

Engineering Export-Import Monitor

AUGUST 2026



Engineering The Future

EEPCINDIA
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ENGINEERING TRADE ANALYSIS FOR AUGUST 2026

Engineering exports in August 2026 saw its highest monthly year-on-year growth in fiscal 2026-27 at 24.9 percent

Trade Flow	Export figures (in US\$ billion)					% Growth
	Aug-2025	Aug-2026	Apr-Aug 2025-26	Apr-Aug 2026-27	Aug 2026 over Aug 2025	Apr-Aug 2026-27 over Apr-Aug 2025-26
Engineering Exports	9.87	12.32	49.10	58.70	24.86%	19.55%
Overall Merchandise Exports	34.74	43.81	183.21	215.91	26.12%	17.85%
Share of engineering	28.41%	28.12%	26.80%	27.19%	---	---
Service Exports	31.19	38.87	162.34	183.36	24.62%	12.95%

Source: Compiled from data by DGCIS and Quick Estimates published by the Government of India

Engineering exports from India continued to grow for the fifth straight month in fiscal 2026-27 and in August 2026, both monthly export value and year-on-year export growth were highest of this fiscal till date. Engineering exports in August 2026 was recorded at USD 12.32 billion as against USD 9.87 billion in the same month last fiscal, securing a growth of at 24.86 percent. On a cumulative basis, engineering exports during April-August 2026-27 stood at USD 58.70 billion as against USD 49.10 billion in the same period last fiscal, registering a growth of 19.55 percent. As per the Quick Estimates of the Government, share of engineering in India's total merchandise exports was recorded at 28.1 percent during August 2026 while on a cumulative basis, the share was 27.2 percent during April-August 2026-27. This growth in fiscal 2026-27 was driven mainly by growth in shipments of product groups namely Electric machinery and equipment; Iron and steel; Ships, boat and floating structures; Aluminium and its products; and Copper and its products among others. Region wise, North America, EU and WANA continued to remain top exporting destinations for Indian engineering consuming around half of India's global engineering supply.

HIGHLIGHTS

- Engineering exports from India continued to grow for the fifth straight month in fiscal 2026-27 and in August 2026, both monthly export value and year-on-year export growth were highest of this fiscal till date. Engineering exports in August 2026 was recorded at

USD 12.32 billion as against USD 9.87 billion in the same month last fiscal, securing a growth of at 24.86 percent.

- ✚ On a cumulative basis, engineering exports during April-August 2026-27 stood at USD 58.70 billion as against USD 49.10 billion in the same period last fiscal, registering a growth of 19.55 percent.
- ✚ As per the Quick Estimates of the Government, share of engineering in India's total merchandise exports was recorded at 28.1 percent during August 2026 while on a cumulative basis, the share was 27.2 percent during April-August 2026-27.
- ✚ In August 2026, 31 out of 34 engineering panels witnessed positive year-on-year growth. While 3 engineering panels including, Lead and products, Machine Tools and Office Equipments, witnessed year-on-year decline in exports.
- ✚ On a cumulative basis too, 30 out of 34 engineering panels recorded growth and remaining 4 engineering panels including, Products of Iron and Steel, Lead and products, Machine Tools and Office Equipments recorded negative growth during April-August 2026-27.
- ✚ Region wise analysis showed that engineering exports to all regions recorded growth during August 2026 barring WANA and CIS. North America continued to account for the largest share of Indian engineering exports (21%) followed by EU (17%), WANA (12%), ASEAN (11%) and North East Asia (9%) during August 2026.
- ✚ In cumulative terms that is April-August 2026, all regions barring CIS recorded growth in exports
- ✚ Country-wise, USA continued to remain the top destination for Indian engineering exports in April-August 2026-27 as it recorded an export of 9.97 billion. The y-o-y growth from USA is recorded at a decent 15.5%.

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

US\$ million			
Month	2025-26	2026-27	Growth (%)
April	9471.07	10353.83	9.32
May	9874.94	12312.13	24.68
June	9491.40	11475.97	20.90
April-June	28837.41	34141.20	18.39
July	10399.95	12242.60	17.71
August	9867.17	12319.81	24.86

