

Engineering Export-Import Monitor

MAY 2026



Engineering The Future

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ENGINEERING TRADE ANALYSIS FOR MAY 2026

Engineering exports from India reached its record monthly high in May 2026 at USD 12.31 billion

Trade Flow	Export figures (in \$ billion)					% Growth
	May-2025	May-2026	Apr-May 2025-26	Apr-May 2026-27	May 2026 over May 2025	Apr-May 2026 over Apr-May 2026
Engineering Exports	9.89	12.31	19.41	22.66	24.48%	16.79%
Overall Merchandise Exports	38.30	45.20	76.59	88.91	18.00%	16.09%
Share of engineering	25.82%	27.24%	25.34%	25.49%	---	---
Service Exports	32.46	36.76	65.30	73.79	13.25%	13.00%

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

The performance of Indian engineering has been remarkable in recent years as it reached its all-time high in two last two completed fiscal years in a row. The new fiscal also saw continuation of the same as the month of May 2026 witnessed record high engineering exports from India on a monthly basis. For the first time on record, engineering shipments from India crossed USD 12 billion in May 2026 to reach USD 12.31 billion as against USD 9.89 billion of exports in the same month last fiscal. The year-on-year growth during the said month was also notably high at 24.5 percent. On a cumulative basis, engineering exports during the first two months was recorded at USD 22.66 billion as against USD 19.41 billion during the same period last fiscal, securing a growth of 16.8 percent. As per the Quick Estimates of Government of India, share of engineering in India's total engineering exports stood at 27.2 percent in May 2026 and 25.5 percent during Apr-May 2026-27. The record high exports in May 2026 was mainly led by Electric machinery and equipment; Ships, boats and floating structures; Motor vehicles/cars; Iron and steel and its products among others. 28 among 34 panels recorded higher exports in May 2026 while 6 panels conceded drop in exports on a year-on-year basis. Region wise analysis showed that North America, WANA and European Union were the topmost consumers of Indian engineering products sharing 19.3 percent, 16.7 percent and 15.2 percent of India's global engineering exports respectively in May 2026. Even at the time of Geo-political crisis in the West Asia, engineering exports to WANA increased by 44.3 percent in May 2026 and by 14.1 percent during Apr-May 2026. Country wise analysis showed that exports to all top five destinations of Indian engineering exports namely USA, UAE, UK, Germany and Saudi Arabia recorded decent to high growth during the first two months of fiscal 2026-27.

HIGHLIGHTS

- Indian engineering exports has reached its all-time high on a monthly basis in May 2026. For the first time on record, engineering shipments from India crossed USD 12 billion.
- Engineering exports from India in May 2026 was recorded at USD 12.31 billion as against USD 9.89 billion in the same month last fiscal, securing a notably high year-on-year growth of 24.5 percent.
- On a cumulative basis, engineering exports during the first two months was recorded at USD 22.66 billion as against USD 19.41 billion during the same period last fiscal, securing a growth of 16.8 percent.
- As per the Quick Estimates of Government of India, share of engineering in India's total engineering exports stood at 27.2 percent in May 2026 and 25.5 percent during Apr-May 2026-27.
- In May 2026, 28 out of 34 engineering panels witnessed positive year-on-year growth. While 6 engineering panels including Products of Iron and Steel, Lead and products, IC Engines, Cranes, Lifts and Winches, Other Construction Machinery, prime mica witnessed year-on-year decline in exports.
- On a cumulative basis too, 29 out of 34 engineering panels recorded growth and remaining 5 engineering panels including Products of Iron and Steel, Lead and products, IC Engines, , prime mica recorded negative growth during April-May 2026-27.
- During April-May 2026-27, all regions recorded export growth. North America continued to account for the largest share of Indian engineering exports (20% share) followed by EU (16.5%), WANA (14%), ASEAN (10%) and North East Asia (8.5%).
- Country-wise, USA continued to remain the top destination for Indian engineering exports in April-May 2026-27 as it recorded an export of 3.64 billion. The y-o-y growth from USA is recorded at 7%.
- Even at the time of Geo-political crisis in the West Asia, engineering exports to WANA increased by 44.3 percent in May 2026 and by 14.1 percent during Apr-May 2026.
- Country wise analysis showed that exports to all top five destinations of Indian engineering exports namely USA, UAE, UK, Germany and Saudi Arabia recorded decent to high growth during the first two months of fiscal 2026-27.

