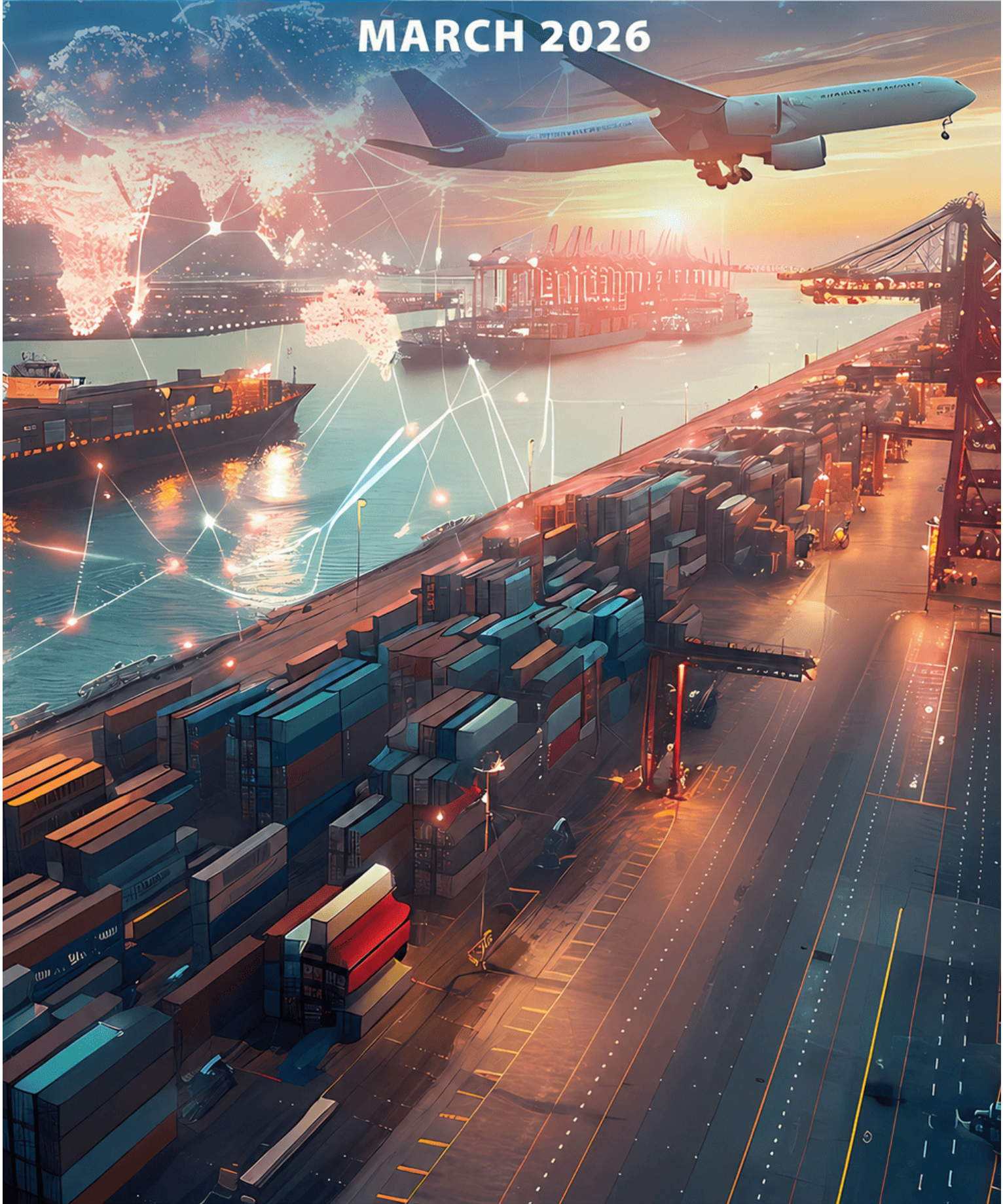


Engineering Export-Import Monitor

MARCH 2026



Engineering The Future

EEPCINDIA
ENGINEERING THE FUTURE

ENGINEERING TRADE ANALYSIS FOR MARCH 2026

Engineering exports achieved its all-time high growth for the second straight fiscal year in 2025-26

Trade Flow	Export figures (in US\$ billion)				% Growth	
	Mar-2025	Mar-2026	Apr - Mar 2024-25	Apr - Mar 2025-26	Mar 2026 over Mar 2025	Apr-Mar 2026 over Apr-Mar 2025
Engineering Exports	10.82	10.94	116.75	122.43	1.13%	4.86%
Overall Merchandise Exports	42.05	38.92	437.70	441.78	-7.44%	0.93%
Share of Engineering	25.73%	28.11%	26.67%	27.71%	---	---
Service Exports	35.63	35.20	387.55	418.31	-1.21%	7.94%