Month	2025-26	2026-27	Growth (%)
April-August	49104.53	58704.34	19.55

Source: DGCIS, Govt. of India

TOP 25 ENGINEERING EXPORT DESTINATIONS IN AUGUST 2026

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during August 2026 over August 2025 as well as in cumulative terms during April-August 2026-27 vis-à-vis April-August 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	Aug-25	Aug-26	Growth (%)	Apr' - Aug' 2025-26	Apr' - Aug' 2026-27	Growth (%)
U S A	1679.73	2200.03	31.0%	8631.54	9971.84	15.5%
UAE	649.12	475.93	-26.7%	3077.86	3008.27	-2.3%
GERMANY	412.77	487.97	18.2%	2030.36	2317.74	14.2%
U K	382.92	492.61	28.6%	1922.58	2299.59	19.6%
SINGAPORE	189.98	282.81	48.9%	1780.46	2004.68	12.6%
CHINA	242.50	424.65	75.1%	1087.75	1774.28	63.1%
MEXICO	309.20	360.24	16.5%	1385.51	1649.46	19.1%
SAUDI ARABIA	358.93	224.94	-37.3%	1836.93	1640.67	-10.7%
KOREA RP	220.93	466.06	111.0%	1172.67	1624.69	38.5%
SOUTH AFRICA	309.78	392.97	26.9%	1156.97	1510.96	30.6%
JAPAN	164.65	278.38	69.1%	1057.94	1399.57	32.3%
ITALY	302.66	285.03	-5.8%	1379.26	1382.00	0.2%
SRI LANKA	127.74	230.84	80.7%	548.48	1323.96	141.4%
FRANCE	190.56	233.03	22.3%	930.27	1198.79	28.9%
MALAYSIA	141.09	231.24	63.9%	545.48	1150.86	111.0%
BRAZIL	216.02	237.47	9.9%	1075.00	1136.28	5.7%
NEPAL	211.94	227.09	7.1%	1008.14	1118.84	11.0%
INDONESIA	103.62	292.30	182.1%	676.61	1031.26	52.4%

Countries	Aug-25	Aug-26	Growth (%)	Apr' - Aug' 2025-26	Apr' - Aug' 2026-27	Growth (%)
VIETNAM	142.46	191.32	34.3%	614.90	1023.52	66.5%
AUSTRALIA	127.15	275.97	117.0%	612.10	980.41	60.2%
NETHERLAND	194.95	187.52	-3.8%	927.90	979.80	5.6%
THAILAND	174.78	222.29	27.2%	904.10	926.53	2.5%
TURKEY	162.05	224.36	38.4%	862.12	908.93	5.4%
SPAIN	146.10	158.07	8.2%	629.62	845.83	34.3%
OMAN	57.37	197.99	245.1%	340.86	800.01	134.7%
Total engineering exports to top 25 countries	7219.00	9281.12	28.6%	36195.43	44008.77	21.6%
Total engineering exports	9867.17	12319.81	24.9%	49104.53	58704.34	19.5%

Source: DGCIS&S

REGION WISE INDIA'S ENGINEERING EXPORTS

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

Table 3: Region wise engineering exports

US\$ Mn

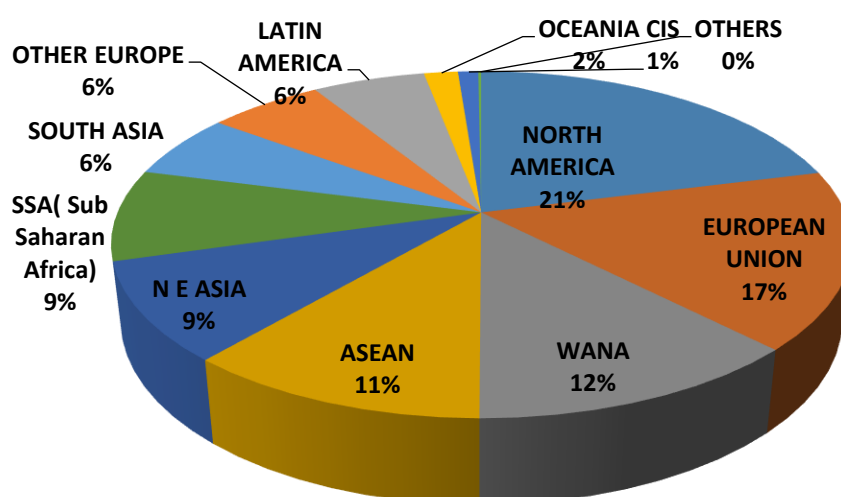
Region	Aug-25	Aug-26	Growth (%)	Apr' -Aug' 2025-26	Apr' -Aug' 2026-27	Growth (%)
NORTH AMERICA	2117.84	2721.76	28.5%	10574.56	12346.60	16.8%
EUROPEAN UNION	1810.33	1958.69	8.2%	8720.95	9742.07	11.7%
WANA	1450.02	1286.27	-11.3%	7080.89	7299.97	3.1%
ASEAN	840.47	1311.01	56.0%	4998.63	6600.22	32.0%
N E ASIA	714.26	1286.62	80.1%	3807.37	5409.00	42.1%
SSA(Sub Saharan Africa)	888.13	1165.56	31.2%	3882.10	5021.91	29.4%
SOUTH ASIA	567.19	684.97	20.8%	2692.74	3561.34	32.3%

