



A Brief Export-Import Analysis of HS Chapter 98:

Project Goods & Laboratory Chemicals



DGCI&S, Ministry of Commerce & Industry
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ABSTRACT

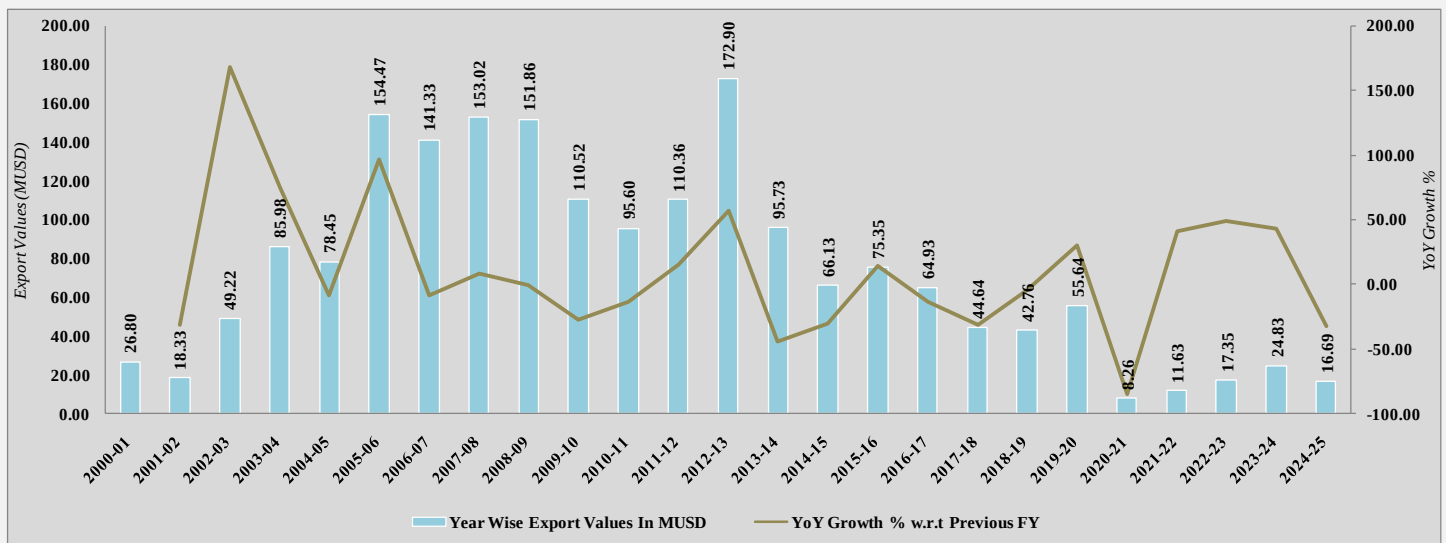
This report attempts to provide an analytical overview of India's trade under HS Chapter 98 (Project Goods, Some special Uses) of the ITC HS classification, with focus on two key headings: 9801 (Project Goods) and 9802 (Laboratory Chemicals). HS Chapter 98 occupies a unique place in the tariff schedule as it classifies goods on the basis of their end-use or purpose rather than commodity type. Imports under heading 9801 typically consist of capital goods, machinery, spare parts, and raw materials intended for the setting up or substantial expansion of industrial plants, power projects, mining operations, and irrigation facilities. Heading 9802, on the other hand, relates to laboratory chemicals imported by recognized institutions, universities, and research laboratories for scientific, educational, and technological advancement.

The Harmonized System (HS) is an international coding framework used to classify all categories of traded goods in a standardized manner. This report uses HS Codes under Chapter 98 to analyze and compare India's import and export trends, with a specific focus on **9801** (*Project Goods*) and **9802** (*Laboratory Chemicals*).

Note: All monetary values in this report are expressed in MUSD (Million US Dollars), unless otherwise specified.

Export scenario

I: Export trend of HS-98 (Project Goods, Some special Uses) during 2000-01 to 2024-25



Source: DGC&S

- The above chart depicts the year-wise export performance of HS Chapter 98 from FY 2000-01 to FY 2024-25. Exports remained below USD 50 million in the early 2000s before witnessing a steady rise, reaching a peak of USD 154.47 million in FY 2005-06. After some fluctuations, exports surged sharply to an all-time high of USD 172.90 million in FY 2012-13.
- However, this momentum could not be sustained, and exports recorded a steep decline thereafter, stabilizing in the range of USD 80 million to USD 40 million during FY 2014-15 to FY 2019-20. In the following years, exports contracted further, dropping to single-digit levels in FY 2020-21, plausibly on account of the COVID-19 outbreak. Since then, exports have not crossed the USD 25 million mark up to FY 2024-25, with the latest value standing at USD 16.69 million.