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

Indian engineering once again demonstrated its underlying strength as engineering exports from India rose to its all-time high for second consecutive fiscal year in 2025-26 despite several external adversities. This is the third time Indian engineering achieved its all-time high exports in last five fiscals after the Pandemic. During fiscal 2025-26, engineering shipment from India was recorded at USD 122.43 billion as against USD 116.75 billion in the previous fiscal, registering a growth of 4.86%. The month of March 2026 witnessed 1.13% growth in engineering exports over March 2025 even at the time of extreme supply disruption following the Iran War and subsequent closure of the Strait of Hormuz. Engineering shipment from India rose to USD 10.94 billion in March 2026 from USD 10.82 billion in March 2025. Engineering is the largest component of merchandise exports with a share of 27.71% during fiscal 2025-26. The share in March 2026 is even better at 28.11%. This record high exports of Indian engineering was led by high exports of Motor vehicles/cars, Copper and its products, Iron and steel, Electric machinery and equipment, Two and three wheelers, Products of iron and steel, Industrial machinery, Other construction machinery, and Auto components/parts among others. Among the major exported product groups, 'Aircraft spacecraft and parts', 'Medical and scientific instruments' and 'Ships, boats and floating structures' conceded decline in exports during fiscal 2025-26. Region-wise, North America and European Union remained the top two exported destinations for Indian engineering with shares of 20% and 18% respectively in India's global engineering exports. exports to North America increased by 1.9% while that to European Union increased by a higher 8.6% in 2025-26 over the previous fiscal. Exports to all other regions increased in 2025-26 expect WANA, Other Europe and CIS. While exports to WANA dropped by 8%, engineering shipments to Other Europe and CIS fell by 4.5% and 5.9% year-on-year respectively. Among the top export destination countries, exports to second largest UAE and fourth largest Saudi Arabia slumped by 10% and 13% while exports to USA as the largest consumer increased by 2%. Exports to Germany and UK also increased in double-digit during 2025-26.

HIGHLIGHTS

- Indian engineering exports rose to its all-time high for second consecutive fiscal year in 2025-26 despite several external adversities. This is the third time in last five fiscal years after the Pandemic when Indian engineering achieved its all-time high exports.
- During fiscal 2025-26, engineering shipment from India was recorded at an all-time high of USD 122.43 billion as against USD 116.75 billion in the previous fiscal, registering a growth of 4.86%.
- The month of March 2026 witnessed 1.13% growth in engineering export over March 2025 even at the time of extreme supply disruption following the Iran War and subsequent closure of the Strait of Hormuz.
- Engineering shipment from India in March 2026 rose to USD 10.94 billion from 10.82 billion in March 2025.
- As per the quick estimates of the government, Engineering is the largest component of merchandise exports with a rising share that is recorded at 27.71% during fiscal 2025-26. The share in March 2026 is even better at 28.11%.
- Among the 34 product panel as defined by the DGCI&S, as much as 26 product panels achieved year-on-year growth in exports during fiscal 2025-26 while only eight conceded decline over the previous fiscal.
- During the fiscal 2025-26, exports of Copper and its products grew by a substantial 59.2% while Lead and its products grew by 34.2%. Two and three wheelers, and Motor vehicles/cars recorded 24.2% and 23.1% increase respectively.
- Among the exporting regions, engineering exports to North America increased by 1.9% while that to European Union increased by a higher 8.6% in 2025-26 over the previous fiscal. Exports to all other regions increased in 2025-26 except WANA, Other Europe and CIS. While exports to WANA dropped by 8%, engineering shipments to Other Europe and CIS fell by 4.5% and 5.9% year-on-year respectively.
- North America and European Union remained the top two exported destination for Indian engineering in 2025-26 with shares of 20% and 18% respectively in India's global engineering exports. WANA and ASEAN were next in the queue holding shares of 15% and 11% respectively.
- Among the top exporting destination countries, exports to second largest UAE and fourth largest Saudi Arabia slumped by 10% and 13% respectively in 2025-26. Exports to USA as the largest consumer increased by 2.3% despite elevated tariff imposed by the Trump Administration. Exports to Germany and UK also increased in double-digit during 2025-26.
- During March 2026, exports to WANA dropped by as much as 50.7% due to supply chain issue following the closure of Hormuz. Among the major exporting countries, exports to UAE and Saudi Arabia conceded substantial year-on-year drop of 67% and 45% respectively in March 2026.