OTHER EUROPE	584.26	763.63	30.7%	2979.01	3510.14	17.8%
LATIN AMERICA	565.92	754.72	33.4%	2966.53	3458.83	16.6%
OCEANIA	139.30	286.91	106.0%	673.17	1042.37	54.8%
CIS	165.46	87.11	-47.4%	655.56	624.09	-4.8%
OTHERS	24.00	12.56	-47.6%	73.01	87.79	20.2%
Grand Total	9867.17	12319.81	24.9%	49104.53	58704.34	19.5%

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



Source: DGCI&S

Regional observations:

In August 2026, India's engineering exports grew in almost all the top 25 destinations barring UAE and Saudi Arabia – the decline can be explained by the renewed logistics disruption created by the West Asia crisis. Infact India's exports to both these countries have indicated volatility in the last few months. Interestingly exports to Oman which is in the same area showed significant increase. This can be attributed to the recently signed India-Oman FTA and the new immediate tariff advantage that it offered. While India also has a CEPA with UAE, it is a relatively older agreement so August 2026 did not generate a comparable “new FTA” tariff-

led demand boost. Also, given the significance of both UAE and Saudi Arabia in the WANA region, India's exports to the overall region declined by 11.3% in August 2026.

In cumulative terms too, export decline was noted in UAE and Saudi Arabia only while exports to WANA remained positive.

PANEL-WISE ENGINEERING EXPORTS IN AUGUST 2026

Table 4: Panel wise engineering exports

US\$ Mn									
S.No	Product panel	August-25	August-26	Growth (%)	Apr - August 2025-26	Apr - August 2026-27	Growth (%)	Share % (April-August 2025)	Share % (April-August 2026)
1. Iron and Steel and Products made of Iron and Steel									
A	Iron and Steel	841.5	1279.1	52.0%	4036.6	5489.2	36.0%	8.2%	9.4%
B	Products of Iron and Steel	890.2	933.7	5%	4375.3	4374.1	0.0%	8.9%	7.5%
Sub Total		1731.7	2212.8	28%	8412.0	9863.3	17%	17.1%	16.8%
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals									
A	Copper and products	226.8	599.0	164%	1024.9	2067.4	102%	2.1%	4%
B	Aluminium and products	543.9	736.2	35%	2571.7	3820.0	49%	5.2%	7%
C	Zinc and products	58.0	61.2	6%	257.9	371.9	44%	0.5%	1%
D	Nickel and products	15.9	18.1	14%	70.8	89.0	26%	0.1%	0%
E	Lead and products	96.2	58.6	-39%	442.1	334.8	-24%	0.9%	1%
F	Tin and products	2.8	7.2	157%	12.5	33.6	168%	0.03%	0.06%
G	Other Non-Ferrous Metals	85.3	97.2	14%	437.0	494.6	13%	0.9%	1%
Sub Total		1028.9	1577.4	53%	4816.9	7211.3	50%	9.8%	12.3%
3. Industrial Machinery									
A	Industrial Machinery like Boilers, parts, etc	86.2	211.5	145%	394.5	575.4	46%	0.8%	1.0%
B	IC Engines and Parts	350.6	414.6	18%	1767.6	1830.4	4%	3.6%	3.1%
C	Pumps of all types	133.1	155.2	17%	657.4	707.2	8%	1.3%	1.2%
D	Air condition and Refrigerators	179.8	219.2	22%	924.7	1022.0	11%	1.9%	1.7%
E	Industrial Machinery for dairy, food processing , textiles etc	760.2	760.7	0%	3712.7	3859.6	4%	7.6%	6.6%

S.No	Product panel	August-25	August-26	Growth (%)	Apr - August 2025-26	Apr - August 2026-27	Growth (%)	Share % (April-August 2025)	Share % (April-August 2026)
F	Machine Tools	85.3	71.2	-17%	389.7	365.2	-6%	0.8%	0.6%
G	Machinery for Injecting moulding, valves and ATMs	258.4	274.1	6%	1288.1	1325.6	3%	2.6%	2.3%
Sub Total		1853.6	2106.6	14%	9134.7	9685.5	6%	18.6%	16.5%
4. Electrical Machinery									
	Electrical Machinery	1151.2	1595.2	39%	6381.8	7992.1	25%	13.0%	13.6%
5. Automobiles									
A	Motor Vehicle/cars	1017.7	1049.8	3%	4353.9	4912.1	13%	8.9%	8.4%
B	Two and Three Wheelers	347.1	426.2	23%	1561.9	1989.3	27%	3.2%	3.4%
C	Auto Components/Part	766.2	851.5	11.1%	3646.7	3905.0	7.1%	7.4%	6.7%
D	Auto Tyres and Tubes	254.2	295.8	16%	1328.3	1419.2	7%	2.7%	2.4%
Sub Total		2385.3	2623.3	10%	10890.9	12225.6	12%	22.2%	20.8%
6. Aircrafts and Spacecraft parts and products									
	Aircrafts and Spacecraft parts and products	135.2	163.0	21%	673.4	781.8	16%	1.4%	1.3%
7. Ships Boats and Floating products and parts									
	Ships Boats and Floating products and parts	94.6	367.8	289%	1707.0	3084.8	81%	3.5%	5.3%
8. Project Goods									
	Project Goods	0.1	0.2	38%	0.6	0.8	42%	0.0%	0.0%
9. Other Rubber Product Except Footwear									
	Other Rubber Product Except Footwear	165.6	187.2	13%	797.3	862.4	8%	1.6%	1.5%
10. Other engineering products									
A	Medical and Scientific instruments	239.7	283.1	18%	1191.9	1294.8	9%	2.4%	2.2%
B	Railway Transport	52.6	52.6	0%	190.8	285.8	50%	0.4%	0.5%
C	Hand Tools & Cutting Tools	89.0	99.6	12%	444.9	474.1	7%	0.9%	0.8%
D	Bicycle & Parts	43.0	47.0	9%	196.1	214.3	9%	0.4%	0.4%
E	Cranes Lifts & Winches	94.2	106.7	13%	469.4	473.1	1%	1.0%	0.8%
F	Office Equipment	34.5	33.1	-4%	159.5	146.6	-8%	0.3%	0.2%
G	Other Construction Machinery	298.7	322.9	8%	1416.2	1604.7	13%	2.9%	2.7%