ENGINEERING EXPORTS: MONTHLY TREND

The monthly engineering export figures for 2026-27 vis-à-vis 2025-26 are shown below as per the latest DGCI&S estimates:

Table 1: Engineering Exports: Monthly Trend in 2026-27

Month	US\$ million		
	2025-26	2026-27	Growth (%)
April	9515.77	10353.09	8.78
May	9890.43	12311.33	24.48
April-May	19406.20	22664.42	16.79

Source: DGCIS, Govt. of India

TOP 25 ENGINEERING EXPORT DESTINATIONS IN MAY 2026

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during May 2026 over May 2025 as well as in cumulative terms during April-May 2026-27 vis-à-vis April-May 2025-26. The data clearly shows that top 25 countries contribute more than 75 % of total engineering exports.

Table 2: Engineering exports country-wise

US\$ Mn.

Countries	May-25	May-26	Growth (%)	Apr -May 2025-26	Apr -May 2026-27	Growth (%)
U S A	1735.32	1895.91	9.3%	3397.41	3638.96	7.1%
UAE	683.85	1242.32	81.7%	1223.57	1580.34	29.2%
U K	388.45	500.58	28.9%	723.75	972.53	34.4%
GERMANY	431.10	459.72	6.6%	764.48	885.79	15.9%
SAUDI ARABIA	337.02	375.95	11.6%	731.46	732.13	0.1%
SRI LANKA	77.73	357.77	360.3%	147.33	660.17	348.1%
SINGAPORE	366.52	311.94	-14.9%	865.02	658.25	-23.9%
CHINA	207.41	338.01	63.0%	373.08	639.10	71.3%
KOREA RP	219.44	368.24	67.8%	473.20	638.72	35.0%
MEXICO	281.98	342.93	21.6%	526.15	623.16	18.4%
SOUTH AFRICA	189.87	308.55	62.5%	387.54	549.63	41.8%
ITALY	274.75	278.71	1.4%	543.09	535.14	-1.5%
MALAYSIA	96.49	322.93	234.7%	191.37	484.12	153.0%
NEPAL	226.94	221.21	-2.5%	434.53	468.01	7.7%
JAPAN	215.07	226.50	5.3%	446.40	429.13	-3.9%
BRAZIL	216.08	222.69	3.1%	427.74	428.30	0.1%
FRANCE	191.49	235.16	22.8%	352.48	426.38	21.0%
NETHERLAND	217.98	223.18	2.4%	370.70	396.18	6.9%
VIETNAM	116.48	200.35	72.0%	233.88	379.93	62.4%
TURKEY	176.29	186.41	5.7%	368.83	353.17	-4.2%
INDONESIA	174.39	190.04	9.0%	295.46	339.84	15.0%
AUSTRALIA	131.27	167.66	27.7%	262.81	328.83	25.1%
THAILAND	191.59	176.91	-7.7%	350.33	325.58	-7.1%
SPAIN	117.32	148.02	26.2%	244.27	324.93	33.0%
BANGLADESH	185.84	139.07	-25.2%	352.36	283.89	-19.4%
Total engineering	7450.67	9440.77	26.7%	14487.24	17082.20	17.9%

Countries	May-25	May-26	Growth (%)	Apr -May 2025-26	Apr -May 2026-27	Growth (%)
exports to top 25 countries						
Total engineering exports	9890.43	12311.33	24.5%	19406.20	22664.42	16.8%

Source: DGCI&S

REGION WISE INDIA'S ENGINEERING EXPORTS

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

Table 3: Region wise engineering exports in April-May 2026-27 vis-à-vis April-May 2025-26
US\$ Mn

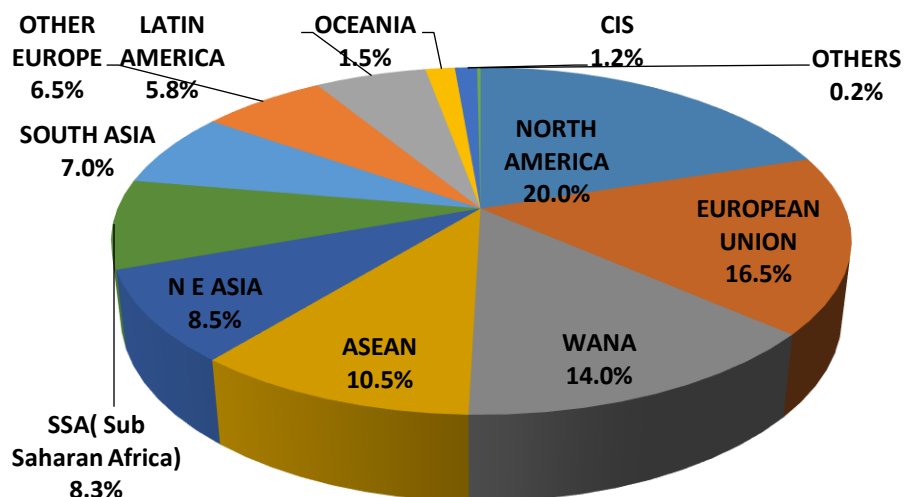
Region	May-25	May-26	Growth (%)	Apr -May 2025-26	Apr -May 2026-27	Growth (%)
NORTH AMERICA	2129.6	2378.4	11.7%	4136.0	4527.2	9.5%
EUROPEAN UNION	1782.1	1866.1	4.7%	3438.6	3739.8	8.8%
WANA	1428.3	2061.2	44.3%	2773.0	3162.8	14.1%
ASEAN	1012.9	1298.1	28.2%	2167.1	2372.1	9.5%
N E ASIA	746.8	1061.6	42.2%	1496.3	1934.3	29.3%
SSA(Sub Saharan Africa)	765.2	993.5	29.8%	1452.8	1880.4	29.4%
SOUTH ASIA	549.3	840.2	53.0%	1053.5	1591.4	51.1%
OTHER EUROPE	603.0	761.5	26.3%	1177.3	1477.2	25.5%
LATIN AMERICA	593.6	717.3	20.8%	1159.4	1325.2	14.3%
OCEANIA	145.3	178.0	22.5%	288.7	350.0	21.3%
CIS	125.3	126.6	1.1%	243.5	264.1	8.5%
OTHERS	9.1	28.9	217.7%	19.9	40.0	100.6%
Grand Total	9890.4	12311.3	24.5%	19406.2	22664.4	16.8%