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	9515.77	11.20

Month	2024-25	2025-26	Growth (%)
May	9974.13	9890.48	-0.84
June	9386.21	9506.75	1.28
April-June	27917.46	28913.00	3.57
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	11016.67	23.81
December	10843.35	10982.90	1.29
October-December	30994.27	31372.00	1.22
January	9424.17	10399.74	10.35
February	9174.86	10359.07	12.91
March	10817.86	10939.88	1.13
January-March	29416.89	31698.69	7.76
April - March	116754.17	122431.46	4.86

Source: DGCIS, Govt. of India

TOP 25 ENGINEERING EXPORT DESTINATIONS IN MARCH 2026

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during March 2026 over March 2025 as well as in cumulative terms during April-March 2025-26 vis-à-vis April-March 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	Mar-25	Mar-26	Growth (%)	Apr' - Mar' 2024-25	Apr' - Mar' 2025-26	Growth (%)
U S A	1886.80	1831.36	-2.9%	19157.31	19603.31	2.3%
UAE	714.82	237.40	-66.8%	8277.50	7457.78	-9.9%
GERMANY	402.69	456.85	13.5%	4337.14	4968.54	14.6%
SAUDI ARABIA	450.57	247.72	-45.0%	5635.38	4892.99	-13.2%
U K	429.07	443.14	3.3%	4013.22	4744.86	18.2%
SINGAPORE	334.63	561.72	67.9%	4469.33	4501.89	0.7%
CHINA	216.07	456.98	111.5%	2667.47	3531.09	32.4%
ITALY	261.77	278.65	6.5%	2994.04	3472.74	16.0%
MEXICO	314.26	304.26	-3.2%	3536.02	3384.43	-4.3%
KOREA RP	262.14	244.36	-6.8%	2597.12	3030.90	16.7%
SOUTH AFRICA	225.55	279.54	23.9%	2517.98	2895.27	15.0%
JAPAN	211.39	255.01	20.6%	2438.09	2654.09	8.9%
BRAZIL	216.12	227.10	5.1%	2238.00	2497.74	11.6%
NEPAL	218.07	221.77	1.7%	2252.03	2412.87	7.1%
FRANCE	206.87	223.65	8.1%	2496.03	2346.44	-6.0%
NETHERLAND	172.66	184.82	7.0%	1905.41	2226.82	16.9%
THAILAND	181.69	166.46	-8.4%	2005.25	2140.29	6.7%
VIETNAM	139.21	264.43	90.0%	1435.26	2052.41	43.0%
TURKEY	253.03	181.60	-28.2%	3044.60	1959.22	-35.6%
BANGLADESH	214.20	158.30	-26.1%	2187.61	1919.79	-12.2%
SPAIN	112.64	156.69	39.1%	1386.54	1792.16	29.3%
SRI LANKA	119.20	164.55	38.0%	1166.96	1765.37	51.3%
BELGIUM	146.60	158.05	7.8%	1400.94	1753.91	25.2%
MALAYSIA	127.23	233.80	83.8%	1458.72	1686.55	15.6%
INDONESIA	130.30	140.90	8.1%	1938.54	1608.84	-17.0%
Total engineering exports to top 25 countries	7947.61	8079.14	1.7%	87556.51	91300.31	4.3%
Total engineering exports	10817.86	10939.88	1.1%	116754.17	122431.46	4.9%

Source: DGCI&S

REGION WISE INDIA'S ENGINEERING EXPORTS

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

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

US\$ Mn

Region	Mar-25	Mar-26	Growth (%)	Apr' -Mar' 2024-25	Apr' -Mar' 2025-26	Growth (%)
NORTH AMERICA	2315.24	2253.92	-2.6%	23920.41	24379.84	1.9%
EUROPEAN UNION	1769.67	1868.70	5.6%	20058.77	21793.04	8.6%
WANA	1751.92	864.29	-50.7%	19503.03	17938.41	-8.0%
ASEAN	992.03	1493.70	50.6%	12245.43	13120.71	7.1%
N E ASIA	848.18	1094.40	29.0%	8768.11	10432.74	19.0%
SSA(Sub Saharan Africa)	879.50	1043.32	18.6%	8759.86	10101.92	15.3%
OTHER EUROPE	724.93	676.84	-6.6%	7553.99	7217.28	-4.5%
LATIN AMERICA	601.81	729.79	21.3%	6187.14	7109.75	14.9%
SOUTH ASIA	612.75	598.29	-2.4%	6494.01	6742.84	3.8%
OCEANIA	146.51	154.00	5.1%	1378.54	1712.08	24.2%
CIS	164.39	148.28	-9.8%	1813.84	1706.87	-5.9%
OTHERS	10.93	14.34	31.3%	71.03	175.98	147.8%
Grand Total	10817.86	10939.88	1.1%	116754.17	122431.46	4.9%

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:

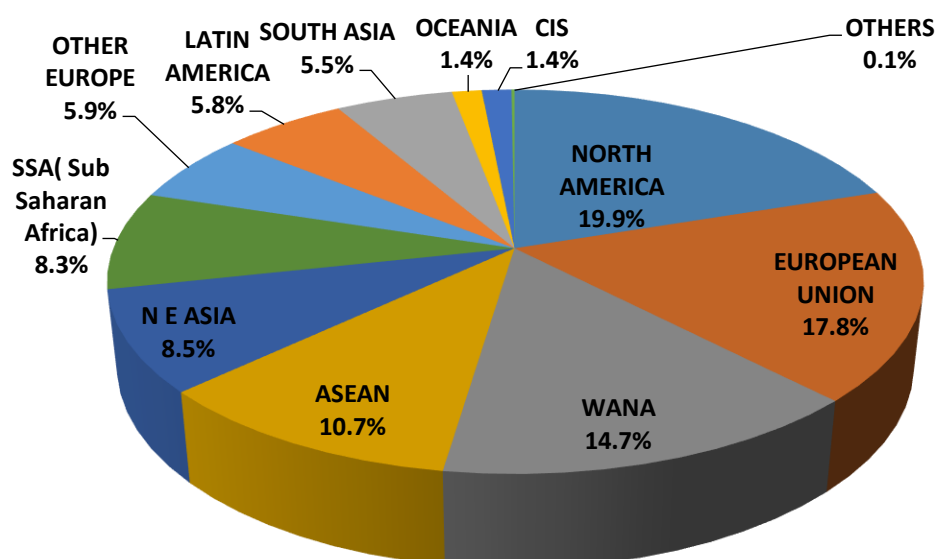
- **North America:** Exports to North America declined mainly due to ongoing geopolitical conflicts in Middle East and West Asia region which impacted logistics significantly
- **WANA:** The geopolitical conflict also impacted India's exports to the WANA region as exports came down by almost 50%. It needs to be mentioned here that UAE being a trade-transshipment hub, several Indian exporters also have there warehouses in UAE for further trade with Europe, Africa and the USA. The recent geopolitical conflicts in the region have also impacted these warehouse activities

- **Other Europe:** In case of Other Europe, the decline is accounted for by Turkey – in April-March 2025-26, India’s exports to Turkey declined by 35.6% and in March alone the decline was 28.2%.
- **CIS:** In CIS region, exports to Russia declined by around 15.1% which also contributed towards decline in exports to the CIS

Other Observations:

- Decline in Mexico continues not only due to the logistics issues but also due to their recently announced trade reforms under which tariffs on over 1,400 products rose sharply—ranging from 5% to 50%—for imports from countries without a Free Trade Agreement (FTA) with Mexico effective from 1st January 2026
- Another country where India’s exports continued to decline is Bangladesh – major reason can be attributed to their recent tax reforms whereby Bangladesh has withdrawn the existing import duties on steel raw materials and replaced it with a combination of VAT and Advanced Income Tax (AIT) which has increased the effective tax burden on manufacturers using imported steel for further processing by upto 40%. Even in cases of products with zero customs duty, the additional duties increase the cost burden.
- Amidst the decline, India’s exports performed significantly well in ASEAN as it recorded more than 50% increase and North East Asia where exports increased by 29% during March 2026. Exports also rose for Oceania by more than 5% which may indicate that some trade diversion could be done successfully towards India’s East as Indian exporters faced logistics issues in the West

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



Source: DGCI&S

PANEL WISE INDIA'S ENGINEERING EXPORTS

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

Table 4: Panel wise engineering exports in April-March 2025-26 vis-à-vis [US\$ Mn] April-March 2024-25

SI no	Sectors	Mar-25	Mar-26	Growth (%)	Apr' - March' 2024-25	Apr' - March' 2025-26	Growth (%)	Share % (April-March 2025)	Share % (April-March 2026)
1. Iron and Steel and Products made of Iron and Steel									
A	Iron and Steel	810.1	901.8	11%	9251.1	10316.6	11.5%	7.9%	8.4%
B	Products of Iron and Steel	981.3	814.3	-17%	10116.8	10362.5	2%	8.7%	8.5%
Sub Total		1520.3	1791.4	-4%	19367.9	20679.1	7%	16.6%	16.9%
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals									
A	Copper and products	205.9	469.0	128%	2320.6	3694.5	59%	2%	3%
B	Aluminium and products	654.9	700.0	7%	6855.7	7063.0	3%	6%	6%
C	Zinc and products	64.6	109.8	70%	740.5	878.7	19%	1%	1%
D	Nickel and products	21.0	20.7	-2%	190.4	188.6	-1%	0%	0%
E	Lead and products	108.9	104.5	-4%	945.7	1268.7	34%	1%	1%
F	Tin and products	3.2	7.7	138%	22.8	50.8	123%	0%	0%
G	Other Non-Ferrous Metals	86.2	99.9	16%	870.7	1046.0	20%	1%	1%
Sub Total		1144.8	1511.6	32%	32%	14190.3	19%	10%	12%
3. Industrial Machinery									
A	Industrial Machinery like Boilers, parts, etc	101.4	103.6	2%	855.5	1035.9	21%	1%	1%
B	IC Engines and Parts	396.0	344.8	-13%	3881.9	4115.9	6%	3%	3%
C	Pumps of all types	142.5	131.9	-7%	1550.1	1632.2	5%	1%	1%
D	Air condition and Refrigerators	220.2	258.8	18%	1964.5	2311.3	18%	2%	2%
E	Industrial Machinery for dairy, food processing, textiles etc	904.5	786.1	-13%	8362.1	9024.7	8%	7%	7%
F	Machine Tools	83.7	74.7	-11%	808.6	897.6	11%	1%	1%
G	Machinery for Injecting moulding, valves and ATMs	278.3	277.6	0%	2837.1	3114.6	10%	2%	3%

