.5	7%	1580.2	1846.0	17%	1.6%	1.8%
E	Industrial Machinery for dairy, food processing , textiles etc	697.2	729.5	5%	6772.5	7487.1	11%	7.0%	7.4%
F	Machine Tools	64.6	65.9	2%	652.4	755.4	16%	0.7%	0.7%
G	Machinery for Injecting moulding, valves and ATMs	251.8	258.8	3%	2316.3	2578.6	11%	2.4%	2.5%
	Sub Total	**1700.3**	**1763.6**	**4%**	**16425.8**	**18324.2**	**12%**	**17.0 %**	**18.1 %**
4.0	Electrical Machinery	**1176.9**	**1275.0**	**8%**	**11768.9**	**12726.1**	**8%**	**12.2 %**	**12.6 %**
	5. Automobiles								
A	Motor Vehicle/cars	687.0	876.9	28%	7375.9	9089.2	23%	7.6%	9.0%
B	Two and Three Wheelers	255.4	329.9	29%	2637.2	3240.8	23%	2.7%	3.2%
C	Auto Components/Part	660.8	686.2	3.9%	6745.4	7119.3	6%	7.0%	7.0%
D	Auto Tyres and Tubes	254.7	264.9	4%	2544.9	2653.9	4%	2.6%	2.6%
	Sub Total	**1857.9**	**2158.0**	**16%**	**19303.5**	**22103.2**	**14.5 %**	**19.9 %**	**21.9 %**
6	**Aircrafts and Spacecraft parts and products**	**617.6**	**128.4**	**-79%**	**6389.1**	**1353.3**	**-79%**	**6.6%**	**1.3%**
7	**Ships Boats and Floating products and parts**	**95.4**	**453.1**	**375%**	**3819.1**	**3396.8**	**-11%**	**3.9%**	**3.4%**
	10. Other engineering products								
A	Medical and Scientific instruments	226.9	230.1	1%	2308.5	2355.9	2%	2.4%	2.3%
B	Railway Transport	24.3	29.4	21%	306.8	412.4	34%	0.3%	0.4%
C	Hand Tools & Cutting Tools	92.7	80.7	-13%	860.7	851.5	-1%	0.9%	0.8%
D	Bicycle & Parts	37.2	40.2	8%	328.0	389.8	19%	0.3%	0.4%
E	Cranes Lifts & Winches	79.9	81.5	2%	894.0	907.0	1%	0.9%	0.9%
F	Office Equipment	17.7	27.7	56%	236.3	328.9	39%	0.2%	0.3%
G	Other Construction Machinery	234.2	379.3	62%	2468.1	2981.1	21%	2.6%	2.9%
H	Prime Mica & Mica Products	3.0	1.9	-38%	25.9	25.2	-3%	0.0%	0.0%
I	Other Misc. Items	423.1	455.8	8%	4202.5	4692.5	12%	4.3%	4.6%

	Panel	January -25	January -26	Growth %	Apr'24 - January '25	Apr'25 - January '26	Growth %	Share %(April - January 2025)	Share %(April - January 2026)
8.0	Project Goods	0.2	0.2	-13%	2.1	1.6	-24%	0.0%	0.0%
9.0	Other Rubber Product Except Footwear	152.3	148.5	-2%	1470.7	1556.0	6%	1.5%	1.5%
Sub total		1139.0	1326.5	16%	11630.9	12944.2	11%	12.0 %	12.8 %
Total engineering exports		**9424.2**	**10401.8**	**10.4%**	**96761.5**	**101131.9**	**4.52 %**		

Sectoral Observations:

India's engineering exports grew by about 4.52% in April–January 2025-26 to around US$101.13 billion, with mixed performance across panels:

- Exports of iron and steel rose by 10.6% during April–January 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 8% to US$17.28 billion during April–January 2025-26, supported by strong demand from the USA, UAE, EU markets (Italy, UK, Belgium, Germany, Netherland, Spain), Nepal and select WANA destinations (Saudi Arabia, Oman).