S.No	Product panel	August-25	August-26	Growth (%)	Apr - August 2025-26	Apr - August 2026-27	Growth (%)	Share % (April-August 2025)	Share % (April-August 2026)
H	Prime Mica & Mica Products	2.9	3.2	11%	13.7	14.4	5%	0.0%	0.0%
I	Other Misc. Items	466.5	538.1	15%	2207.5	2488.9	13%	4.5%	4.2%
Sub total		1320.9	1486.4	13%	6290.0	6996.8	11%	12.8%	11.9%
Total engineering exports		9867.2	12319.8	24.9%	49104.5	58704.3	19.5%		

Sectoral Observations

India's engineering exports grew by about 19.5% in April–August 2026-27 to around US\$58.70 billion, with mixed performance across panels:

- a) Exports of iron and steel and products rose by 17% during April–August 2026-27, supported by higher shipments of primary steel growing by 36%, while products of iron and steel witnessed a negligible marginal decrease of 0.03% Overall, India's steel exports rose 15% to US\$9.86 billion during April–August 2026-27, supported by strong demand from the USA, UAE, Italy and UK (EU Countries), Nepal, Vietnam, Netherland , Germany and Belgium (EU markets), and Korea Rep.

As per the latest Ministry of Steel estimates, during April to August FY 2026-27, India remained a net importer of finished steel, with imports exceeding exports by approximately 0.50 million tonnes. During April-August 2026, India's finished steel exports amounted to 2.99 million tonnes, while imports stood at 3.49 million tonnes, making the country a net importer of finished steel by around 0.50 million tonnes during the period. In August 2026, finished steel exports were 0.694 million tonnes, whereas imports were 0.721 million tonnes, indicating that imports continued to marginally exceed exports despite robust growth in overseas shipments.

On the raw material front, the price of NMDC Iron Ore Baila Lump (65.5% Fe) declined to ₹5,250 per tonne in August 2026 from ₹5,450 per tonne in July 2026, reflecting a moderation in domestic iron ore prices. Domestic steel prices, however, showed a mixed trend during the month. Compared with July 2026, the retail price of TMT (10 mm) increased by 2.3% to ₹58,002 per tonne, while HR Coil (2 mm) prices rose by 0.9% to ₹70,448 per tonne. In contrast, CR Coil (0.63 mm) prices recorded a marginal decline of 0.2% to ₹76,462 per tonne in August 2026. Overall, while iron ore prices softened, finished steel prices remained largely stable with slight gains in TMT and HRC segments.

- b) Among the other non-ferrous products, in August 2026, both aluminium and copper experienced significant growth due to increased global demand. Increase was also noted in nickel, zinc and tin exports. Only decline was noted in lead exports which can be explained by a combination of global price drop and growing demand in India's battery sector.

ENGINEERING EXPORTS – STATE-WISE & REGIONA-WISE ANALYSIS (April-July 2026-27)

Table 5: State-wise exports in April-July 226 (US\$ billion)

States	April-July 2025	April-July 2026	Growth %	Share %
MAHARASHTRA	8.4	9.0	7%	19%
GUJARAT	5.3	7.2	36%	16%
TAMIL NADU	6.7	7.2	7%	15%
KARNATAKA	2.9	3.9	32%	8%
HARYANA	2.8	3.2	12%	7%
ODISHA	1.8	3.1	69%	7%
DELHI	1.6	2.0	25%	4%
UTTAR PRADESH	1.5	1.6	4%	3%
WEST BENGAL	1.2	1.6	28%	3%
RAJASTHAN	1.1	1.3	18%	3%
ANDHRA PRADESH	1.5	1.3	-18%	3%
PUNJAB	1.0	1.0	0%	2%
TELANGANA	0.8	0.9	17%	2%

Source: DGCI&S

India's state-wise engineering exports during April-July 2026-27 reflect robust growth with significant contributions from western and southern states.

