Engineering Export-Import Monitor

SEPTEMBER 2026



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ENGINEERING TRADE ANALYSIS FOR SEPTEMBER 2026

Engineering exports from India achieved nearly 20 percent year-on-year growth in the first half of fiscal 2026-27

Trade Flow	Export figures (in US$ billion)				% Growth	
	Sep-2025	Sep-2026	Apr-Sep 2025-26	Apr-Sep 2026-27	Sep 2026 over Sep 2025	Apr-Sep 2026-27 over Apr-Sep 2025-26
Engineering Exports	10.06	12.17	59.17	70.88	20.91%	19.78%
Overall Merchandise Exports	36.08	44.40	219.30	259.89	23.04%	18.51%
Share of engineering	27.89%	27.41%	26.98%	27.27%	---	---
Service Exports	36.67	36.35	199.02	216.31	-0.87%	8.69%

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

After securing all-time high exports in last two consecutive fiscals, Indian engineering recorded nearly 20% growth in the first half of the current fiscal. During April-September 2026-27, engineering exports from India stood at USD 70.88 billion as against USD 59.17 billion in the same period last fiscal, registering a growth of 19.78 percent. In September 2026, the growth was 20.91 percent as engineering exports rose to USD 12.17 billion from USD 10.06 billion in the same month last fiscal. As per the Quick Estimates of the Government, share of engineering in India's total merchandise exports was recorded at 27.4 percent during September 2026 while on a cumulative basis, the share was 27.3 percent during the first half of fiscal 2026-27. This impressive performance of Indian engineering exports during April-September 2026-27 was attributed to substantial increase in exports of the product groups viz. Copper and products, Ships boats and floating structures, Aluminium and products, Iron and Steel, Electrical machinery and equipment, and Two and three wheelers among others. Among the 34 engineering product panels, as much as 31 panels recorded year-on-year growth in exports during the first half of fiscal 2026-27 while remaining 3 engineering panels namely Office Equipment, Machine Tools, Lead and products recorded negative year-on-year growth. Shipments to all regions across the globe recorded year-on-year growth during April-September 2026-27 barring the war-stricken CIS region. Country-wise, USA continued to remain the top destination for Indian engineering exports registering a double-digit growth during the first six months on a cumulative basis.

HIGHLIGHTS

- Engineering exports from India continued its growth run for the sixth straight month in fiscal 2026-27 and in September 2026, it was recorded at USD 12.17 billion as against USD 10.06 billion in the same month last fiscal, securing a growth of at 20.91 percent.

- On a cumulative basis, engineering exports during April-September 2026-27 stood at USD 70.88 billion as against USD 59.17 billion in the same period last fiscal, registering a growth of 19.78 percent.

- As per the Quick Estimates of the Government, share of engineering in India's total merchandise exports was recorded at 27.4 percent during September 2026 while on a cumulative basis, the share was 27.3 percent during the first half of fiscal 2026-27.

- Panel-wise analysis shows that the growth of engineering exports during September 2026 was led by higher exports of Copper and products, Iron and steel, Electrical machinery and equipment, Aluminium and products, and Two and three wheelers among others. On a cumulative basis, the growth of engineering export during April-September 2026 was attributed to substantial increase in exports of the product groups Copper and products, Ships boats and floating structures, Aluminium and products, Iron and Steel, Electrical machinery and equipment, and Two and three wheelers among others.

- In September 2026, 30 out of 34 engineering panels witnessed year-on-year growth while 4 engineering panels including Office Equipment, Machine Tools, Lead and products, and Zinc and products conceded year-on-year decline in exports.

- On a cumulative basis, 31 out of 34 engineering panels recorded year-on-year growth in exports during the first half of fiscal 2026-27 while remaining 3 engineering panels namely Office Equipment, Machine Tools, Lead and products recorded negative year-on-year growth.

- Region wise analysis showed that engineering exports to all regions recorded growth during September 2026 barring WANA and CIS. North America continued to account for the largest share of Indian engineering exports (21.2%) followed by EU (16.5%), WANA (12.4%), ASEAN (11.1%) and North East Asia (9.5%) during April-September 2026.

- In cumulative terms that is April-September 2026, all regions barring CIS recorded growth in exports

- Country-wise, USA continued to remain the top destination for Indian engineering exports in April-September 2026-27 as it recorded an export of 12.2 billion. The y-o-y growth from USA is recorded at a decent 21.2%.

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	12243.27	17.71
August	9867.17	12320.78	24.87
September	10064.46	12169.23	20.91
July-September	**30331.57**	**36733.28**	**21.11**
April- September	**59168.98**	**70875.21**	**19.78**

Source: DGCIS, Govt. of India

TOP 25 ENGINEERING EXPORT DESTINATIONS IN SEPTEMBER 2026

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

Table 2: Engineering exports country-wise

US$ Mn.