Sl no	Sectors	Mar-25	Mar-26	Growth (%)	Apr' - March' 2024-25	Apr' - March' 2025-26	Growth (%)	Share % (April-March 2025)	Share % (April-March 2026)
Sub Total		2126.7	1977.6	-7%	20259.7	22132.2	9%	17%	18%
4.0	Electrical Machinery	1387.2	1335.4	-4%	14380.1	15362.7	7%	12%	13%
5. Automobiles									
A	Motor Vehicle/cars	911.1	993.3	9%	9004.0	11086.7	23%	7.7%	9.1%
B	Two and Three Wheelers	303.7	383.2	26%	3206.6	3982.9	24%	2.7%	3.3%
C	Auto Components/Part	784.7	733.2	-6.6%	8184.5	8564.3	5%	7.0%	7.0%
D	Auto Tyres and Tubes	293.7	283.3	-4%	3075.2	3199.7	4%	2.6%	2.6%
Sub Total		2293.2	2393.1	4%	23470.3	26833.7	14.3%	20.1%	21.9%
6	Aircrafts and Spacecraft parts and products	233.0	164.9	-29%	6963.7	1664.2	-76%	6.0%	1.4%
7	Ships Boats and Floating products and parts	254.0	381.0	50%	4295.6	4110.7	-4%	3.7%	3.4%
10. Other engineering products									
A	Medical and Scientific instruments	311.7	255.2	-18%	2935.2	2859.2	-3%	2.5%	2.3%
B	Railway Transport	28.1	43.6	55%	357.1	504.1	41%	0.3%	0.4%
C	Hand Tools & Cutting Tools	98.8	88.4	-10%	1040.5	1022.4	-2%	0.9%	0.8%
D	Bicycle & Parts	46.7	42.5	-9%	411.3	473.9	15%	0.4%	0.4%
E	Cranes Lifts & Winches	102.9	80.4	-22%	1083.0	1072.6	-1%	0.9%	0.9%
F	Office Equipment	31.7	30.2	-5%	288.0	394.8	37%	0.2%	0.3%
G	Other Construction Machinery	302.7	317.9	5%	3028.8	3624.0	20%	2.6%	3.0%
H	Prime Mica & Mica Products	3.6	2.7	-23%	31.7	29.8	-6%	0.0%	0.0%
I	Other Misc. Items	488.9	434.7	-11%	5112.7	5605.4	10%	4.4%	4.6%
8.0	Project Goods	0.9	0.1	-94%	3.2	1.8	-44%	0.0%	0.0%
9.0	Other Rubber Product Except Footwear	171.6	164.5	-4%	1779.1	1870.6	5%	1.5%	1.5%
Sub total		1415.0	1295.7	-8%	14288.1	15586.1	9%	12.2%	12.7%
Total engineering exports		10817.9	10939.9	1.1%	116754.2	122431.5	4.86%		

Sectoral Observations:

India's engineering exports grew by about 4.86% in April–March 2025-26 to around US\$ 122.43 billion, with mixed performance across panels:

- a) Exports of iron and steel rose by 11.5% during April–March 2025-26, supported by higher shipments of primary steel, while products of iron and steel grew at a slower 2.4%. Overall, India's steel exports rose 7% to US\$20.67 billion during April–March 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), Turkey, Korea Rep, China and Taiwan, etc.

As reflected in the Ministry of steel figures, India's crude steel production rose sharply by 10.7% year-on-year during April-March 2025-26, supported by a 9.7% increase in finished steel production as well as 7.6% increase in finished steel consumption. Therefore consumption grew at a slower pace due to disrupted construction and infrastructure activity—the country's largest steel-consuming segments. The growth figures highlights India's resilience and continued strength in steel production despite global fluctuations.

- b) The non-ferrous metals panel emerged as a major growth driver, with exports rising by 18.8% to US\$14.19 billion during April–March 2025-26. Only exports of Lead declined by 4% mainly due to decline in exports to South Korea. However, overall exports to Korea in Fy 2025-26 remained positive at 23%
- c) Exports of industrial machinery increased by 9.2% to US\$22.13 billion during April–March 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.
- d) Exports of electrical machinery grew by 7% to US\$15.36 billion, supported by demand for power equipment, switchgear, and transmission-related products.
- e) The automobile sector recorded robust growth of 14.3%, with exports reaching US\$26.83 billion, led by South Africa, Mexico, UAE, Brazil, Germany, Colombia and most importantly Sri Lanka witnessing more than 300% growth, reflecting sustained demand for vehicles and components. Therefore, South Asia, witnessed a strong rebound in Bangladesh, Sri Lanka and Nepal that boosted auto and auto components and parts exports. However, shipments to USA, Saudi Arabia, Turkey and Indonesia decelerated

Exports of other engineering products rose by 12.2% to US\$15.59 billion, supported by strong growth in office equipment, railway transport equipment, construction machinery, bicycle parts. In contrast, medical and scientific instruments and hand tools and cutting tools witnessed a decline of 3% and 2% respectively during April-March 2025-26.