Maharashtra remained the largest engineering exporting state, with exports rising to US\$ 9.0 billion, accounting for 19% of India's total engineering exports, although growth was relatively moderate at 7%. Gujarat emerged as one of the strongest growth drivers among the top exporting states, with exports surging 36% to US\$ 7.2 billion, capturing a 16% share. Tamil Nadu retained its position as the third-largest exporter, registering 7% growth to US\$ 7.18 billion and contributing 15% to the country's engineering exports. Karnataka and Odisha also recorded impressive growth of 32% and 69%, respectively, highlighting the increasing diversification of India's engineering export base. Haryana maintained its strong position with exports growing by 12% to US\$ 3.16 billion, while Delhi recorded a notable 25% increase in exports. Among the emerging contributors, Uttarakhand posted the highest growth rate among major exporting states, with exports more than doubling by 131% during the period.

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

Region Wise	April-July 2025	April-July 2026	Growth %	Share %
EASTERN REGION	3572.1	5334.9	49%	11.5%
NORTHERN REGION	8276.1	9484.2	15%	20.4%
SOUTHERN REGION	12360.4	13684.8	11%	29.5%
WESTERN REGION	15028.8	17878.5	19%	38.5%
Grand Total	39237.4	46382.4	18%	

Source: DGCI&S

India's region-wise engineering exports during April-July 2026 registered a strong growth of 18%, increasing to US\$ 46.38 billion from US\$ 39.24 billion in the corresponding period of the previous year.

The Western Region continued to dominate India's engineering exports, with shipments rising by 19% to US\$ 17.88 billion, accounting for the largest 38.5% share of total exports.

The Southern Region remained the second-largest contributor, recording exports of US\$ 13.68 billion, a growth of 11% over April-July 2025, and accounting for 29.5% of total engineering exports.

The Northern Region posted a healthy growth of 15%, with exports increasing to US\$ 9.48 billion, contributing 20.4% to the national total.

The Eastern Region emerged as the fastest-growing region, registering an impressive 49% increase in engineering exports to US\$ 5.33 billion. Its share in total exports reached 11.5%, reflecting growing export momentum from the region.

Overall, India's engineering export performance during April-July 2026 was driven by broad-based growth across all regions, with the Western Region retaining its leadership position while the Eastern Region demonstrated the strongest pace of expansion.

Key Products driving exports in top states:

- Maharashtra: Export performance was driven by industrial machinery, products of iron & steel, iron & steel, electric machinery, motor vehicles and auto components, reinforcing its position as India's largest engineering exporting state.
- Tamil Nadu: Exports were led by motor vehicles, auto components, electric machinery and industrial machinery. In addition, ship, boat and floating structures emerged as a key growth segment during the period.
- Gujarat: The state's export surge was driven primarily by ship, boat and floating structures, followed by motor vehicles, products of iron & steel, industrial machinery and copper products, indicating broad-based expansion across engineering sectors.
- Karnataka: Growth was supported by a significant jump in electric machinery, along with strong exports of aircraft, spacecraft and parts, iron & steel, auto components and other high-technology engineering products, highlighting the state's increasing specialization in advanced manufacturing.
- Haryana: Export growth was led by motor vehicles, electric machinery, auto components and industrial machinery, supported by a strong automotive manufacturing ecosystem. The state also recorded notable contributions from two- and three-wheelers, reinforcing its position as a major transport equipment hub.
- Odisha: Export growth was overwhelmingly driven by aluminium and aluminium products and iron & steel, which together accounted for the bulk of the state's engineering exports. Additional contributions came from ship, boat and floating structures and electric machinery, reflecting increasing diversification beyond metals.

- West Bengal: Export performance was led by iron & steel, followed by products of iron & steel. The state also witnessed notable growth in ship, boat and floating structures, other non-ferrous metal products and aluminium products, supporting its strong export growth during the 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. Latest statewide data is available for the month of July 2026.

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. May, June 2026, however witnessed both of them moving in the opposite direction. While May 2026 saw higher engineering export growth but moderated manufacturing output growth, June 2026 witnessed just the reverse. July 2026 saw both engineering export growth and manufacturing output growth slowed down.