Countries	Sep-25	Sep-26	Growth (%)	Apr' -Sep' 2025-26	Apr' -Sep' 2026-27	Growth (%)
U S A	1407.1	2190.9	55.7%	10038.6	12163.1	21.2%
UAE	637.1	608.8	-4.5%	3715.0	3618.6	-2.6%
GERMANY	430.3	443.5	3.1%	2460.7	2762.0	12.2%
U K	390.4	426.2	9.2%	2313.0	2725.8	17.8%
SINGAPORE	299.2	294.0	-1.7%	2079.7	2298.8	10.5%
CHINA	302.3	430.1	42.3%	1390.0	2204.4	58.6%

Countries	Sep-25	Sep-26	Growth (%)	Apr' -Sep' 2025-26	Apr' -Sep' 2026-27	Growth (%)
KOREA RP	276.9	522.2	88.6%	1449.6	2146.9	48.1%
MEXICO	274.4	360.1	31.2%	1660.0	2009.4	21.1%
SAUDI ARABIA	441.1	325.4	-26.2%	2278.0	1965.2	-13.7%
SOUTH AFRICA	269.7	311.7	15.6%	1426.7	1822.7	27.8%
JAPAN	249.4	257.7	3.4%	1307.3	1657.3	26.8%
ITALY	295.6	243.7	-17.6%	1674.8	1625.7	-2.9%
SRI LANKA	167.5	163.2	-2.5%	715.9	1487.2	107.7%
MALAYSIA	203.7	295.6	45.1%	749.2	1446.6	93.1%
FRANCE	169.3	240.1	41.8%	1099.6	1439.6	30.9%
NEPAL	177.8	279.2	57.0%	1186.0	1398.0	17.9%
BRAZIL	202.7	222.6	9.8%	1277.7	1358.9	6.4%
INDONESIA	134.6	210.2	56.1%	811.2	1241.5	53.0%
VIETNAM	165.5	195.0	17.9%	780.4	1218.6	56.2%
NETHERLAND	172.3	155.6	-9.6%	1100.2	1135.5	3.2%
THAILAND	187.6	198.6	5.9%	1091.7	1125.2	3.1%
AUSTRALIA	119.3	134.9	13.1%	731.4	1115.3	52.5%
TURKEY	131.0	196.5	49.9%	993.2	1105.3	11.3%
SPAIN	200.5	134.8	-32.7%	830.1	980.6	18.1%
OMAN	85.6	136.3	59.2%	426.5	935.6	119.4%
Total engineering exports to top 25 countries	**7390.8**	**8977.2**	**21.5%**	**43586.2**	**52987.8**	**21.6%**
Total engineering exports	**10064.5**	**12169.2**	**20.9%**	**59169.0**	**70875.2**	**19.8%**

Source: DGCI&S

REGION WISE INDIA'S ENGINEERING EXPORTS

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

Table 3: Region wise engineering exports in April-Sep 2026-27 vis-à-vis April-Sep 2025-26

US$ Mn

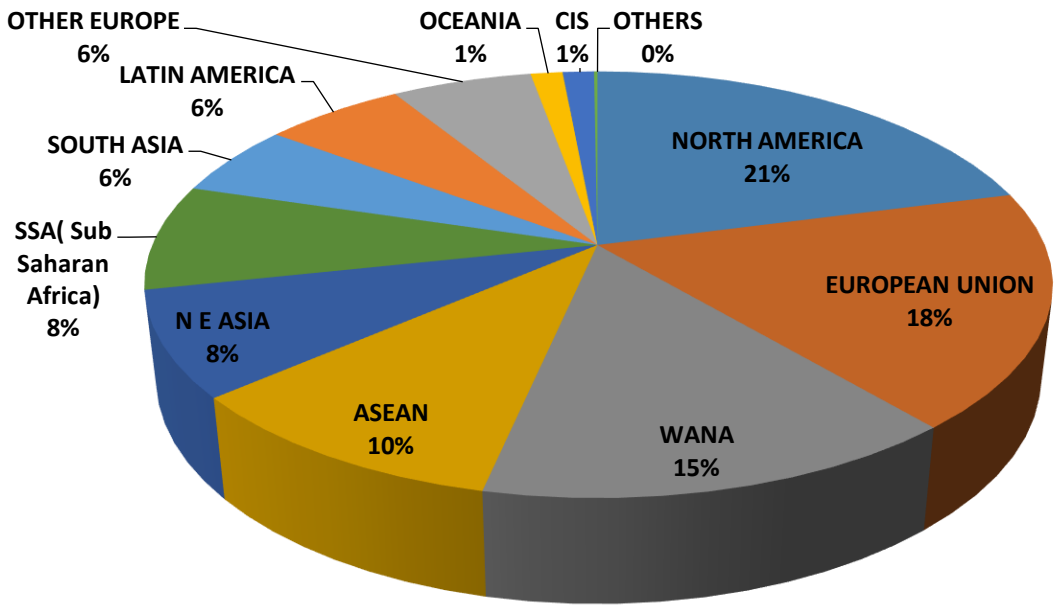
Region	Sep-25	Sep-26	Growth (%)	Apr -Sep 2025-26	Apr -Sep 2026-27	Growth (%)
N. AMERICA	1796.3	2686.8	49.6%	12370.8	15033.6	21.5%
EU	1851.6	1933.6	4.4%	10572.6	11677.0	10.4%
WANA	1566.5	1476.6	-5.7%	8647.4	8776.5	1.5%
ASEAN	1082.0	1281.8	18.5%	6080.7	7882.2	29.6%
N E ASIA	914.3	1345.5	47.2%	4721.7	6754.6	43.1%
SSA	869.1	1052.4	21.1%	4751.2	6074.5	27.9%
SOUTH ASIA	559.3	673.2	20.4%	3252.0	4234.4	30.2%
L. AMERICA	577.3	762.5	32.1%	3543.9	4221.3	19.1%
OTH EUROPE	564.7	690.3	22.3%	3543.7	4200.3	18.5%
OCEANIA	134.4	145.4	8.2%	807.6	1187.8	47.1%
CIS	137.0	86.5	-36.8%	792.5	710.6	-10.3%
OTHERS	11.9	34.5	189.1%	84.9	122.3	44.0%
Grand Total	**10064.5**	**12169.2**	**20.9%**	**59169.0**	**70875.2**	**19.8%**