ENGINEERING EXPORTS – STATE-WISE ANALYSIS

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

Note: DGCI&S State figures are updated till the month of January 2026

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-January 2025-26

Table 5: State Wise Engineering Exports (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 28 billion USD in engineering exports (April-Jan 2025-26), up by 10% from 25.5 billion USD, securing a 27% national share through its robust ecosystem in engineering goods. West Bengal recorded marginal 3% growth reaching US\$ 3.8 billion, holding a 4% share. Odisha achieved 18% growth to 4.2 billion USD (4% share) during April-January 2025-26. Karnataka achieved the highest growth of 43% during April-January 2025-26 reaching US\$ 5.7 billion holding a share of 6%. Delhi contracted 8% to US\$5.8 bn (6% share) and Andhra Pradesh fell 14% to US\$ 3.7 bn (4% share), while Punjab was flat. Overall, growth remains concentrated in the western–southern hubs.

India's Region wise engineering exports

Table 6: Region Wise Engineering Exports (Value 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 5% to US\$ 102 bn in Apr–Jan 2025-26, led by the Western Region at US\$ 44.9 bn (+14%, 44% share), which more than offset a contraction in the Southern Region to US\$ 31.5 bn (–6%, 30.8% share). The Northern Region inched up marginally by 1% to US\$ 16.5 bn (16.1% share), while the Eastern Region posted steady growth of 9% to US\$ 9.2 bn (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.

Disclaimer: Please note the following disclaimer given by the DGCI&S whereby it is stated that state-wise export figures are based on state of origin code in shipping bills and may not give the right estimate. Also the data has been updated since the last two years



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 months 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 in the same direction. In June and July, both witnessed improvement in growth while in August 2025, both conceded moderation in growth. In September 2025 however, engineering growth continued to slow down but manufacturing growth accelerated. Both engineering growth and manufacturing growth moved in the same direction during October to December 2025. October 2025 saw both going down with decline in engineering exports while November 2025 witnessed a surge 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 month of January 2026 saw

acceleration in engineering export growth but moderation in manufacturing output growth while February 2026 witnessed higher growth of both over the month.

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	-0.84	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	23.81	8.5
December 2025	1.29	8.4
January 2026	10.35	5.3
February	12.91	6.0

(Source: Department of Commerce and MOSPI, Govt. of India)

IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during March 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 March 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
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
February	87.05	90.77	4.27	Depreciation	-0.03	Appreciation
March	86.64	92.76	7.06	Depreciation	2.19	Depreciation

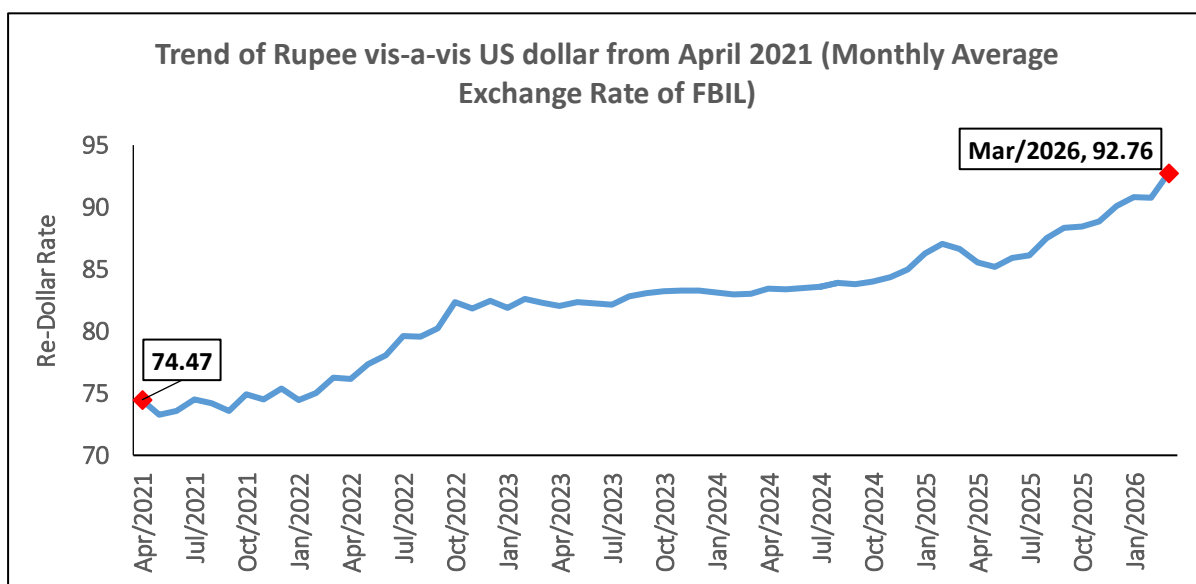
Indian Rupee dropped to its alarming all-time low below 95 per USD during March 2026 and conceded worst fiscal year drop since fiscal 2011-12: War between Iran and US-Israel and subsequent closure of strait of Hormuz strengthened dollar and rupee weakened towards the end of February 2026 that continued in March 2026 as the uncertainty escalated following the continuation of the war. On a closing basis, INR depreciated by around 4% in March and 10.6% in fiscal 2025-26 as it dropped below 95 and closed the month at 94.65 per USD. RBI intervention in the currency market helped rupee to recover in early-April 2026.