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

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
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 2026	12.91	5.9
March 2026	1.13	4.3
April 2026	9.32	6.1
May 2026	24.68	5.2
Jun 2026	20.90	9.5
July 2026	17.71	7.3

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

IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during August 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 August 2026, but also considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 2025-26 and fiscal 2026-27 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 2026-27 vis-à-vis 2025-26
(As per latest data released by FBIL)

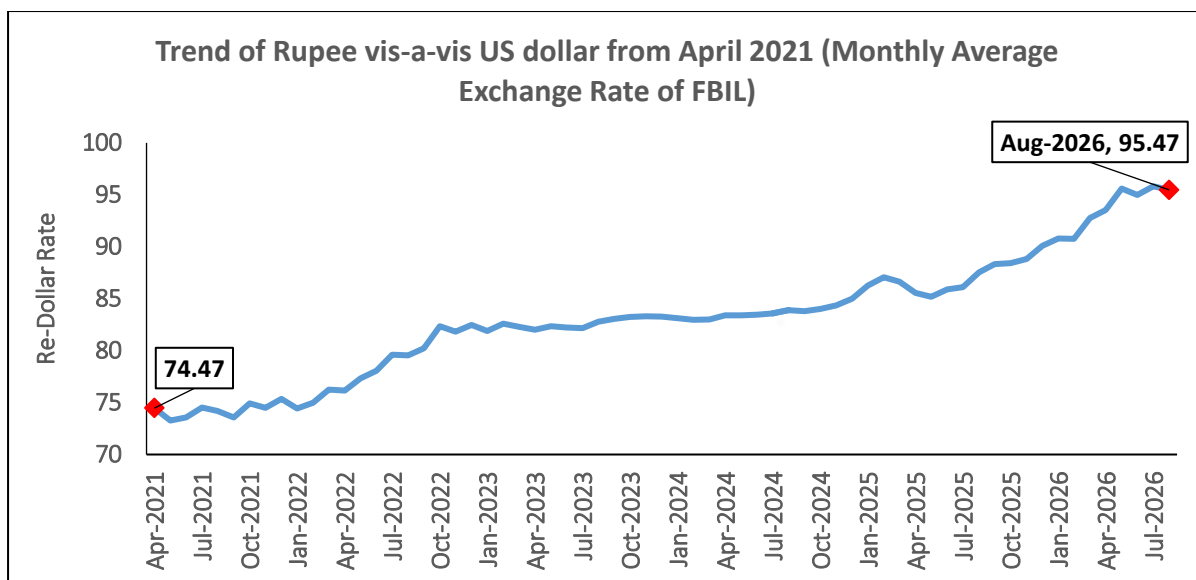
Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2025-26	2026-27				
April	85.56	93.55	9.34	Depreciation	0.85	Depreciation
May	85.19	95.60	12.22	Depreciation	2.19	Depreciation
June	85.90	94.97	10.56	Depreciation	-0.66	Appreciation
July	86.11	95.82	11.28	Depreciation	0.90	Depreciation
August	87.52	95.47	9.08	Depreciation	-0.37	Appreciation

Indian Rupee once again appreciated vis-à-vis the US Dollar on a month-on-month basis in August 2026 by 0.4 percent. On a year-on-year basis however, the depreciation continued and was at 9.08 percent.

Table 9: USD-INR monthly average exchange rate in 2025-26 vis-à-vis 2024-25
(As per latest data released by FBIL)

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2024-25	2025-26				
April	83.41	85.56	2.58	Depreciation	-1.25	Appreciation
May	83.39	85.19	2.16	Depreciation	-0.43	Appreciation
June	83.47	85.90	2.91	Depreciation	0.83	Depreciation
July	83.59	86.11	3.01	Depreciation	0.24	Depreciation
August	83.90	87.52	4.31	Depreciation	1.64	Depreciation
September	83.81	88.32	5.38	Depreciation	0.91	Depreciation
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

Fig 2: Trend of Rupee vis-a-vis US dollar from April 2021 (Monthly Average Rate of FBIL has been considered)