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-September 2026-27

Source: DGCI&S



Regional observations

In September 2026, India's engineering exports grew in almost all the top 25 destinations barring UAE, Saudi Arabia, Sri Lanka, Italy and Suingapore – the decline can be explained by the continued logistics disruption in the area and its impact on the region's overall demand. Infact India's exports to both these countries have indicated volatility in the last few months. Interstingly exports to Oman which is in the same area showed significant increase. The decline in exports to Sri lanka is mainly due to significant decline in exports of automobile and auto components and ships, boats and floating structures. Since this decline has been noted in the first time it may be due to lumpy shipment. Also, the customs duty surcharge applied by the country on imported vehicles from May 2026 may have also affected exports.

PANEL-WISE ENGINEERING EXPORTS IN SEPTEMBER 2026

Table 4: Panel wise engineering exports

US$ Mn

S.No	Product panel	September-25	September-26	Growth (%)	Apr - September 2025-26	Apr - September 2026-27	Growth (%)	Share %(April-September 2025)	Share %(April-September 2026)
1. Iron and Steel and Products made of Iron and Steel									
A	Iron and Steel	868.7	1162.2	33.8%	4905.3	6651.3	35.6 %	8.3%	9.4%
B	Products of Iron and Steel	828.2	940.4	14%	5203.5	5314.7	2.14 %	8.8%	7.5%
Sub Total		**1696.9**	**2102.6**	**24%**	**10108.8**	**11966.0**	**18%**	**17.1 %**	**16.9 %**
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals									
A	Copper and products	271.3	667.6	146%	1296.2	2735.0	111%	2.2%	4%
B	Aluminium and products	551.1	743.7	35%	3122.8	4563.0	46%	5.3%	6%
C	Zinc and products	71.8	52.6	-27%	329.7	424.5	29%	0.6%	1%
D	Nickel and products	18.2	20.6	13%	89.1	109.6	23%	0.2%	0%
E	Lead and products	121.8	80.3	-34%	563.9	415.1	-26%	1.0%	1%
F	Tin and products	3.9	6.0	55%	16.4	39.5	141%	0.03 %	0.06%
G	Other Non-Ferrous Metals	80.5	91.2	13%	517.5	585.9	13%	0.9%	1%
Sub Total		**1118.6**	**1661.9**	**49%**	**5935.5**	**8872.5**	**49%**	**10.0 %**	**12.5 %**
3. Industrial Machinery									
A	Industrial Machinery like Boilers, parts, etc	74.7	91.5	23%	469.2	667.6	42%	0.8%	0.9%