HS Chapter 98 pertains to various categories of goods that are classified on the basis of their specific end-use or purpose rather than by commodity type. It serves as a special provision within the tariff schedule to facilitate concessional treatment and monitoring of items that are essential for industrial, infrastructural, or research-related activities. For the purpose of this report, the focus has been limited to two major headings under this chapter:

- A) 9801 (Project Goods)**, which covers machinery, equipment, spare parts, and raw materials required for setting up or substantially expanding industrial and infrastructure projects.
- B) 9802 (Laboratory Chemicals)**, which pertains to chemicals imported by recognized institutions for scientific, research, and educational purposes.

The subsequent sections of the export analysis covers the period from **2022-23 to 2024-25**, highlighting the very recent trade performance under these two headings.

II: Export performance of Project Goods and Laboratory Chemicals at HS-4 Digit level

4-Digit HS Code	Commodity Group	Total Export Value (MUSD) in FY 2022-23	Total Export Value (MUSD) in FY 2023-24	Total Export Value (MUSD) in FY 2024-25	Percentage Share in Total Export Value of HS-98 in FY 2024-25	YoY(%) Growth. (2024-25 vis-à-vis 2023-24)
9802	Laboratory Chemicals	13.79	16.25	10.35	62.02	 -36.31
9801	Project Goods	2.00	2.61	3.17	19.01	 21.46

Source: DGCI&S

- The above table presents the 4-digit HS codes under HS Chapter 98, highlighting the export performance of Laboratory Chemicals (HS 9802) and Project Goods (HS 9801). Laboratory Chemicals emerged as the leading item, accounting for 62.02% of total HS-98 exports in FY 2024-25, with an export value of USD 10.35 million. Project Goods followed with 19.01% share (worth USD 3.17 million exports) in total export basket of HS-98.
- On a year-on-year basis, Laboratory Chemicals witnessed a decline of 36.31%, from USD 16.25 million in FY 2023-24 to USD 10.35 million in FY 2024-25. In contrast, Project Goods registered a 21.46% growth, increasing from USD 2.61 million to USD 3.17 million over the same period.
- Overall, despite the contraction in Laboratory Chemicals, the growth of Project Goods indicates a slight diversifying trend in HS-98 exports, alongside sustained though moderated demand for Laboratory Chemicals.

III: Top 3 HSN Eight Digit Level Commodities of Project Goods Exported during FY 2024-25.

8-Digit HS Code	Commodity Description	Value in MUSD		
		2022-23	2023-24	2024-25
98010011	Industrial Plant Project	0.54	0.99	1.59
98010030	Spare Parts and Raw Materials for Maintenance	0.90	0.45	0.86
98010019	Other Projects	0.40	0.96	0.61

Source: DGCI&S

- The above table lists the top three commodities exported under the major heading Project Goods (9801) during FY 2024-25. **HSN 98010011** (*Industrial Plant Project*) has exhibited a consistent upward trend from USD 0.54 million in FY 2022-23 to USD 1.59 million in FY 2024-25. **HSN 98010030** (*Spare Parts and Raw Materials for Maintenance*) showed fluctuating performance, declining to USD 0.45 million in FY 2023-24 before recovering to USD 0.86 million in FY 2024-25. Similarly, **HSN 98010019** (*Other Projects*) rose from USD 0.40 million in FY 2022-23 to USD 0.96 million in FY 2023-24, before moderating to USD 0.61 million in FY 2024-25.

IV: Eight Digit Level Export Performance of Laboratory Chemicals during FY 2024-25

8-Digit HS Code	Commodity Description	Value in MUSD		
		2022-23	2023-24	2024-25
98020000	Laboratory Chemicals	13.79	16.25	10.35