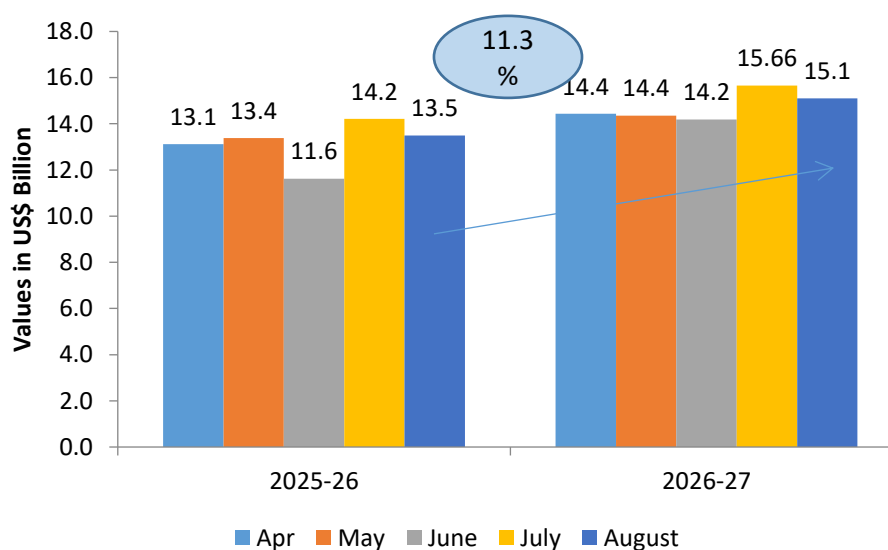


Source: FBIL

ANALYSIS OF INDIA'S ENGINEERING IMPORTS

- India's Engineering imports during August 2026 were valued at US\$ 15.1 billion compared to US\$ 13.5 billion in August 2025 registering a positive growth of 11.3 percent in dollar terms. In cumulative terms (Apr-August 2026), India's imports increased by 12.0 percent.
- In August 2026, imports increased sharply for Two and Three Wheelers , Project Goods, Tin & Products made of Tin , Hand Tools & Cutting Tools of Metals , Copper & Products made of Copper, & Ships, Boats & Floating Structures.
- In August 2026, import increased from the regions, with significant imports from CIS, SSA(Sub Saharan Africa), North America , NE Asia, ASEAN and Oceania. In cumulative terms, imports increased from all regions barring WANA .
- The share of engineering imports in India's total merchandise imports in Apr-August 2026 was estimated at 20.3 percent.
- 42.6 % of India's engineering imports come from N E Asia and 20.2 % from the EU. The next major suppliers are ASEAN (12.9%), North America (8.3%) and WANA (5.3%) during Apr-August 2026.

Fig 3: Monthly Engineering Imports for April-August 2026-27 vis-a-vis April-August 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	June	July	Aug
Engineering Export	9.89	12.31	11.48	12.24	12.32
Engineering Import	14.44	14.36	14.19	15.66	15.06
Trade Balance	-4.55	-2.05	-2.71	-3.42	-2.74

Source: DGCIS, EEPC India Analysis

CONCLUSION

Global merchandise trade experienced a significant acceleration in August 2026 – this is explained by the J.P. Morgan–S&P Global Manufacturing PMI New Export Orders Index which increased from 50 in July 2026 to 51.4 in August 2026. This remains the highest reading since July 2021. As per S&P Global, this growth may indicate an expansion of approximately 8% in global merchandise trade compared to 6% in July 2026. The trend is also consistent with India's engineering export performance which recorded highest monthly as well as cumulative growth in August 2026. This performance despite the renewed logistics disruptions from the West Asia crisis may indicate increasing confidence in the global market. Overall, the August 2026 upturn suggests that global demand conditions are becoming more supportive for India's engineering exporters, reinforcing the need to consolidate market presence, diversify destinations and strengthen supply-chain resilience amid continuing geopolitical and logistics risks.

ANNEXURE-I

ENGINEERING PRODUCT PANELS – COUNTRY-WISE ANALYSIS

We now analyze the performance of some of the important products for the fiscal April-August 2026 vis-à-vis April-August 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-August 2025	April-August 2026	Growth
Iron and Steel	USA	344.1	851.5	147%
	Italy	478.5	371.6	-22%
	Nepal	291.1	338.4	16%
	UAE	212.3	320.0	51%
	Vietnam	55.8	307.8	452%
Products of Iron and Steel	Germany	211.0	202.5	-4%
	Saudi Arab	163.0	151.1	-7%
	Canada	129.6	147.4	14%
	Italy	120.5	111.1	-8%
	Netherland	116.0	107.4	-7%
Industrial Machinery	U S A	1941.7	2052.7	6%
	Australia	169.4	468.4	177%
	China	357.1	445.2	25%
	Germany	412.5	419.7	2%
	UAE	507.7	375.1	-26%
Automobiles (Motor Vehicles/Cars and Two and Three Wheelers)	South Africa	719.0	802.1	12%
	Mexico	638.6	696.4	9%
	Saudi Arab	643.1	438.3	-32%
	Japan	350.1	395.0	13%
	Colombia	289.1	338.7	17%
Non-Ferrous metals	U S A	751.0	956.3	27%
	Korea RP	432.8	694.3	60%
	China	286.3	627.6	119%
	Saudi Arab	383.4	473.1	23%
	Japan	148.5	307.2	107%
Electrical Machinery and Components	U S A	1347.9	1435.3	6%
	Singapore	608.1	837.1	38%
	U K	667.2	693.1	4%
	Germany	461.5	573.1	24%
	Malaysia	138.5	540.4	290%
Aircrafts and Space crafts	U S A	199.7	251.8	26%
	France	122.2	127.4	4%
	U K	78.2	69.3	-11%
	Maldives	0.6	60.1	10361%
	Malaysia	21.2	37.0	74%