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

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month- on-Month Change (%)	Direction
Month	2023-24	2024-25				
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

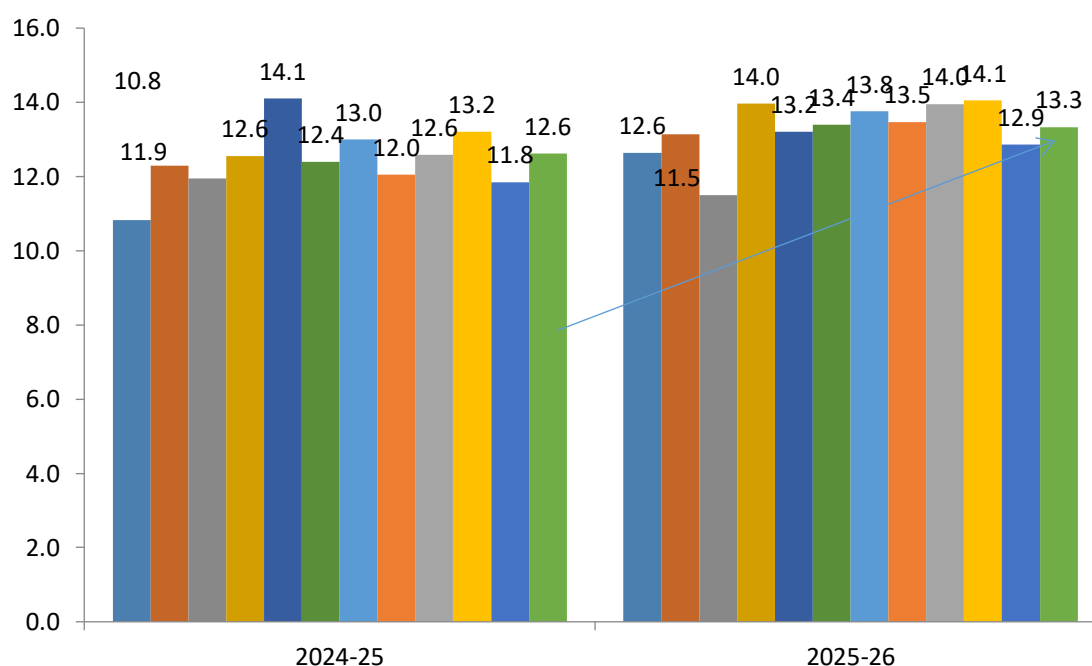
ANALYSIS OF INDIA’S ENGINEERING IMPORTS

- India’s Engineering imports during March 2026 were valued at US\$ 13.3 billion compared to US\$ 12.6 billion in March 2025 registering a positive growth of 5.6 percent in dollar terms. In cumulative terms (Apr-Mar 2026), India’s imports increased by 9.1 percent.

In March 2026, imports increased sharply for Two and Three Wheelers , Auto Tyres And Tubes, Other Construction Machinery, Motor Vehicle/Cars, Hand Tool, Cutting Tool Of Metals, Copper and its products along with increase in, & Industrial Machinery for dairy.

- In March 2026, import increase was mainly noted from NE Asia , ASEAN, SSA(Sub Saharan Africa), Latin America and Others. In cumulative terms, imports increased from all regions barring North America, Oceania, Latin America and Other European countries.
- The share of engineering imports in India's total merchandise imports in Apr-Mar 2026 was estimated at 22.4 percent.
- 42.1 % of India’s engineering imports come from N E Asia and 20.7 % from the EU. The next major suppliers are ASEAN (12.7%), North America (7.5%) and WANA (7.1%) during Apr-Mar 2026.

Fig 3: Monthly Engineering Imports for April-February 2025-26 vis-a-vis April-March 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	Feb	Mar
Engineering Export	9.5	9.9	9.5	10.4	9.9	10.1	9.4	11.0	11.0	10.4	10.4	10.9
Engineering Import	12.6	13.1	11.5	14.0	13.2	13.4	13.8	13.5	14.0	14.0	12.9	13.3
Trade Balance	-3.1	-3.2	-2.0	-3.6	-3.3	-3.3	-4.4	-2.5	-3.0	-3.6	-2.5	-2.4

Source: DGCI&S, EEPC India Analysis

Conclusion:

Indian engineering exports exhibited remarkable resilience as it achieved record value for the second consecutive year – in FY 2025-26, India’s engineering exports reached USD 122.43 billion as against UAS 116.75 billion in the previous fiscal recording a growth of 4.86%. The export growth came at a time when global trade faced unprecedented challenges in the form of geopolitical crisis in Middle East and West Asia which blocked one of the most prominent trading routes in the region making logistics difficult and expensive.

