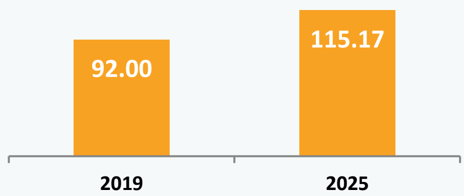
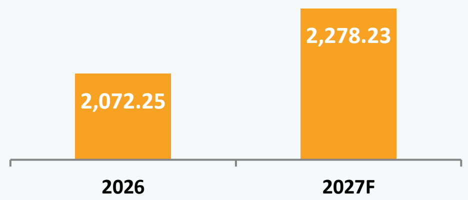
ENGINEERING AND CAPITAL GOODS

MARKET SIZE

Capital Goods Turnover (US$ billion)



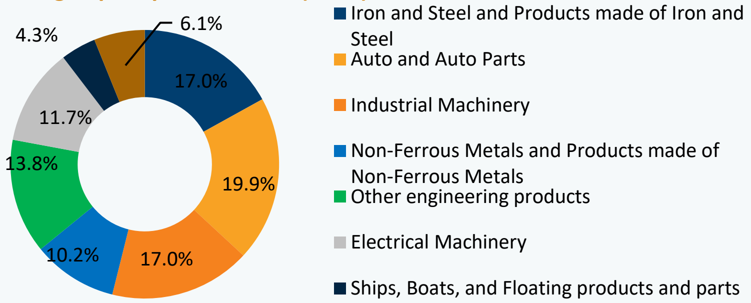
Electrical Equipment market (US$ billion)



Note: *F – Forecast*

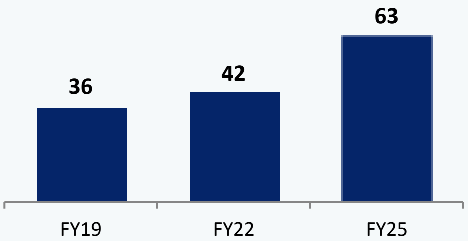
SECTOR COMPOSITION

Engineering export performance (FY25)

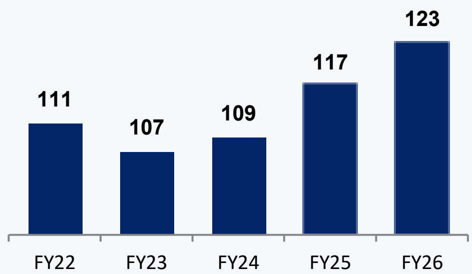


KEY TRENDS

Engineering R&D* (US$ billion)



India's Engineering Exports (US$ billion)



*Note: * - including product engineering services*

GOVERNMENT INITIATIVES

- Make in India
- 100% FDI
- Inter-ministerial committee

ADVANTAGE INDIA

- **Robust demand:** The India–New Zealand Free Trade Agreement signed on 27 April 2026 is expected to support India's engineering exports to New Zealand, with exports projected to increase from Rs. 1,241.60 crore (US$ 140.50 million) in FY26 to Rs. 2,474.36-2,651.10 crore (US$ 280-300 million) over the next five years through zero-duty market access for Indian goods.
- **Higher Investments**: Infrastructure Finance Secretariat is being established to assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power.
- **Policy support**: The National Capital Goods Policy (2016) aims to boost India's capital goods sector by raising its manufacturing share from 12% in 2016 to 20% by 2025, doubling production, increasing exports to 40% of output, and advancing technology capabilities to global standards.
- **Attractive opportunities**: The allocation for the Ministry of Road Transport and Highways stood at Rs. 2,80,519 crore (US$ 33.17 billion) in FY25 (RE) and Rs. 2,87,333 crore (US$ 32.51 billion) in FY26 (BE),