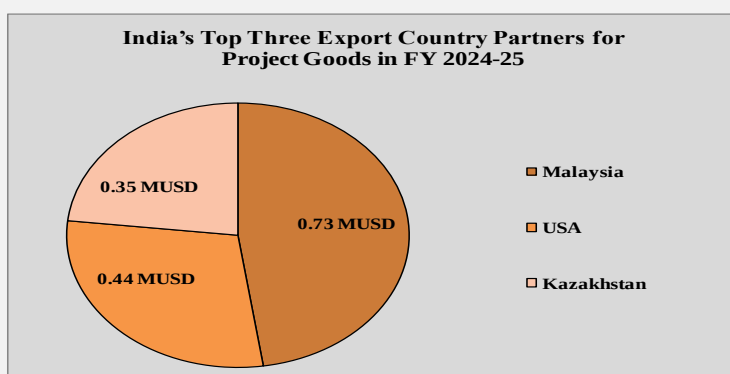
Source: DGCI&S

- The above table represents export performance of **HSN 98020000** (*Laboratory Chemicals*). This is the only 8-digit HS code classified under the major heading 9802, which primarily covers laboratory chemicals such as 6-Bromo-1-hexene, silver nitrate, and ammonium acetate etc. Exports of Laboratory Chemicals stood at USD 13.79 million in FY 2022-23 and increased to USD 16.25 million in FY 2023-24. However, in FY 2024-25, exports declined sharply to USD 10.35 million, marking a notable drop compared to the previous year.

V& VI: Direction of Trade (Export)

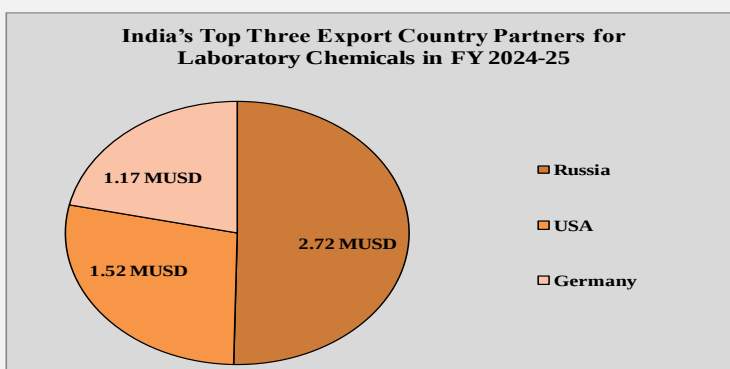
Project Goods				
Financial Year	Total Export Value (MUSD)	Top 3 Export Country Partner		
		1st	2nd	3rd
2022-23	2.00	USA (30.35%)	Belgium (8.37%)	Indonesia (6.02%)
2023-24	2.61	Japan (14.52%)	Tanzania (12.23%)	China (8.52%)
2024-25	3.17	Malaysia (22.89%)	USA (14.01%)	Kazakhstan (11.18%)

Source: DGCI&S



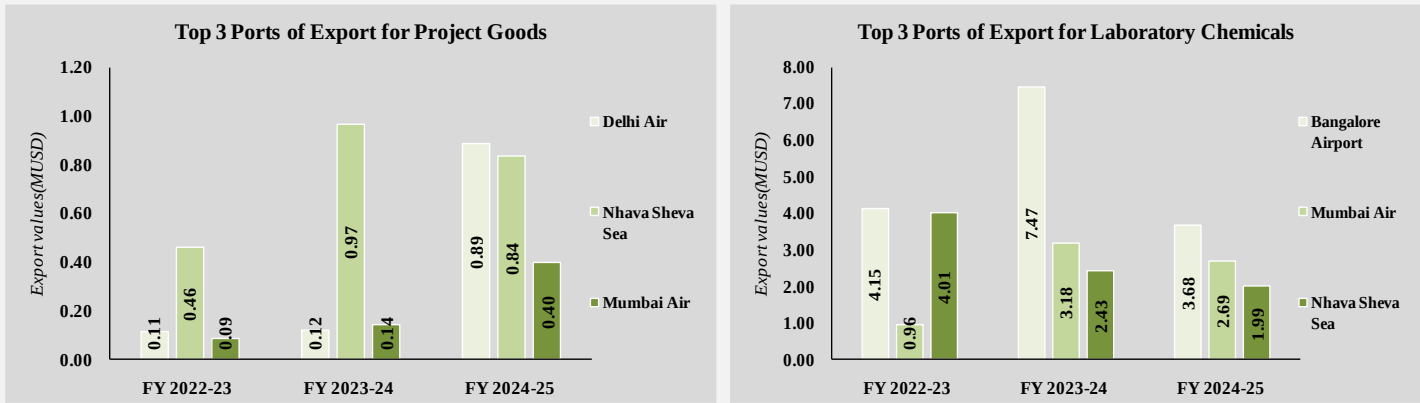
Laboratory Chemicals				
Financial Year	Total Export Value (MUSD)	Top 3 Export Country Partner		
		1st	2nd	3rd
2022-23	13.79	Germany (16.95%)	Russia (13.74%)	UAE (8.24%)
2023-24	16.25	Germany (21.24%)	Russia (15.71%)	China (11.32%)
2024-25	10.35	Russia (26.31%)	USA (14.68%)	Germany (11.29%)