Despite these external pressures, India’s overall engineering exports remained positive in FY 2025-26 in North America, Europe, Latin America, etc. Only exports to WANA region suffered due to the direct consequence of the conflict. This stellar performance is surely a testament to the perseverance and determination of our exporting community.

The export performance in FY 2025–26 is significant in the context of India’s medium-term objective of achieving US\$ 250 billion in engineering exports by 2030. Sustaining growth in a year characterised by global uncertainty strengthens the foundation for accelerated expansion in the coming years.

Policy measures announced during the year, including the Resilience & Logistics Intervention for Export Facilitation (RELIEF) Scheme with an outlay of ₹497 crore, aimed at addressing war-risk insurance, insurance premium volatility, and elevated logistics costs, contributed to trade continuity during the WANA crisis. In addition, the inclusion of Chapter 72 (Iron and Steel products) under the Interest Subvention Scheme is expected to support the exporting community particularly for cost-sensitive segments of the industry.

Going forward, the combination of sectoral resilience, market diversification, and targeted policy interventions will remain critical for sustaining export momentum and progressing towards long-term export targets.



ENGINEERING PRODUCT PANELS – COUNTRY-WISE ANALYSIS

We now analyze the performance of some of the important products for the fiscal April-March 2025-26 vis-à-vis April- March 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-March 2024-25	April-March 2025-26	Growth
Iron and Steel	ITALY	1072.1	1222.2	14%
	USA	587.5	740.9	26%
	NEPAL	780.8	730.2	-6%
	UAE	704.1	615.8	-13%
	BELGIUM	520.2	596.1	15%
Products of Iron and Steel	USA	3105.3	3005.4	-3%
	UAE	860.6	832.8	-3%
	GERMANY	466.6	504.8	8%
	SAUDI ARAB	561.9	433.8	-23%
	UK	341.1	326.7	-4%
Industrial Machinery	USA	4223.0	4385.3	4%
	UAE	1012.6	1265.4	25%
	GERMANY	899.7	979.4	9%
	CHINA	852.0	946.4	11%
	SAUDI ARAB	681.1	753.2	11%
Automobiles (Motor Vehicles/Cars and Two and Three Wheelers)	SOUTH AFRICA	1454.0	1710.9	18%
	SAUDI ARAB	1570.8	1529.2	-3%
	MEXICO	1345.3	1454.2	8%
	JAPAN	855.4	862.8	1%
	UAE	705.6	752.8	7%
Non-Ferrous metals	USA	1533.9	1796.4	17%
	SAUDI ARAB	768.3	1312.3	71%
	KOREA RP	986.7	1301.0	32%
	CHINA	619.5	1226.4	98%
	VIETNAM	427.3	707.7	66%
Electrical Machinery and Components	USA	2722.7	2958.7	9%
	SINGAPORE	1526.1	1592.9	4%
	UK	1213.4	1467.2	21%
	GERMANY	950.5	1098.1	16%
	KOREA RP	683.9	784.1	15%
Aircrafts and Space crafts	USA	456.7	516.4	13%
	FRANCE	747.2	301.4	-60%
	UK	154.9	186.4	20%
	GERMANY	82.4	96.9	18%

Product panels	Top 5 nations	April-March 2024-25	April-March 2025-26	Growth
	SINGAPORE	78.1	69.6	-11%
Ships, Boats and Floating Structures and parts	SINGAPORE	1812.5	1407.4	-22%
	UAE	1107.2	1314.0	19%
	SRI LANKA	269.8	334.5	24%
	OMAN	10.4	176.4	1600%
	CHINA	0.0	161.1	1332714%
Auto Components (including Auto Parts and Auto Tyre)	USA	2358.2	2214.3	-6%
	GERMANY	605.7	820.3	35%
	BRAZIL	609.6	707.1	16%
	UAE	426.6	527.2	24%
	BANGLADESH	500.7	513.1	2%

Source: DGCIS&S

- In April-March 2025-26, 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-March 2025-26.
- South Africa, Saudi Arab, Mexico, Japan and UAE were top importers of India's Automobiles during April-March 2025-26 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-March 2025-26.
- USA, Singapore, UK and Germany were the top importers of Indian Electrical Machinery & Components during the same period with 19%, 10%, 10% and 7% shares respectively.
- USA, France, UK, Germany and Singapore were the top importers of India's Aircrafts and Spacecraft during April-March 2025-26, making up to 70% 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 Oman and China during April-March 2025-26.
- For the auto components' product group, USA remained the top importer in April-March 2025-26 followed by Germany, Brazil, UAE and Bangladesh, making up to 41% of India's total export under this category.