  As reflected in the BigMint assessment, India's crude steel production rose sharply by 10.6% year-on-year during 10MFY'26, supported by a 9.7% increase in finished steel output. However, domestic consumption grew at a slower pace of 6.6% due to an extended monsoon and unseasonal rains that disrupted construction and infrastructure activity—the country's largest steel-consuming segments. With domestic demand subdued, mills increasingly shifted volumes to export markets, where realisations remained more favourable than domestic prices. Strong buying from the EU ahead of the CBAM phase-in further sustained India's export momentum, helping offset the weakness in local demand.

- The non-ferrous metals panel emerged as a major growth driver, with exports rising by 15.7% to US$11.44 billion during April–January 2025-26. Among which,

  i. Aluminium and aluminium products witnessed a marginal growth of 1% to US$5.77 billion in April-Jan 2026 from US$5.71 billion during April-Jan 2025. Export performance was supported by stronger shipments to Vietnam, the USA, Japan and Italy, although declines were observed in markets such as Korea (Rep.), Mexico and Turkey. On the pricing front, BigMint data indicates that domestic aluminium prices in India firmed up week-on-week, reflecting the rise in LME and MCX aluminium futures amid ongoing global supply concerns.

  ii. Copper and copper products registered a robust 49% increase, rising to US$ 2.88 billion from US$ 1.94 billion. Export growth was supported by strong demand from China, Saudi Arabia, Korea (Rep.), the UAE, key EU markets, and Nepal. On the pricing front, BigMint data shows that imported copper scrap prices in India climbed sharply week-on-week, tracking a rebound in LME copper futures, while domestic scrap prices also firmed on higher replacement costs and improving sentiment, despite cautious buying. Middle East-origin Birch Cliff scrap was assessed at US$ 12,795/t CFR Mundra, up 9.8% w-o-w, while Brass Honey prices strengthened across origins—European-origin material at US$ 7,730/t (up 9.4% w-o-w) and Middle East-origin at US$ 8,295/t (up 7% w-o-w).

iii. Lead and lead products rose significantly to US$1.06 billion (+43%), while tin products expanded to US$34.2 million (+85%), albeit on a low base.

- Exports of industrial machinery increased by 12% to US$18.32 billion during April–January 2025-26, driven by strong demand for Industrial Machinery like Boilers, Air-condition and Refrigeration machinery, 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$12.73 billion, supported by demand for power equipment, switchgear, and transmission-related products.
- The automobile sector recorded robust growth of 20%, with exports reaching US$22.10 billion, led by South Africa, Mexico, Saudi Arabia, UAE, Japan, Brazil, Germany and Colombia and, reflecting sustained demand for vehicles and components. In South Asia, a strong rebound in Sri Lanka and Nepal boosted exports. However, shipments to USA, Turkey and Indonesia moderated
- Exports of other engineering products rose by 11% to US$12.94 billion, supported by strong growth in railway transport equipment, bicycle parts, office equipment, and construction machinery. In contrast, medical and scientific instruments saw a marginal growth.

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-December 2025-26

Table 5: State-wise engineering exports in April-January 2025-26

Value in US$ billion

States	April-December 2024-25	April-December 2025-26	Growth %	Share %
Maharashtra	23.0	25.1	9%	27%
Tamil Nadu	16.5	18.1	10%	20%
Gujarat	11.5	13.7	19%	15%
Delhi	5.7	5.2	-9%	6%
Karnataka	3.6	5.1	43%	6%
Haryana	3.5	3.9	11%	4%
Odisha	3.2	3.7	17%	4%
West Bengal	3.3	3.4	2%	4%
Andhra Pradesh	4.0	3.2	-19%	4%
Uttar Pradesh	2.4	2.5	7%	3%
Punjab	1.6	1.6	1%	2%
Rajasthan	1.2	1.2	5%	1%

DGCIS Portal

Maharashtra leads with 25.1 billion USD in engineering exports (April-December 2025-26), up 9% from 23 billion USD, securing a 27% national share through its robust ecosystem in engineering goods. West Bengal recorded marginal 2% growth reaching US$ 3.4 billion, holding a 4% share. Odisha achieved 17% growth to 3.7 billion USD (4% share) during April-December 2025-26. Karnataka achieved the highest growth of 43% during April-December 2025-26 reaching US$ 5.1 billion holding a share of 6%. Delhi contracted 9% to US$5.2 bn (6% share) and Andhra Pradesh fell 19% to US$ 3.2 bn (4% share), while Punjab was flat. Overall, growth remains concentrated in the western–southern hubs.

