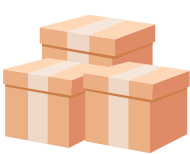


# The Indian consumer durables sector – Q1FY26

KPMG. Make the Difference.



Rising domestic consumption, steady exports, rural demand and adoption in digital channels might support the sector for future growth



**INR3 tn**

Projected market size FY29<sup>1</sup>

**4<sup>th</sup>**

Projected largest global market by FY27<sup>1</sup>

**7.7% CAGR\***

\*Compounded Annual Growth Rate  
Indian appliance and consumer electronic industry by FY33<sup>1</sup>

**2.1% Y-o-Y**

Retail inflation in June 2025<sup>2</sup>

## Segmental performance

Exports of key products like refrigerator and air conditioners are expected to drive the next growth phase

Washing machine<sup>3</sup>



**↓ 19.4%**

Air conditioner<sup>3</sup>



**↑ 28.3%**

Refrigerator<sup>3</sup>



**↑ 13.6%**

Dishwashing machine<sup>3</sup>



**↑ 0.5%**

Y-o-Y export growth of key consumer durable products in India (May 2025)<sup>3</sup>

By 2026<sup>1</sup>

- Refrigerator market in India to increase by a CAGR of 9.4 per cent (FY24-33)
- AC market in India to increase by a CAGR of 7.8 per cent (FY23-32)
- India's electronics exports have grown at a CAGR of about 26 per cent from FY16 to FY25.

## Performance snapshot

### Drivers

Production-Linked Incentive (PLI) scheme<sup>1</sup>



**INR67.7 bn**

Govt. incentives for white goods under PLI (FY22-29)

Expanding production facilities<sup>1</sup>

Surge in local manufacturing

Driven by government initiatives and rising production capabilities

Inflation under control<sup>5</sup>

**↓ 2.82% (Y-o-Y, May 2025)**

General Consumer Price Index (CPI) from 3.16 per cent in April 2025 with rural at 2.92 per cent CPI (April 2025)

### Challenges

Escalation of trade and tariff tensions leading to<sup>6</sup>



**Financial market volatility**

Raised concerns of global growth in the near term

Increased uncertainties in international market led to<sup>3</sup>



**8%**

Decline in export of Aluminium Y-o-Y May 2025

Weather challenge<sup>8</sup>

Early monsoon impacted cooling demand (Room air conditioning (RAC), air coolers), with secondary sales potentially declining 20-25 per cent for the quarter

## Outlook



Increasing investments from national and multinational players<sup>1</sup>



Smartphones export experienced a 55 per cent growth in FY25<sup>1</sup>



Increase in consumer confidence from 93.7 in Jan 25 to 95.4 in May 25<sup>7</sup>



India's exports of electronic goods has increased from INR2,474 bn in FY24 to INR3,278 bn in FY25<sup>1</sup>

## Key takeaways

### Investments, innovation and e-commerce impacting growth



Increased government investments<sup>1</sup>



Focusing on the Indian smart electronics market<sup>1</sup>



Growth in online retailing as a newer channel for buyers with increase in demand<sup>1</sup>



Y-o-Y increase in production of white goods with 5.5 per cent CAGR (FY23-31)<sup>1</sup>



Growing consumer durable financing options<sup>1</sup>

Sources: 1) India's consumer durables market, IBEF, May 2025; 2) Government and RBI have taken key monetary and fiscal measures to control inflation and mitigate its impact on common citizen, PIB, July 2025; 3) Trade statistics, Ministry of commerce and industry, July 2025; 4) India Industrial Production, Trading Economics, July 2025; 5) India's Economic Surge, PIB, July 2025; 6) RBI official website, accessed on August 2025; 7) Consumer Confidence Survey, RBI, May 2025; 8) UBS, EMIS report, July 2025

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