S.No	Product panel	September-25	September-26	Growth (%)	Apr - September 2025-26	Apr - September 2026-27	Growth (%)	Share %(April-September 2025)	Share %(April-September 2026)
B	IC Engines and Parts	354.2	403.2	14%	2121.8	2233.5	5%	3.6%	3.2%
C	Pumps of all types	134.0	161.0	20%	791.4	868.2	10%	1.3%	1.2%
D	Air condition and Refrigerators	170.1	220.4	30%	1094.8	1241.9	13%	1.9%	1.8%
E	Industrial Machinery for dairy, food processing , textiles etc	732.5	813.4	11%	4445.2	4672.2	5%	7.5%	6.6%
F	Machine Tools	81.6	71.9	-12%	471.4	437.2	-7%	0.8%	0.6%
G	Machinery for Injecting moulding, valves and ATMs	263.2	268.7	2%	1551.3	1594.4	3%	2.6%	2.2%
Sub Total		**1810.4**	**2030.2**	**12%**	**10945.1**	**11714.9**	**7%**	**18.5 %**	**16.5 %**
4. Electrical Machinery									
	Electrical Machinery	**1349.5**	**1648.3**	**22%**	**7731.3**	**9628.0**	**25%**	**13.1 %**	**13.6 %**
5. Automobiles									
A	Motor Vehicle/cars	1045.0	1129.8	8%	5398.9	6041.6	12%	9.1%	8.5%
B	Two and Three Wheelers	329.4	413.9	26%	1891.3	2403.2	27%	3.2%	3.4%
C	Auto Components/Part	741.3	868.2	17.1%	4388.0	4773.9	8.8%	7.4%	6.7%
D	Auto Tyres and Tubes	245.5	282.6	15%	1573.7	1701.7	8%	2.7%	2.4%
Sub Total		**2361.2**	**2694.5**	**14%**	**13252.0**	**14920.4**	**13%**	**22.4 %**	**21.1 %**
6. Aircrafts and Spacecraft parts and products									
	Aircrafts and Spacecraft parts and products	**129.9**	**167.4**	**29%**	**803.4**	**963.9**	**20%**	**1.4%**	**1.4%**
7. Ships Boats and Floating products and parts									
	Ships Boats and Floating products and parts	**164.5**	**164.8**	**0%**	**1871.5**	**3249.6**	**74%**	**3.2%**	**4.6%**
8. Project Goods									
	Project Goods	**0.2**	**0.4**	**131%**	**0.7**	**1.1**	**54%**	**0.0%**	**0.0%**
9. Other Rubber Product Except Footwear									
	Other Rubber Product Except Footwear	**149.0**	**185.8**	**25%**	**946.3**	**1048.2**	**11%**	**1.6%**	**1.5%**

S.No	Product panel	September-25	September-26	Growth (%)	Apr - September 2025-26	Apr - September 2026-27	Growth (%)	Share %(April-September 2025)	Share %(April-September 2026)
10. Other engineering products									
A	Medical and Scientific instruments	**237.4**	**272.2**	**15%**	**1429.3**	**1567.6**	**10%**	**2.4%**	**2.2%**
B	Railway Transport	**62.0**	**78.3**	**26%**	**252.8**	**364.1**	**44%**	**0.4%**	**0.5%**
C	Hand Tools & Cutting Tools	**81.3**	**106.1**	**31%**	**526.1**	**580.3**	**10%**	**0.9%**	**0.8%**
D	Bicycle & Parts	**42.3**	**43.2**	**2%**	**238.4**	**259.2**	**9%**	**0.4%**	**0.4%**
E	Cranes Lifts & Winches	**86.0**	**104.2**	**21%**	**555.4**	**577.3**	**4%**	**0.9%**	**0.8%**
F	Office Equipment	**38.7**	**35.5**	**-8%**	**198.2**	**181.9**	**-8%**	**0.3%**	**0.3%**
G	Other Construction Machinery	**294.3**	**338.6**	**15%**	**1710.4**	**1943.3**	**14%**	**2.9%**	**2.7%**
H	Prime Mica & Mica Products	**2.5**	**2.7**	**6%**	**16.2**	**17.1**	**5%**	**0.0%**	**0.0%**
I	Other Misc. Items	**440.0**	**532.5**	**21%**	**2647.5**	**3019.6**	**14%**	**4.5%**	**4.3%**
Sub total		**1284.4**	**1513.3**	**18%**	**7574.4**	**8510.5**	**12%**	**12.8 %**	**12.0 %**
Total engineering exports		**10064.5**	**12169.2**	**20.9%**	**59169.0**	**70875.2**	**19.8 %**		

Sectoral Observations

India's engineering exports grew by about 19.8% in April–September 2026-27 to around US$70.9 billion, with mixed performance across panels:

a) Exports of iron and steel and products rose by 18% during April–September 2026-27, supported by higher shipments of primary steel growing by 36%, rising to US$ 11.97 billion from US$ 10.11 billion in the corresponding period of the previous year. The growth was primarily driven by a robust 35.6% increase in exports of primary iron and steel, which surged to US$ 6.65 billion from US$ 4.91 billion. In contrast, products of iron and steel witnessed a modest growth of 2.1%, reaching US$ 5.31 billion during the period. The share of primary iron and steel in total engineering exports increased from 8.3% to 9.4%, reflecting improved global demand and competitive pricing. Overall, India's iron and steel exports benefited from higher shipments to major markets including the USA, UAE, Italy, the United Kingdom, Germany, Belgium, the Netherlands, South Korea, Nepal, and Vietnam, which continued to remain key destinations during the review period.

b) As per the latest estimates of the Ministry of Steel, domestic steel demand continued to outpace production during the first half of FY 2026-27, resulting in India remaining a net importer of finished steel. During April-September 2026, India's finished steel imports increased to 4.14 million tonnes, registering a growth of 23.8%, while finished steel exports rose to 3.55 million tonnes, recording a stronger growth of 26.2% over the

corresponding period of the previous year. Despite the robust export performance, imports exceeded exports by about 0.59 million tonnes, keeping India a net importer of finished steel during the review period[1]