Ships, Boats and Floating Structures and parts	UAE	559.7	986.1	76%
	Singapore	690.4	656.1	-5%
	Sri Lanka	90.8	503.0	454%
	Oman	65.9	247.0	275%
	Indonesia	96.2	164.7	71%
Auto Components (including Auto Parts and Auto Tyre)	USA	952.9	1100.5	15%
	Germany	320.5	378.9	18%
	Brazil	315.4	312.1	-1%
	Mexico	167.6	230.6	38%
	Bangladesh	223.5	199.7	-11%

Source: DGCI&S

- In April-August 2026, USA, Italy and Nepal ranked as the top importers of Indian Iron and Steel, while the Germany, Saudi Arab and Canada 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 Australia and China with 5% and 4% shares, respectively.
- South Africa, Mexico and Saudi Arab were top importers of India's Automobiles during April-August 2026 in India's global exports respectively over the same period previous fiscal.
- USA, South Korea and China were the top importers of India's Non-ferrous metals and products during April-August 2026.
- USA, Singapore and UK were the top importers of Indian Electrical Machinery & Components during the same period with 18%, 10% and 9% shares, respectively.
- USA, France, UK, Maldives and Malaysia were the top importers of India's Aircrafts and Spacecraft during April-August 2026, 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 during April- August 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-August 2026 followed by Germany, Brazil, Mexico and Bangladesh.

ANNEXURE-II**ENGINEERING PRODUCT PANELS – SHARE %**

We now analyze the performance of some of the important products by computing the share of product panels in total engineering exports during the fiscal April-August 2026.

Engineering Product Panel – Share%

Value in USD million

Product panels	April-August 2025	April-August 2026	Growth%	Share% in April-August 2025	Share% in April-August 2026
Electric Machinery And Equipmet	6381.79	7992.11	25.23%	13.00%	13.61%
Iron And Steel	4036.63	5489.21	35.98%	8.22%	9.35%
Motor Vehicle/Cars	4353.94	4912.08	12.82%	8.87%	8.37%
Products Of Iron And Steel	4375.34	4374.10	-0.03%	8.91%	7.45%
Auto Components/Parts	3646.74	3904.98	7.08%	7.43%	6.65%
Indl. Machnry For Dairy Etc	3712.68	3859.61	3.96%	7.56%	6.57%
Aluminium, Products Of Aluminm	2571.72	3819.97	48.54%	5.24%	6.51%
Ship, Boat And Floating Structure	1707.01	3084.77	80.71%	3.48%	5.25%
Other Misc. Engineering Items	2207.53	2488.89	12.75%	4.50%	4.24%
Copper And Prdcts Made Of Copr	1024.90	2067.41	101.72%	2.09%	3.52%
Two And Three Wheelers	1561.91	1989.34	27.37%	3.18%	3.39%
IC Engines And Parts	1767.64	1830.39	3.55%	3.60%	3.12%
Other Construction Machinery	1416.18	1604.75	13.32%	2.88%	2.73%
Auto Tyres And Tubes	1328.27	1419.17	6.84%	2.70%	2.42%
ATM, Injctng Mlding Mchnry Etc	1288.15	1325.63	2.91%	2.62%	2.26%
Medical And Scientific Instrum	1191.86	1294.84	8.64%	2.43%	2.21%
AC, Refrigeration Machnry Etc	924.67	1022.04	10.53%	1.88%	1.74%
Othr Rubber Prodct Excpt Footw	797.26	862.39	8.17%	1.62%	1.47%
Aircraft, Spacecraft And Parts	673.44	781.75	16.08%	1.37%	1.33%
Pumps Of All Types	657.39	707.18	7.57%	1.34%	1.20%
Nucler Reactr, Indl Boilr, Prt	394.45	575.40	45.87%	0.80%	0.98%
Oth Non Ferous Metal And Prodct	436.99	494.62	13.19%	0.89%	0.84%
Hnd Tool, Ctng Tool Of Metals	444.88	474.14	6.58%	0.91%	0.81%
Cranes, Lifts And Winches	469.44	473.09	0.78%	0.96%	0.81%

Zinc And Products Made Of Zinc	257.88	371.93	44.23%	0.53%	0.63%
Machine Tools	389.72	365.23	-6.29%	0.79%	0.62%
Lead And Products Made Of Led	442.07	334.82	-24.26%	0.90%	0.57%
Railwy Trnsprt Equipmnts, Prts	190.80	285.79	49.79%	0.39%	0.49%
Bicycle And Parts	196.09	214.31	9.29%	0.40%	0.37%
Office Equipments	159.54	146.57	-8.13%	0.32%	0.25%
Nickel, Product Made Of Nickel	70.82	89.01	25.68%	0.14%	0.15%
Tin And Products Made Of Tin	12.52	33.58	168.10%	0.03%	0.06%
Prime Mica And Mica Products	13.70	14.41	5.16%	0.03%	0.02%
Project Goods	0.57	0.81	42.46%	0.001%	0.001%

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