Source: DGCI&S

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

Figure 1: Region-wise shares of India's engineering exports during April-May 2026-27

Source: DGCI&S



Panel wise exports [US\$ Mn]

S.No	Product panel	May-25	May-26	Growth (%)	Apr - May 2025-26	Apr - May 2026-27	Growth (%)	Share % (April - May 2025)	Share % (April - May 2026)
1. Iron and Steel and Products made of Iron and Steel									
A	Iron and Steel	772.7	967.5	25.2%	1624.6	1828.3	12.5%	8.4%	8.1%
B	Products of Iron and Steel	876.8	834.3	-5%	1647.9	1642.7	-0.3%	8.5%	7.2%
Sub Total		1649.5	1801.7	9%	3272.4	3471.1	6%	16.9%	15.3%
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals									
A	Copper and products	191.1	371.3	94%	373.3	698.5	87%	1.9%	3%
B	Aluminium and products	538.7	804.6	49%	1033.8	1487.6	44%	5.3%	7%
C	Zinc and products	56.8	96.4	70%	107.4	175.7	64%	0.6%	1%
D	Nickel and products	13.1	19.4	48%	26.5	35.4	34%	0.1%	0%
E	Lead and products	81.7	76.3	-7%	157.7	150.7	-4%	0.8%	1%
F	Tin and products	2.3	10.1	345%	4.0	12.2	206%	0.02%	0.05%
G	Other Non-Ferrous Metals	87.5	105.5	21%	169.3	218.6	29%	0.9%	1%

S.No	Product panel	May-25	May-26	Growth (%)	Apr - May 2025-26	Apr - May 2026-27	Growth (%)	Share % (April -May 2025)	Share % (April -May 2026)
Sub Total		971.2	1483.6	53%	1871.9	2778.6	48%	9.6%	12.3%
3. Industrial Machinery									
A	Industrial Machinery like Boilers, parts, etc	65.1	108.9	67%	179.0	190.4	6%	0.9%	0.8%
B	IC Engines and Parts	364.0	347.4	-5%	689.8	683.3	-1%	3.6%	3.0%
C	Pumps of all types	127.6	132.1	4%	248.0	270.3	9%	1.3%	1.2%
D	Air condition and Refrigerators	189.1	200.2	6%	376.8	387.3	3%	1.9%	1.7%
E	Industrial Machinery for dairy, food processing , textiles etc	761.3	762.4	0%	1458.7	1501.8	3%	7.5%	6.6%
F	Machine Tools	62.9	69.4	10%	129.0	142.4	10%	0.7%	0.6%
G	Machinery for Injecting moulding, valves and ATMs	250.9	253.0	1%	493.9	514.7	4%	2.5%	2.3%
Sub Total		1820.8	1873.3	3%	3575.1	3690.2	3%	18.4%	16.3%
4.0	Electrical Machinery	1301.4	1560.8	20%	2493.7	2866.1	15%	12.9%	12.6%
5. Automobiles									
A	Motor Vehicle/cars	859.5	1029.2	20%	1682.0	1891.2	12%	8.7%	8.3%
B	Two and Three Wheelers	300.0	389.0	30%	562.1	745.6	33%	2.9%	3.3%
C	Auto Components/Part	730.4	775.9	6.2%	1383.9	1476.6	6.7%	7.1%	6.5%
D	Auto Tyres and Tubes	283.2	284.8	1%	540.1	563.3	4%	2.8%	2.5%
Sub Total		2173.1	2479.0	14%	4168.2	4676.8	12%	21.5%	20.6%
6	Aircrafts and Spacecraft parts and products	133.7	208.0	56%	265.1	347.2	31%	1.4%	1.5%
7	Ships Boats and Floating products and parts	391.5	1318.1	237%	900.6	1843.3	105%	4.6%	8.1%
10. Other engineering products									
A	Medical and Scientific instruments	249.6	261.3	5%	477.0	493.1	3%	2.5%	2.2%
B	Railway Transport	32.8	102.6	213%	63.3	142.8	126%	0.3%	0.6%
C	Hand Tools & Cutting Tools	88.9	93.0	5%	177.7	178.1	0%	0.9%	0.8%
D	Bicycle & Parts	40.5	43.5	7%	76.7	83.5	9%	0.4%	0.4%
E	Cranes Lifts & Winches	93.9	90.1	-4%	175.4	183.9	5%	0.9%	0.8%
F	Office Equipment	31.9	34.6	8%	56.2	62.4	11%	0.3%	0.3%
G	Other Construction Machinery	311.5	311.0	0%	579.7	610.9	5%	3.0%	2.7%