On the raw material front, domestic iron ore prices remained relatively firm during September 2026. According to the Ministry of Steel, the price of NMDC Iron Ore Baila Lump (65.5% Fe) stood at approximately ₹5,400 per tonne in September 2026, registering an increase over the previous month. At the same time, international hard coking coal prices strengthened sharply, rising to US$278 per tonne FOB Australia in September 2026 from US$237 per tonne in August 2026, indicating renewed cost pressures on steel producers. The retail price of TMT (10 mm) in the Mumbai market increased to ₹65,750 per tonne, while HR Coil (2.50 mm) reached ₹76,900 per tonne and CR Coil (0.63 mm) rose to ₹89,670 per tonne as on 30 September 2026. Compared with their levels at the end of August 2026, these prices recorded month-on-month increases of 15.5%, 10.8%, and 14.0%, respectively.

c) Among the other non-ferrous products, in September 2026, both aluminium and copper experienced significant growth due to increased global demand. Increase was also noted in nickel and tin exports. Only decline was noted in lead and zinc exports which can be attributed to a combination of factors, including relatively weaker international demand from the galvanizing and automotive sectors, increased domestic consumption, softening global prices, inventory adjustments by key importing countries, and heightened competition from major producing nations in the global market.

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

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

States	April-Sep 2025	April-Sep 2026	Growth %	Share %
MAHARASHTRA	12.5	14.0	12%	20%
TAMIL NADU	10.1	11.0	9%	16%
GUJARAT	8.2	10.8	31%	15%
KARNATAKA	4.6	6.0	29%	8%
HARYANA	4.2	4.8	14%	7%
ODISHA	2.8	4.4	59%	6%
DELHI	2.3	2.9	23%	4%
UTTAR PRADESH	2.3	2.4	8%	3%
WEST BENGAL	1.8	2.4	31%	3%
ANDHRA PRADESH	2.0	2.0	-1%	3%
RAJASTHAN	1.7	2.0	16%	3%
PUNJAB	1.5	1.6	3%	2%
TELANGANA	1.2	1.4	25%	2%

Source: DGCI&S

[1] https://www.pib.gov.in/PressReleseDetailm.aspx?PRID=2327351&reg=48&lang=2

India’s state-wise engineering exports during April-September 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$ 13.97 billion, accounting for 20% of India’s total engineering exports, while recording a healthy growth of 12% during April-September 2026. Gujarat emerged as one of the strongest growth drivers among the top exporting states, with exports surging 31% to US$ 10.77 billion, capturing a 15% share. Tamil Nadu retained its position as the second-largest exporter, registering 9% growth to US$ 11.02 billion and contributing 16% to the country's engineering exports. Karnataka and Odisha also recorded impressive growth of 29% and 59%, respectively, highlighting the increasing diversification of India’s engineering export base. Haryana maintained its strong position with exports growing by 14% to US$ 4.84 billion, while Delhi recorded a notable 23% increase in exports to US$ 2.86 billion. Among the emerging contributors, Uttarakhand posted the highest growth rate among the major exporting states, with exports rising by 78% during the period. Among the other key exporting states, West Bengal recorded a robust 31% growth in engineering exports, while Telangana expanded its exports by 25%.

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

Region Wise	April-September 2025	April-September 2026	Growth %	Share %
EASTERN REGION	5502.9	7957.9	45%	11.2%
NORTHERN REGION	12420.6	14279.3	15%	20.1%
SOUTHERN REGION	18615.7	21213.1	14%	29.9%
WESTERN REGION	22629.8	27425.5	21%	38.7%
Grand Total	**59169.0**	**70875.7**	**20%**	

Source: DGCI&S

India’s region-wise engineering exports during April-September 2026 registered a robust growth of 20%, increasing to US$ 70.88 billion from US$ 59.17 billion in the corresponding period of the previous year.

The Western Region continued to dominate India's engineering exports, with shipments rising by 21% to US$ 27.43 billion, accounting for the largest 38.7% share of total engineering exports.

The Southern Region remained the second-largest contributor, recording exports of US$ 21.21 billion, a growth of 14% over April-September 2025, and accounting for 29.9% of total engineering exports.

The Northern Region posted a healthy growth of 15%, with exports increasing to US$ 14.28 billion, contributing 20.1% to the national engineering export total.

The Eastern Region emerged as the fastest-growing region, registering an impressive 45% increase in engineering exports to US$ 7.96 billion during the review period. Its share in total engineering exports reached 11.2%, reflecting the growing export momentum and industrial expansion in the region.

Overall, India's engineering export performance during April-September 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 among all regions.