Table 6: Region-wise engineering exports in April-January 2025-26Value in US$ billion

Region Wise	April-December 2024-25	April-December 2025-26	Growth %	Share %
EASTERN REGION	7.6	8.2	8%	8.9%
NORTHERN REGION	14.7	14.8	1%	16.2%
SOUTHERN REGION	30.5	28.5	-6%	31.1%
WESTERN REGION	35.6	40.1	13%	43.8%
Grand Total	88.2	91.5	4%	

DGCIS Portal

India's region-wise engineering exports (DGCIS) rose approximately 4% to US$ 91.5 bn in Apr–Dec 2025-26, led by the Western Region at US$ 40.1 bn (+13%, 43.8% share), which more than offset a contraction in the Southern Region to US$ 28.5 bn (–6%, 31.1% share). The Northern Region inched up marginally by 1% to US$ 14.8 bn (16.2% share), while the Eastern Region posted steady growth of 8% to US$8.2 bn (8.9% 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 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. October 2025 saw both going down with decline in engineering exports while Novbemebr 2025 witnessed surged in both with substantially higher growth. In December 2025 however, while engineering exports grew, the growth rate slowed down whereas the manufacturing growth rate was maintained

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	8.5
December 2025	1.3	8.1

(Source: Department of Commerce and CSO)

IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during January 2026 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 January 2026, 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

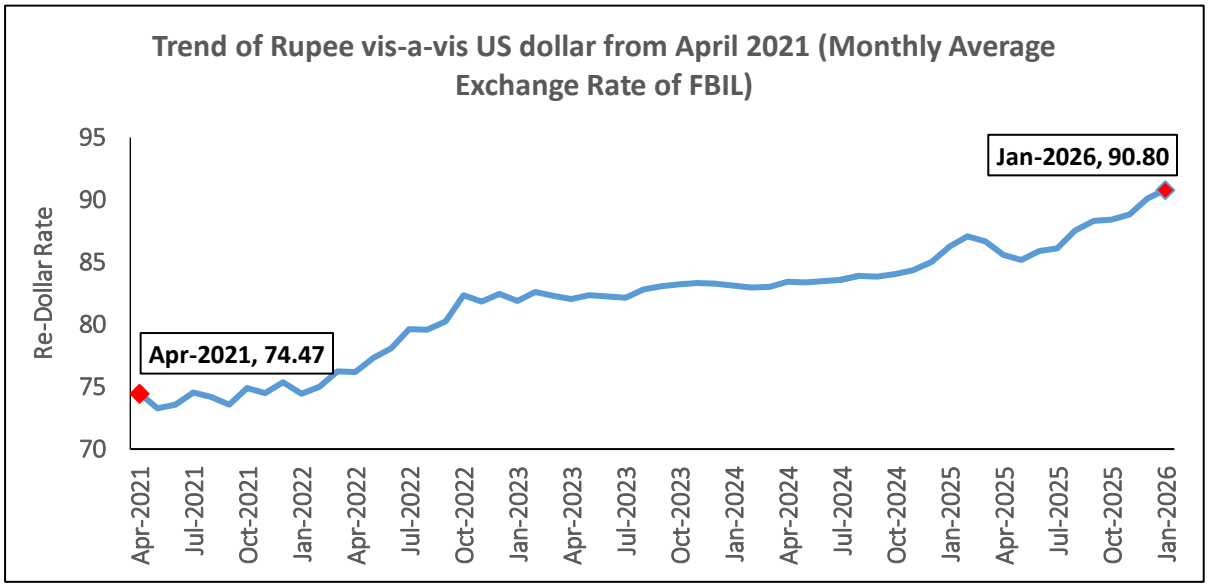
Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2024-25	2025-26				
August	83.90	87.52	4.31	Depreciation	1.64	Depreciation
September	83.81	88.32	5.38	Depreciation	0.91	Depreciation
October	84.03	88.42	5.22	Depreciation	0.11	Depreciation
November	84.36	88.83	5.30	Depreciation	0.46	Depreciation
December	84.99	90.09	6.00	Depreciation	1.42	Depreciation
January	86.26	90.80	5.25	Depreciation	0.79	Depreciation