S.No	Product panel	May-25	May-26	Growth (%)	Apr - May 2025-26	Apr - May 2026-27	Growth (%)	Share % (April - May 2025)	Share % (April - May 2026)
H	Prime Mica & Mica Products	3.5	2.9	-17%	6.3	5.6	-12%	0.0%	0.0%
I	Other Misc. Items	435.8	481.0	10%	938.6	911.4	-3%	4.8%	4.0%
8.0	Project Goods	0.1	0.2	206%	0.1	0.3	164%	0.0%	0.0%
9.0	Other Rubber Product Except Footwear	160.8	166.7	4%	308.3	319.0	3%	1.6%	1.4%
Sub total		1288.3	1420.0	10%	2550.8	2671.8	5%	13.1%	11.8%
Total engineering exports		9890.4	12311.3	24.5%	19406.2	22664.4	16.8%		

Sectoral Observations

India's engineering exports grew by about 16.8% in April–May 2026-27 to around US\$22.66 billion, with mixed performance across panels:

- a) Exports of iron and steel rose by 6% during April–May 2026-27, supported by higher shipments of primary steel growing by 12.5%, while products of iron and steel witnessed a marginal drop of 0.3%. Overall, India's steel exports rose 6% to US\$3.47 billion during April–May 2026-27, supported by strong demand from the USA, UK, UAE, Nepal, EU markets (Italy, Netherland, Germany, Belgium), Nepal, Vietnam and Korea Rep.

As per latest Steel estimates, during April–May 2026, India remained a net importer of steel, with imports exceeding exports by about 0.39 million tonnes, reflecting continued demand-supply imbalance in the domestic market. Exports increased marginally from 0.47 million tonnes in April to 0.51 million tonnes in May 2026, while imports also rose slightly to 0.69 million tonnes. On the pricing front, domestic steel prices, including TMT, HRC, and CRC, declined in May compared to April 2026, whereas iron ore prices showed an upward trend during the same period.

The non-ferrous metals panel remained a key growth driver, with exports rising by ~48% to about US\$ 2.78 billion during April–May 2026, supported by strong performance across major metals.

- Aluminium and aluminium products recorded a robust growth of ~44%, reaching about US\$ 1.49 billion, driven by improved global demand and higher shipments.
- Copper and copper products witnessed strong growth of ~87%, increasing to around US\$ 0.70 billion, supported by strong global demand across key markets.
- Lead products registered a decline of ~4%, mainly due to weaker global demand. The International Lead and Zinc Study Group (ILZSG) recently mentioned that global lead demand is only rising very modestly. In China, production of both cars and e-bikes increased significantly in 2025, supported by government trade-in policies. However, net exports of lead-acid batteries declined over the same period, resulting in a limited growth of 0.4% in lead demand. In 2026, Chinese demand is forecast to fall by 0.7%. The same publication also mentions that demand has been on the rise in India which may be another reason for export decline.
- Tin products, however, recorded sharp growth (over 100%), albeit on a low base.
- Exports of industrial machinery grew modestly by ~3% to about US\$ 3.69 billion during April–May 2026, supported by steady demand for machinery such as boilers and pumps.

However, IC engines and parts witnessed a decline, reflecting the global shift towards electric vehicles.

- Electrical machinery exports increased by ~15% to around US\$ 2.87 billion, driven by sustained demand for electrical equipment and components amid global electrification trends.
- The automobile sector registered strong growth of ~12%, with exports rising to about US\$ 4.68 billion, led by motor vehicles, two- and three-wheelers, and auto components.
- Exports of other engineering products grew by ~12% to about US\$ 4.68 billion, supported by segments such as railway equipment and construction machinery. However, cranes, lifts and winches witnessed a decline, mainly due to reduced exports to the UK (down ~12%).