Key Products Driving Exports in Top States:

- Maharashtra: Export performance was driven by industrial machinery, motor vehicles, iron & steel, products of iron & steel, electric machinery, and auto components, reinforcing its position as India's largest engineering exporting state. Strong growth was also witnessed in two- and three-wheelers, reflecting the state's diversified engineering manufacturing base.

- Tamil Nadu: Exports were led by motor vehicles, auto components, electric machinery, industrial machinery, and two- and three-wheelers. In addition, ship, boat and floating structures emerged as a key growth segment during the period, while exports of copper products and nuclear reactors, industrial boilers and parts recorded notable increases.

- Gujarat: The state's export surge was driven primarily by ship, boat and floating structures, followed by products of iron & steel, motor vehicles, copper products, and electric machinery. Strong growth was also recorded in industrial machinery, 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 miscellaneous engineering products, highlighting the state's increasing specialization in advanced and technology-intensive manufacturing sectors.

- 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 traditional metal exports.

- 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, electric machinery, 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 statewise data is available for the month of September 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 while in Aug 2026, both have accelerated.

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

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
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	8.2
August	24.87	9.0

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

IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during September 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 September 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

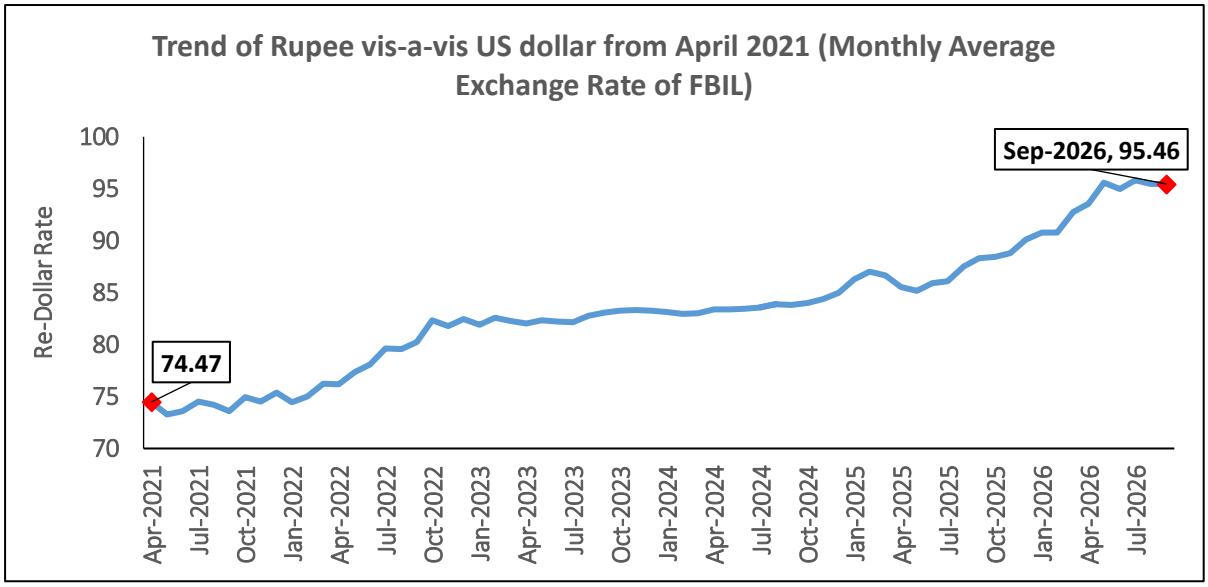
Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2025-26	2026-27				
August	87.52	95.47	9.08	Depreciation	-0.37	Appreciation
September	88.32	95.46	8.08	Depreciation	-0.01	Appreciation

Indian Rupee was largely flat vis-à-vis the US Dollar on a month-on-month basis during September 2026 after some appreciation in August 2026. On a year-on-year basis however, sizeable depreciation continued and it was at 8.08 percent in September 2026. Uncertainty on the global front led by geo-political crises, signal of interest rate tightening by the US Federal Reserve, Capital outflow from Indian market, and rising crude prices have been weighing on rupee.

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 September 2026 were valued at US$ 15.6 billion compared to US$ 13.9 billion in September 2025 registering a positive growth of 12.3 percent in dollar terms. In cumulative terms (Apr-September 2026), India's imports increased by 11.9 percent.