Indian Rupee continued to remain below 90 per US Dollar and conceded 5.25 percent depreciation vis-à-vis the greenback in January 2026: Depreciation of Indian Rupee continued vis-à-vis the US Dollar for the eighth straight month to January 2026 on a monthly while on a yearly basis, the depreciation continued since last fiscal. INR depreciated vis-à-vis the US Dollar by 0.78 percent in January 206 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 January 2026 were valued at US$ 14.0 billion compared to US$ 13.2 billion in January 2025 registering a positive growth of 6.3 percent in dollar terms. In cumulative terms (Apr-Dec 2025), India's imports increased by 8 percent.

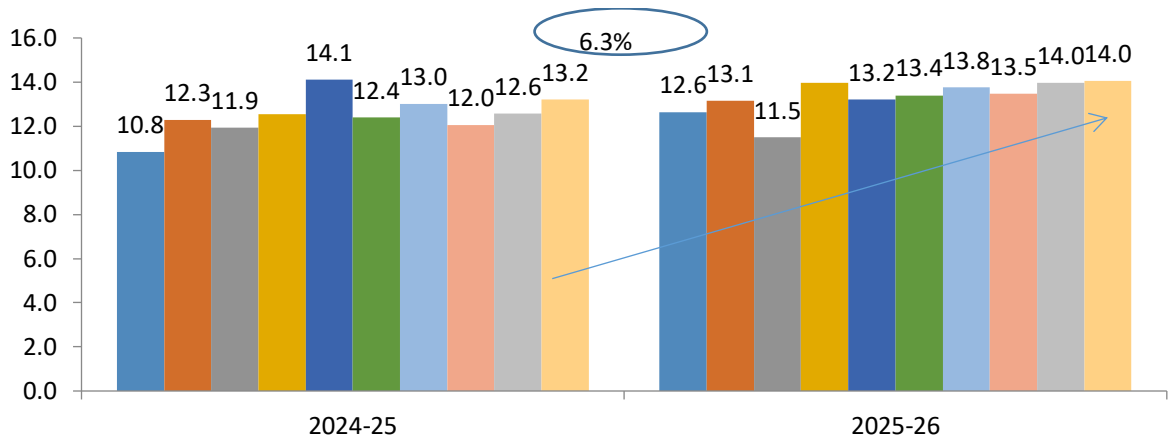
- In January 2026, imports increased sharply for Copper and its products along with increase in Two and Three Wheelers, Auto tyres and tubes, Motor vehicles and cars, Copper ande products, Nuclear ractors and boilers etc, Tin and its products, etc.

- In January 2026, import increase was mainly noted from WANA, South Asia, ASEAN, North America and Oceania. Iun cumulative terms, imports have increased from all regions barring Latin America, North America, Oceania and SSA

- The share of engineering imports in India's total merchandise imports in Apr-Jan 2026 was estimated at 21 percent**.**

- Almost 42% of India's imports come from N E Asia and 20% from EU in April-January 2026. The next major suppliers are ASEAN, North America and WANA

Fig 3: Monthly Engineering Imports for April-January 2025-26 vis-a-vis April-January 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	Jan
Engineering Export	9.5	9.9	9.5	10.4	9.9	10.1	9.4	11.0	11.0	10.4
Engineering Import	12.6	13.1	11.5	14.0	13.2	13.4	13.8	13.5	14.0	14.0
Trade Balance	-3.1	-3.2	-2.0	-3.6	-3.3	-3.3	-4.4	-2.5	-3.0	-3.6

Source: DGCI&S, EEPC India Analysis

CONCLUSION

In January 2026, India's engineering exports bounced back with a double digit growth rate after registering very slow growth last month. While low export base remains one of the major reason behind this growth, Indian engineering exports also bounced back in most of the regions. This is a very positive news specially at a time when the global trade is going through realignments pushed by changing geopolitics. 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. In this situation, we are hopegul that India's engineering export performance will continue in a growth path. Finally, the recent schemes announced by the Government especially the Market Access Scheme is estimated to be a big enabler of Indian exports. This is crucial at a time when more Indian exporters are eager to participate in global exhibitions and exhibit their products to global markets.