ENGINEERING EXPORTS – STATE-WISE ANALYSIS (Fiscal 2025-26)

- India’s engineering exports remain highly concentrated, with the top 12 states accounting for nearly 91% of total exports during April–March 2025–26, underscoring the dominance of a few industrial hubs.
- Maharashtra leads with exports of about USD 25.1 billion, registering an 11% growth (from USD 22.6 billion) and contributing 20% to the national total, driven by its strong engineering manufacturing base. Tamil Nadu follows with USD 20.4 billion (+12%, 17% share), while Gujarat recorded USD 18.2 billion (+9%, 15% share), reflecting continued strength in western and southern regions. Karnataka witnessed the highest growth among major states at 32% (USD 9.6 billion, 8% share), while Haryana grew by 18% to USD 8.9 billion (7% share).
- In contrast, Delhi saw a sharp contraction of 19% to USD 4.1 billion (3% share) and Telangana declined significantly, while moderate growth was seen in states like Odisha and Uttar Pradesh. Overall, export growth remains concentrated across western and southern industrial corridors, supported by strong manufacturing ecosystems and export-oriented infrastructure.

India’s top states constituting 91% of India’s engineering exports (value in US\$ billion)

States	Apr'24 - Mar'25	Apr'25 - Mar'26	Growth %	Share %
MAHARASHTRA	22.6	25.1	11%	20%
TAMIL NADU	18.2	20.4	12%	17%
GUJARAT	16.6	18.2	9%	15%
KARNATAKA	7.3	9.6	32%	8%
HARYANA	7.6	8.9	18%	7%
ODISHA	5.9	6.4	8%	5%
UTTAR PRADESH	4.4	4.5	3%	4%
ANDHRA PRADESH	4.3	4.3	1%	4%
DELHI	5.0	4.1	-19%	3%
WEST BENGAL	3.5	3.6	3%	3%
RAJASTHAN	3.7	3.6	-5%	3%
PUNJAB	2.9	3.0	3%	2%
TELANGANA	7.5	2.5	-67%	2%

Source: DGCI&S

India's Region wise engineering exports

Table 6: Region Wise Engineering Exports (Value in US\$ million)

Region Wise	Apr24 - Mar25	Apr25 - Mar26	Growth %	Share %
EASTERN REGION	11090.7	11891.0	7%	9.7%
NORTHERN REGION	24533.3	24952.5	2%	20.4%
SOUTHERN REGION	38322.1	38125.8	-1%	31.1%
WESTERN REGION	42803.3	47462.1	11%	38.8%
Grand Total	116754.2	122431.3	5%	

Source: DGCI&S

India's region-wise engineering exports (DGCIS) grew by 5% to US\$ 122.4 billion in April–March 2025–26, led by the Western Region at US\$ 47.5 billion (+11%, 38.8% share). The Southern Region remained largely flat at US\$ 38.1 billion (–1%, 31.1% share), while the Northern Region rose marginally by 2% to US\$ 25.0 billion (20.4% share) and the Eastern Region grew by 7% to US\$ 11.9 billion (9.7% share). Overall, exports remain concentrated in the Western and Southern regions (about 70%), with the West driving overall growth.

April- May 2026-27

ENGINEERING EXPORTS – STATE-WISE ANALYSIS (April-May 2026-27) (US\$ billion)

States	April-May 2025	April-May 2026	Growth %	Share %
MAHARASHTRA	4.2	4.3	3%	19%
GUJARAT	2.6	4.0	53%	18%
TAMIL NADU	3.3	3.5	7%	16%
KARNATAKA	1.3	1.7	29%	8%
HARYANA	1.4	1.6	16%	7%
ODISHA	0.9	1.4	47%	6%
DELHI	0.8	0.9	16%	4%
UTTAR PRADESH	0.8	0.8	3%	3%
WEST BENGAL	0.6	0.7	18%	3%
RAJASTHAN	0.5	0.6	16%	3%
ANDHRA PRADESH	0.8	0.6	-25%	3%
PUNJAB	0.5	0.5	-2%	2%
TELANGANA	0.4	0.4	7%	2%

Source: DGCI&S

India's state-wise engineering exports during April–May 2026 reflect moderate overall growth with strong regional divergence, led primarily by western and southern states. Maharashtra remained the largest exporter at USD 4.3 billion, accounting for 19% share, though growth was relatively modest at 3%. Gujarat emerged as a key growth driver, with exports rising sharply by 53% to USD 4.0 billion, contributing around 18% share, while Tamil Nadu recorded steady growth of 7% to USD 3.5 billion with a 16% share.