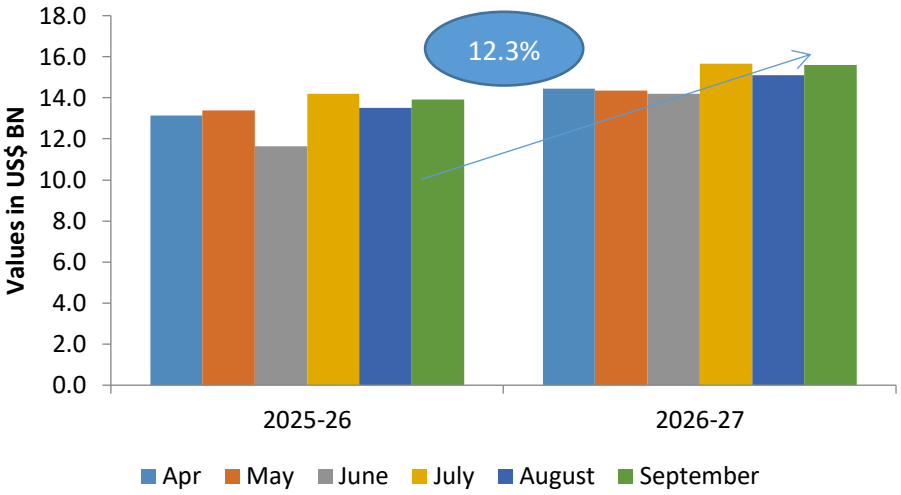
- In September 2026, imports increased sharply for Two and Three Wheelers , Ships, Boats & Floating Structures , Tin & Products made of Tin , Prime Mica & Mica Products, , Hand Tools & Cutting Tools of Metals & Machine Tools.

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

- The share of engineering imports in India's total merchandise imports in Apr-September 2026 was estimated at 20.4 percent**.**

- 42.4 % of India's engineering imports come from N E Asia and 20.1 % from the EU. The next major suppliers are ASEAN (13.3%), North America (8.1%) and WANA (5.5%) during Apr-September 2026.

Fig 3: Monthly Engineering Imports for April-September 2026-27 vis-a-vis April-September 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	Sep
Engineering Export	9.89	12.31	11.48	12.24	12.32	12.17
Engineering Import	14.44	14.36	14.19	15.66	15.06	15.60
Trade Balance	-4.55	-2.05	-2.71	-3.42	-2.74	-3.43

Source: DGCI&S, EEPC India Analysis

CONCLUSION

India's engineering sector is expanding strongly in a global trade environment that has become frought with uncertainties – India's September 2026 performance while commendable, exposes structural vulnerabilities. Engineering exports rose nearly 21% year-on-year to US$12.17 billion, even as imports increased 12.3% to US$15.6 billion, leaving a US$3.43 billion engineering trade deficit; the import surge reflects both rising domestic investment and continued dependence on North East Asian and European supply chains, which together account for over 62% of India's engineering imports. Globally, the WTO has revised 2026 merchandise trade-volume growth sharply upward to 3.9%, driven by resilient supply chains and a surge in capital investment, while UNCTAD notes continued strength in machinery and electrical-machinery trade. Against this backdrop, India's challenge is not demand generation alone but also increasing domestic value addition: reducing import intensity in precision machinery and components, diversifying away from concentrated suppliers, and addressing market-specific frictions—such as CBAM in Europe, rising proteconism and and West Asia's logistics disruption— therefore, the priority is to convert India's growing engineering-trade footprint into a more resilient, higher-value and export-led manufacturing ecosystem.

ANNEXURE-I

ENGINEERING PRODUCT PANELS – COUNTRY-WISE ANALYSIS

We now analyze the performance of some of the important products for the fiscal April-September 2026 vis-à-vis April-September 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-September 2025	April-September 2026	Growth
Iron and Steel	U S A	394.0	1086.3	176%
	ITALY	595.2	434.3	-27%
	NEPAL	341.3	421.4	23%
	UAE	286.3	409.9	43%
	U K	230.3	350.6	52%
Products of Iron and Steel	U S A	1559.7	1800.8	15%
	UAE	449.2	355.2	-21%
	GERMANY	251.7	245.4	-2%
	SAUDI ARAB	198.3	182.0	-8%
	U K	153.9	177.7	15%
Industrial Machinery	U S A	2241.8	2504.4	12%
	CHINA	441.1	531.5	20%
	GERMANY	492.5	510.6	4%
	AUSTRALIA	198.5	496.5	150%
	UAE	622.4	481.8	-23%
Automobiles (Motor Vehicles/Cars and Two and Three Wheelers)	SOUTH AFRICA	891.5	956.8	7%
	MEXICO	765.3	840.3	10%
	SAUDI ARAB	795.5	574.0	-28%
	JAPAN	432.2	474.6	10%
	COLOMBIA	355.8	412.6	16%
Non-Ferrous metals	U S A	867.69	1142.48	32%
	KOREA RP	520.79	956.21	84%
	CHINA	390.28	837.13	114%
	SAUDI ARAB	499.42	498.46	0%
	VIETNAM	289.45	362.29	25%
Electrical Machinery and Components	U S A	1561.0	1710.4	10%
	SINGAPORE	748.6	949.6	27%
	U K	814.2	812.0	0%
	GERMANY	572.7	689.3	20%
	MALAYSIA	185.4	674.7	264%
Aircrafts and Space crafts	U S A	237.6	311.8	31%
	FRANCE	147.1	169.7	15%
	U K	92.9	88.2	-5%