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ANNEXURE-I

ENGINEERING PRODUCT PANELS – COUNTRY-WISE ANALYSIS

We now analyze the performance of some of the important products for the fiscal April-January 2025-26 vis-à-vis April- January 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- January 2024-25	April- January 2025-26	Growth
Iron and Steel	ITALY	903.5	1053.7	17%
	USA	458.7	606.1	32%
	NEPAL	647.6	587.1	-9%
	UAE	581.2	543.6	-6%
	BELGIUM	437.3	527.4	21%
Products of Iron and Steel	USA	2521.0	2495.9	-1%
	UAE	678.7	750.7	11%
	GERMANY	381.4	424.1	11%
	SAUDI ARAB	486.3	368.4	-24%
	UK	288.0	267.1	-7%
Industrial Machinery	USA	3425.8	3601.9	5%
	UAE	804.9	1101.5	37%
	GERMANY	728.3	816.2	12%
	CHINA	717.4	780.2	9%
	SAUDI ARAB	532.1	649.1	22%
Automobiles (Motor Vehicles/Cars and Two and Three Wheelers)	SOUTH AFRICA	1211.4	1461.8	21%
	SAUDI ARAB	1286.6	1352.7	5%
	MEXICO	1092.0	1173.4	7%
	JAPAN	651.1	733.3	13%
	UAE	598.4	677.8	13%
Non-Ferrous metals	USA	1225.3	1466.4	20%
	SAUDI ARAB	637.1	1061.5	67%
	KOREA RP	806.9	1006.7	25%
	CHINA	511.3	895.6	75%
	VIETNAM	348.1	595.8	71%
Electrical Machinery and Components	USA	2224.2	2483.7	12%
	UK	923.9	1304.3	41%
	SINGAPORE	1297.1	1259.8	-3%
	GERMANY	800.8	883.5	10%
	KOREA RP	528.5	685.7	30%
Aircrafts and Space crafts	USA	375.9	413.8	10%
	FRANCE	672.1	243.2	-64%
	UK	125.4	153.4	22%
	GERMANY	63.3	79.6	26%
	RUSSIA	22.0	59.7	171%
Ships, Boats and Floating Structures and parts	UAE	882.2	1215.6	38%
	SINGAPORE	1695.2	1206.9	-29%
	SRI LANKA	233.6	316.5	35%

Product panels	Top 5 nations	April- January 2024-25	April- January 2025-26	Growth
	INDONESIA	306.4	125.1	-59%
	OMAN	10.0	87.8	782%
Auto Components (including Auto Parts and Auto Tyre)	USA	1951.2	1821.5	-7%
	GERMANY	502.6	666.6	33%
	BRAZIL	505.9	591.1	17%
	UAE	332.9	477.7	43%
	BANGLADESH	394.4	434.3	10%

Source: DGCI&S

- In April-January 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% ad 4% shares, respectively during April-January 2025.
- South Africa, Saudi Arab, Mexico, Japan and UAE were top importers of India's Automobiles during April-January 2025 in India's global exports respectively over the same period previous fiscal.
- USA, Saudi Arab, South Korea, China and Vietnam were the top importers of India's Non-ferrous metals and products during April-January 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 Russia were the top importers of India's Aircrafts and Spacecraft during April-January 2025, making up to 70% of India's total export of Aircrafts and Spacecraft.
- UAE, Singapore and Sri Lanka became the largest importer of ships, boats and floating structures followed by Indonesia and Oman during April-January 2025.
- For the auto components' product group, USA remained the top importer in April-January 2025 followed by Germany, Brazil, UAE and Bangladesh, making up to 41% of India's total export under this category.