Region Wise Engineering Exports (Value in US\$ million)

Region Wise	April-May 2025	April-May 2026	Growth %	Share %
EASTERN REGION	1818.9	2450.5	35%	10.8%
NORTHERN REGION	4105.4	4571.7	11%	20.2%
SOUTHERN REGION	5994.1	6448.9	8%	28.5%

WESTERN REGION	7487.9	9193.4	23%	40.6%
Grand Total	19406.2	22664.4	17%	

Source: DGCI&S

India's region-wise engineering exports during April–May 2026 registered a robust growth of 17% to US\$ 22.66 billion, reflecting strong performance across all regions. The Western Region continued to lead, with exports rising by 23% to US\$ 9.19 billion, accounting for the highest 40.6% share in total exports.

The Southern Region recorded steady growth of 8% to US\$ 6.45 billion, contributing 28.5% share, while the Northern Region grew by 11% to US\$ 4.57 billion, accounting for 20.2% share.

The Eastern Region emerged as the fastest-growing region, with exports increasing sharply by 35% to US\$ 2.45 billion, though its share remained relatively smaller at 10.8%.

Overall, engineering exports continue to be dominated by the Western Region, supported by balanced growth across Southern and Northern regions, while the Eastern Region is rapidly gaining traction in India's export landscape

Key Products driving exports in top states:

- Maharashtra: Export performance was driven by industrial machinery (₹418 bn), motor vehicles (₹330 bn), auto components (₹327 bn), along with strong contributions from iron & steel (₹382 bn) and products of iron & steel (₹384 bn), reinforcing its leadership position.
- Tamil Nadu: Exports were led by motor vehicles (₹513 bn), auto components (₹410 bn), industrial machinery (₹310 bn) and electric machinery (₹373 bn), while ship/boat structures witnessed a sharp rise (₹277 bn), emerging as a key growth segment.
- Gujarat: The surge was driven primarily by ship/boat and floating structures (₹1,148 bn), along with strong growth in motor vehicles (₹461 bn), products of iron & steel (₹415 bn), copper products (₹241 bn) and industrial machinery, indicating broad-based expansion.
- Karnataka: Growth was supported by a significant jump in electric machinery (₹621 bn), along with aircraft/spacecraft parts (₹144 bn), auto components (₹93 bn) and other diversified engineering products, highlighting increasing high-tech exports.
- Haryana: Export growth was led by motor vehicles (₹312 bn), electric machinery (₹226 bn), auto components (₹189 bn) and industrial machinery (₹111 bn), along with notable contribution from two- and three-wheelers (₹135 bn).

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 and in 2025-26, both engineering export growth and manufacturing growth moved in the same direction in seven out of 12 months.

The first month of fiscal 2026-27 saw manufacturing output growth (new series with base year 2022-23) engineering export growth and moved in the same direction with both securing higher growth over the previous 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 9: 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

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
January 2026	10.35	5.3
February 2026	12.91	5.9
March 2026	1.13	4.3
April 2026	8.78	6.2

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

IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during May 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 May 2026, but also considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 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 10: USD-INR monthly average exchange rate in 2026-27 vis-à-vis 2025-26
(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	2025-26	2026-27				
April	85.56	93.55	9.34	Depreciation	0.85	Depreciation
May	85.19	95.60	12.22	Depreciation	2.19	Depreciation

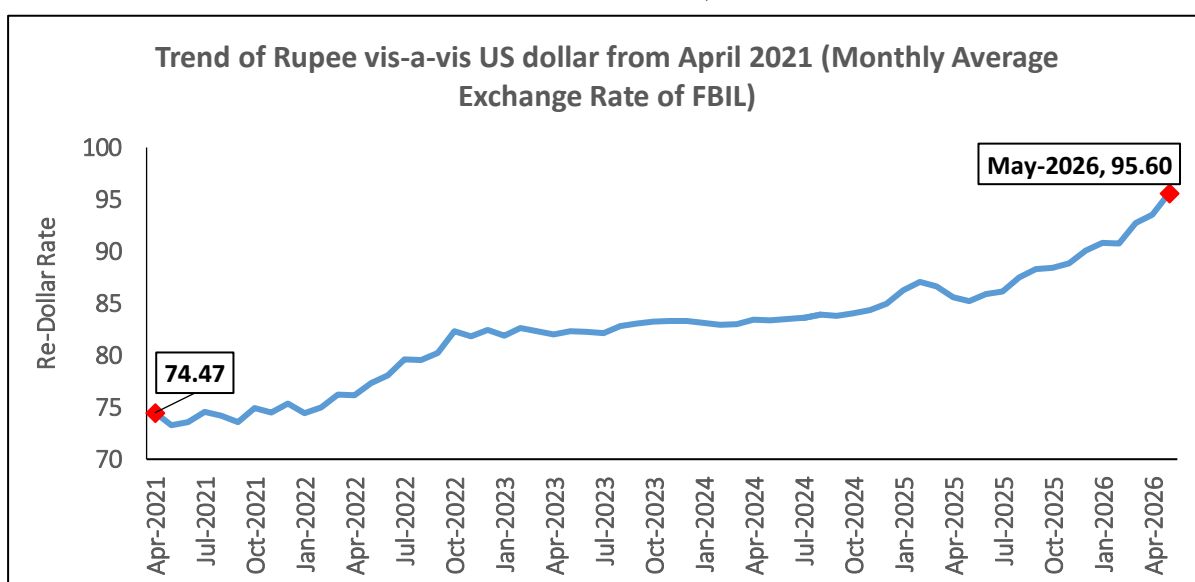
Rupee depreciation vis-à-vis the US dollar continued, rather accelerated on the back of geopolitical uncertainty in the West Asia region and high crude prices. Flight of foreign capital from Indian market especially by FPIs also accelerated rupee's fall. Rupee weakened by around 2.19% month-on-month in May 2026 while the depreciation was 12.22% on a year-on-year basis.