Product panels	Top 5 nations	April-September 2025	April-September 2026	Growth
	MALDIVES	0.6	60.1	10197%
	MALAYSIA	25.1	40.4	61%
Ships, Boats and Floating Structures and parts	UAE	582.9	1019.4	75%
	SINGAPORE	715.5	738.9	3%
	SRI LANKA	131.3	522.9	298%
	OMAN	65.9	247.0	275%
	INDONESIA	99.4	164.7	66%
Auto Components (including Auto Parts and Auto Tyre)	U S A	1110.6	1333.0	20%
	GERMANY	382.6	443.4	16%
	BRAZIL	377.4	380.2	1%
	MEXICO	203.1	285.0	40%
	BANGLADESH	268.8	249.1	-7%

Source: DGCI&S

- In April-September 2026, USA, Italy and Nepal ranked as the top importers of Indian Iron and Steel, while the USA, UAE, Germany, Saudi Arab and UK 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, Germany and Australia with 5%, 4.4% and 4.2% shares, respectively.

- South Africa, Mexico and Saudi Arab were top importers of India's Automobiles during April-September 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-September 2026.

- USA, Singapore and UK were the top importers of Indian Electrical Machinery & Components during the same period with 18%, 10% and 8% shares, respectively.

- USA, France, UK, Maldives and Malaysia were the top importers of India's Aircrafts and Spacecraft during April-September 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- September 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-September 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-September 2026.

Engineering Product Panel – Share%

Value in USD million

Product panels	April-September 2025	April-September 2026	Growth%	Share% in April-September 2025	Share% in April-September 2026
Electric Machinery and Equipment	7731.27	9628.04	24.5%	13.1%	13.6%
Iron and Steel	4905.31	6651.32	35.6%	8.3%	9.4%
Motor Vehicle/cars	5398.95	6041.63	11.9%	9.1%	8.5%
Products of Iron and Steel	5203.52	5314.66	2.1%	8.8%	7.5%
Auto Components/Parts	4388.03	4773.92	8.8%	7.4%	6.7%
Industrial Machinery for dairy, agriculture, food processing, textiles, paper, chemicals, etc	4445.19	4672.19	5.1%	7.5%	6.6%
Aluminium and products made of Aluminium	3122.84	4562.95	46.1%	5.3%	6.4%
Ships, Boats and Floating Structures	1871.47	3249.59	73.6%	3.2%	4.6%
Other Miscellaneous Items	2647.55	3019.60	14.1%	4.5%	4.3%
Copper and products made of copper	1296.16	2734.97	111.0%	2.2%	3.9%
Two and Three Wheelers	1891.31	2403.20	27.1%	3.2%	3.4%
IC Engines and Parts	2121.82	2233.49	5.3%	3.6%	3.2%
Other Construction Machinery	1710.45	1943.29	13.6%	2.9%	2.7%
Auto Tyres and Tubes	1573.74	1701.70	8.1%	2.7%	2.4%
Machinery for ATMs, Injecting Moulding machinery, valves, etc	1551.33	1594.45	2.8%	2.6%	2.2%
Medical and Scientific Instruments	1429.26	1567.65	9.7%	2.4%	2.2%
Air condition and Refrigeration Machinery and Parts, Industrial Furnaces, Water heaters and Centrifuges and Compressor	1094.79	1241.88	13.4%	1.9%	1.8%
Other Rubber Products except Footwear	946.26	1048.20	10.8%	1.6%	1.5%
Aircrafts, Spacecrafts and Parts	803.36	963.94	20.0%	1.4%	1.4%
Pumps of all types	791.44	868.17	9.7%	1.3%	1.2%
Nuclear Reactors, Industrial Boilers and Parts	469.15	667.57	42.3%	0.8%	0.9%
Other Non Ferrous Metals and their products	517.47	585.85	13.2%	0.9%	0.8%

Product panels	April-September 2025	April-September 2026	Growth%	Share% in April-September 2025	Share% in April-September 2026
Hand Tools, Cutting Tools and Implements made of Metals	526.13	580.27	10.3%	0.9%	0.8%
Cranes, Lifts and Winches	555.40	577.29	3.9%	0.9%	0.8%
Machine Tools	471.36	437.17	-7.3%	0.8%	0.6%
Zinc and products made of zinc	329.72	424.55	28.8%	0.6%	0.6%
Lead and products made of Lead	563.92	415.10	-26.4%	1.0%	0.6%
Railway Transport and Parts	252.78	364.13	44.0%	0.4%	0.5%
Bicycle and Parts	238.41	259.21	8.7%	0.4%	0.4%
Office Equipments	198.22	181.92	-8.2%	0.3%	0.3%
Nickel and products made of Nickel	89.06	109.58	23.0%	0.2%	0.2%
Tin and products made of Tin	16.38	39.54	141.4%	0.0%	0.1%
Prime Mica and Mica Products	16.22	17.09	5.4%	0.0%	0.0%
Project Goods	0.72	1.11	54.1%	0.0%	0.0%