The Indian consumer durables sector – Q1FY27

Sector snapshots

Highlights

India's consumer electronics sector is poised for accelerated growth, underpinned by robust domestic demand, policy-led manufacturing support and widening consumer adoption

INR 15 tn
India's consumer electronics market size by 2034, with CAGR* of 11 per cent (2025-34)[1]

**Compounded annual growth rate*

INR 599 bn
Electronics attracted foreign direct investment (FDI) between April 2000-March 2026[1]

11% CAGR
Indian consumer durable sector growth (FY26-29)[1]

INR 3 tn
India major home appliances market size (2030)[1]

1. India's consumer durables market, IBEF, May 2026

Segmental performance

Double-digit export growth across air conditioners, refrigerators, washing machines and dishwashers highlights rising global demand and strengthening India's position as a manufacturing and export hub for consumer durables

Y-o-Y export growth of key consumer durable products in India (May 2026)[1]

27%

Washing machine[1]

20%

Air conditioner (AC)[1]

30%

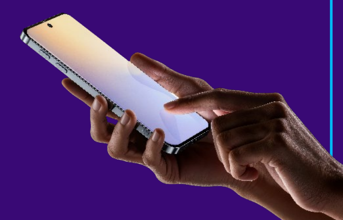
Refrigerator[1]

24%

Dishwashing machine[1]

Key growth factors[2]

- India is **boosting electronics manufacturing competitiveness through duty cuts on key components and extended tax relief** on machinery until 2029, aimed at increasing local value addition and attracting global investments[2]
- Smartphones **companies are leveraging strategic alliances** to accelerate their expansion into India's consumer durables market[2].



1. Trade statistics, Ministry of commerce and industry, accessed in August 2026;
2. India sweetens the deal for global electronics manufacturers, IBEF, 13 July 2026

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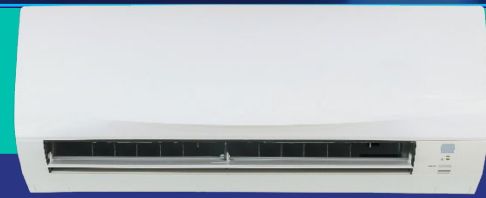
Highlights | Segmental performance | Performance snapshot | Outlook | Key takeaways

Performance snapshot



Drivers

Index of industrial production (IIP)[1]

6.7%

(Y-o-Y, Jul 2026)

Supported by growth in manufacturing sector and electricity and gas supply sector (7.3 per cent in Jun 2026)

Growing demand of household electronics[2]

INR26 tn

Expected consumption by 2030

Rising disposable income and rapid urbanisation are unlocking volume growth across India's smaller cities

Rise of contract manufacturing in electronics[3]

INR14 tn

(Projected EMS* market by FY30 from INR4 tn in FY25)

Driven by increasing diversification of global supply chains, government policies and large domestic market

*Electronic manufacturing services

Increased affordability of products[4]

Consumer financing supported consumer durables demand, with NBFCs** increasing financing for TVs***, washing machines and AC, improving affordability

**Non-banking financial companies, ***Television

Challenges

Weakening discretionary consumer sentiment[5]

91%

Urban consumer confidence in May 2026

Urban consumer confidence fell for a third straight, from 96 per cent in March 2026

Rising power requirements[4]

Increasing air-conditioner ownership may require India to triple power-generation capacity, which remains coal-dependent

Mounting environmental compliance demands[4]

Manufacturers face growing pressure to reduce electronic waste and curb emissions from climate-damaging refrigerants

1. India's Index of industrial production records growth of 6.7% in July 2026, IBEF, 28 August 2026;
2. Electronic Products, Invest India, 20 July 2026;
3. The Rise of Contract Manufacturing in India's Electronics Sector, IBEF, August 2026;
4. India's consumer durables market, IBEF, May 2026;
5. Urban Consumer Confidence Survey, Reserve Bank of India, 5 June 2026

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Outlook

INR 71 bn

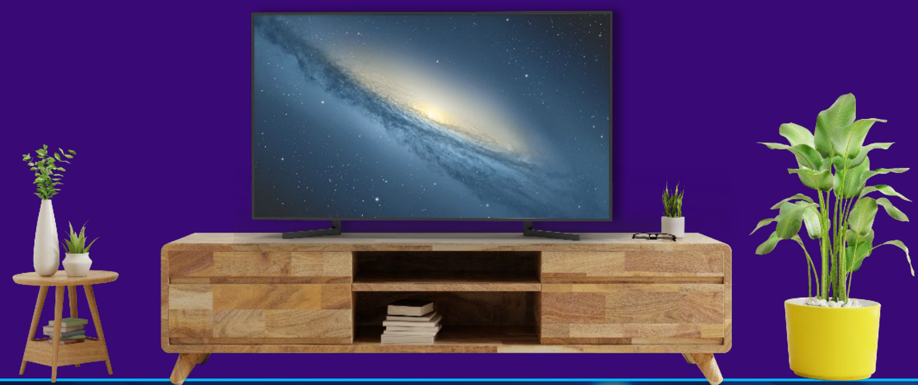
In March 2026, the government invested in mobile devices, consumer electronics, telecom equipment and hardware components to strengthen the domestic electronics supply chain[1]

INR 445 bn

Television market expected growth by FY29, with CAGR of 5.9 per cent (FY24-29)[1]

Rentals of home appliances are likely to grow in urban areas due to free add-on services like relocation and periodic maintenance[1]

Residential ownership is expected to increase ninefold by 2050, may boost electricity demand[1]



1. India's consumer durables market, IBEF, May 2026

Key takeaways

- >90 per cent of domestic production of AC as of June 2026, rose from ~40 per cent in 2018[1]
- The e-commerce sector recorded 25 per cent growth in Q1CY26, indicating sustained strong momentum following robust growth in 2024[2]
- With initiative of Make in India campaign, domestic and Chinese manufactures are investing in India to set up their manufacturing plants which would produce affordable products[2]
- Focus on tier II and tier III towns have increased to have a wider distribution network[2]
- Digital India aims to boost e-commerce in remote areas, while 'Skill India' develops technicians to improve white goods service and after-sales revenue[2]

1. Electronic Products, Invest India, 20 July 2026;
2. India's consumer durables market, IBEF, May 2026

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