Table 11: 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

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month- on-Month Change (%)	Direction
Month	2024-25	2025-26				
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

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

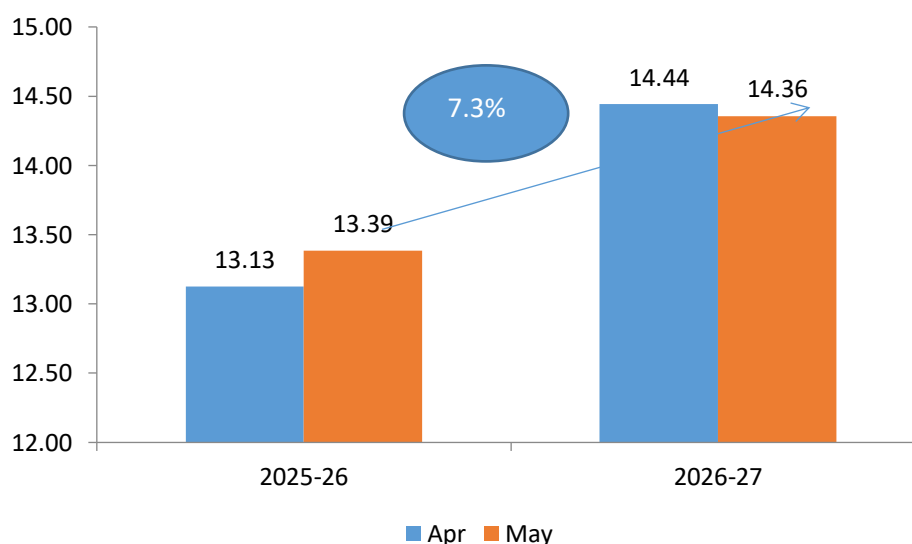
- India's Engineering imports during May 2026 were valued at US\$ 14.4 billion compared to US\$ 13.4 billion in May 2025 registering a positive growth of 7.3 percent in dollar terms. In cumulative terms (Apr-May 2026), India's imports increased by 8.6 percent.

In May 2026, imports increased sharply for Two and Three Wheelers , Bicycle & parts, Tin & Products made of Tin, Motor Vehicle/Cars, Electric machinery & equipments, Aluminium & Aluminium products, and Copper and its products along with increase in, Aircraft & parts and other Construction machinery.

- In May 2026, import increased from all region, with significant imports from Latin America, Oceania, South Asia, ASEAN, NE Asia , SSA(Sub Saharan Africa), and Others. In cumulative terms, imports increased from all regions barring CIS, WANA and North America.

- The share of engineering imports in India's total merchandise imports in Apr-May 2026 was estimated at 32.4 percent.
- 41.6 % of India's engineering imports come from N E Asia and 20.1 % from the EU. The next major suppliers are ASEAN (13.2%), North America (7.6%) and WANA (6.2%) during Apr-May 2026.

Fig 3: Monthly Engineering Imports for April-May 2026-27 vis-a-vis April-May 2025-26



Source: DGCI&S

TREND IN ENGINEERING TRADE BALANCE

We now present the trend in two-way yearly trade for the engineering sector for the 2026-27 depicted in the table below:

Table 10: Monthly Trend in Engineering Trade Balance for the current FY 2026-27 (US\$ Billions)

Trade Flow	Apr	May
Engineering Export	9.89	12.31
Engineering Import	14.44	14.36
Trade Balance	-4.55	-2.05

Source: DGCI&S, EEPC India Analysis

Conclusion

India's engineering exports gave a stellar performance in May 2026 as it reached a monthly all-time high of USD 12.3 billion and recorded a substantial growth of 24.5 per cent. This performance was possible at a time when the exporting community is navigating a complex global environment marked by slower growth, geopolitical uncertainty, supply-chain realignment, and protectionist trade behavior in several major markets. At the same time, the global economy is still being shaped by uneven recovery, high borrowing costs in some economies, and fragile manufacturing demand. The broader trade setting in the world remains

mixed. Many economies are still managing inflation, weak consumer demand, and trade fragmentation. Companies are also reworking supply chains to reduce overdependence on any single country, especially China. For India, that means there is room to expand, but only if exporters can improve scale, quality, logistics, and compliance with destination-country standards. In this regard, the support of the Ministry of Commerce and Industry is of utmost importance for the Indian exporters. faster policy relief, cheaper trade finance, and stronger risk protection is the need of the hour to help exporters absorb the shock of volatile global markets. While we are thankful to the government for the announcement of the Export promotion Mission, faster implementation of the scheme would be of much benefit for the exporters. Overall, India's engineering export story is one of cautious optimism. We are positive that with the proper guidance of the Government we will be able to achieve the desired export target of USD 250 billion by 2030.



ENGINEERING PRODUCT PANELS – COUNTRY-WISE ANALYSIS

We now analyze the performance of some of the important products for the fiscal April-May 2026 vis-à-vis April-May 2025. We have taken the major panels and computed the top importers to get an idea of the current trade pattern.

Engineering Product Panel - Country matrix

Value in USD million

Product panels	Top 5 nations	April-May 2025	April-May 2026	Growth
Iron and Steel	USA	158.4	230.0	45%
	Nepal	142.2	156.2	10%
	UK	81.8	137.6	68%
	Italy	166.6	111.2	-33%
	Vietnam	25.5	96.6	278%
Products of Iron and Steel	USA	518.9	546.5	5%
	UAE	142.2	96.6	-32%
	Germany	78.4	76.4	-3%
	Saudi Arab	67.5	64.1	-5%
	U K	44.5	61.0	37%
Industrial Machinery	USA	773.2	789.7	2%
	China	141.8	181.3	28%
	Germany	155.4	171.7	10%
	Australia	60.5	132.7	119%
	Saudi Arab	120.9	128.7	7%
Automobiles (Motor Vehicles/Cars and Two and Three Wheelers)	South Africa	234.8	281.5	20%
	Mexico	231.8	265.1	14%
	Saudi Arab	246.9	167.5	-32%
	Japan	146.7	131.3	-11%
	Colombia	107.2	129.4	21%
Non-Ferrous metals	USA	298.3	345.3	16%
	Saudi Arab	158.3	251.5	59%
	Korea RP	187.2	242.9	30%
	China	65.6	204.9	213%
	Vietnam	71.0	110.4	55%
Electrical Machinery and Components	USA	501.2	518.4	3%
	UK	261.9	295.3	13%
	Singapore	250.2	243.3	-3%
	Korea RP	138.8	212.3	53%
	Malaysia	57.2	210.8	269%
Aircrafts and Space crafts	USA	71.5	103.9	45%
	Maldives	0.4	60.1	13870%
	France	40.0	44.8	12%
	U K	28.4	28.1	-1%
	Malaysia	12.2	18.2	49%

Product panels	Top 5 nations	April-May 2025	April-May 2026	Growth
Ships, Boats and Floating Structures and parts	UAE	269.1	951.8	254%
	Sri Lanka	0.0	373.9	#DIV/0!
	Singapore	445.3	205.5	-54%
	Oman	54.3	46.6	-14%
	Malaysia	6.4	43.4	574%
Auto Components (including Auto Parts and Auto Tyre)	USA	394.7	414.8	5%
	Germany	125.0	151.6	21%
	Brazil	116.7	120.1	3%
	Mexico	71.1	88.3	24%
	Bangladesh	85.4	77.2	-10%

Source: DGCI&S

- In April-May 2026, USA, Nepal and UK ranked as the top 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 21% of India's global exports in this category, followed by China and Germany with 5% ad 5% shares, respectively.
- South Africa, Mexico and Saudi Arab were top importers of India's Automobiles during April-May 2026 in India's global exports respectively over the same period previous fiscal.
- USA, Saudi Arab and South Korea were the top three importers of India's Non-ferrous metals and products during April-May 2026.
- USA, UK and Singapore were the top importers of Indian Electrical Machinery & Components during the same period with 18%, 10% and 8% shares, respectively.
- USA, Maldives, France and UK were the top importers of India's Aircrafts and Spacecraft during April-May 2026, making up to 68% of India's total export of Aircrafts and Spacecraft
- UAE, Sri Lanka and Singapore became the largest importer of ships, boats and floating structures during April- May 2026 in India's global exports respectively over the same period previous fiscal.
- For the auto components' product group, USA remained the top importer in April-May 2026 followed by Germany, Brazil, Mexico and Bangladesh.