Source: DGCI&S



- The tables and charts above depict the leading export country partners for Project Goods and Laboratory Chemicals during FY 2022-23 to FY 2024-25. The overall export value (although low in absolute terms) of project goods has shown a steady increase, rising from USD 2.00 million in FY 2022-23 to USD 3.17 million in FY 2024-25 with a constantly changing country-partners scenario.
- Between FY 2022-23 and FY 2024-25, India's project goods exports witnessed shifting partner trends, led by the USA (30.35%) in 2022-23, Japan (14.52%) in 2023-24, and Malaysia (22.89%) in 2024-25, with Belgium, Tanzania, China, and Kazakhstan also featuring among the top three partners in these three financial years.
- The changing country composition across the years indicates that India's project goods exports do not rely on a single market but instead exhibit a broad-based demand across Asia, Africa, and advanced economies.
- While Project Goods exports recorded a steady upward growth, Laboratory Chemicals exports displayed fluctuations over this limited period. Export values stood at USD 13.79 million in FY 2022-23, rose to USD 16.25 million in FY 2023-24, and then declined to USD 10.35 million in FY 2024-25. Germany and Russia consistently remained a key partner, along with UAE, China, and the USA featuring among the top markets.

VII&VIII: Top Ports of Export



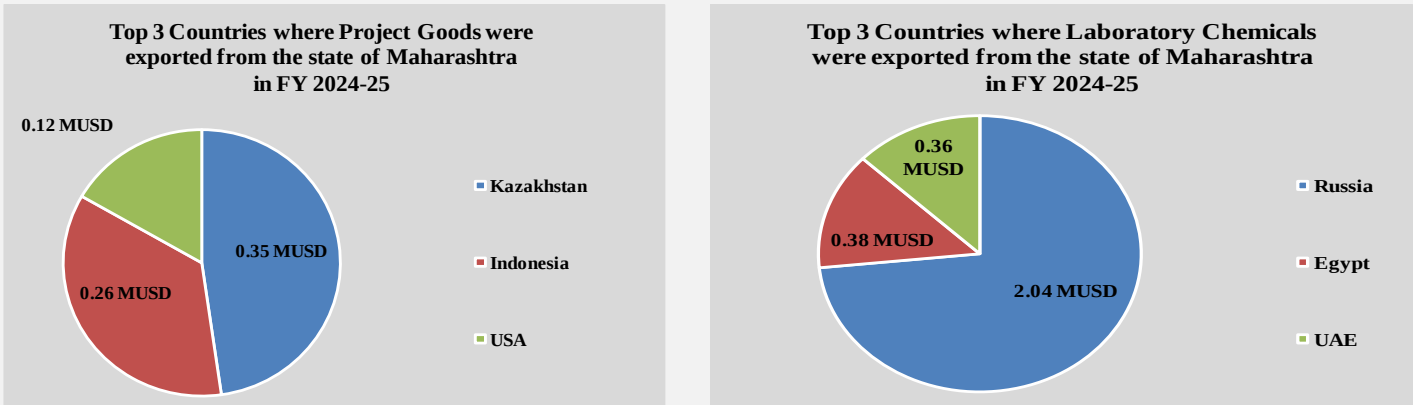
Source: DGCI&S

- The above charts present the leading three ports of export for Project Goods and Laboratory Chemicals from India during FY 2022-23 to FY 2024-25. For Project Goods, Nhava Sheva Sea Port in Maharashtra remained a key port for export with values increasing from USD 0.46 million in FY 2022-23 to USD 0.97 million in FY 2023-24, before settling at USD 0.84 million in FY 2024-25.
- In FY 2024-25, Delhi Air Cargo overtook Nhava Sheva Sea Port to secure the top position, registering a sharp rise in exports from USD 0.14 million in FY 2023-24 to USD 0.89 million in FY 2024-25. Mumbai Air also maintained a steady upward trend, with exports growing from USD 0.09 million in FY 2022-23 to USD 0.40 million in FY 2024-25.
- For Laboratory Chemicals, Bangalore Airport dominated exports throughout the period, with export values rising from USD 4.15 million in FY 2022-23 to USD 7.47 million in FY 2024-25 and finally moderating at USD 3.68 million in 2024-25 registering a steep fall.
- Mumbai Air Cargo and Nhava Sheva Sea Port also played important roles in exporting Laboratory Chemicals, consistently alternating between the second and third positions, with a combined export value of around USD 5 million in each FY.

IX& X: State wise Export Scenario

4- Digit HS Code	Description	Top Exporting State
9801	Project Goods	Maharashtra
9802	Laboratory Chemicals	Maharashtra

Source: DGCI&S

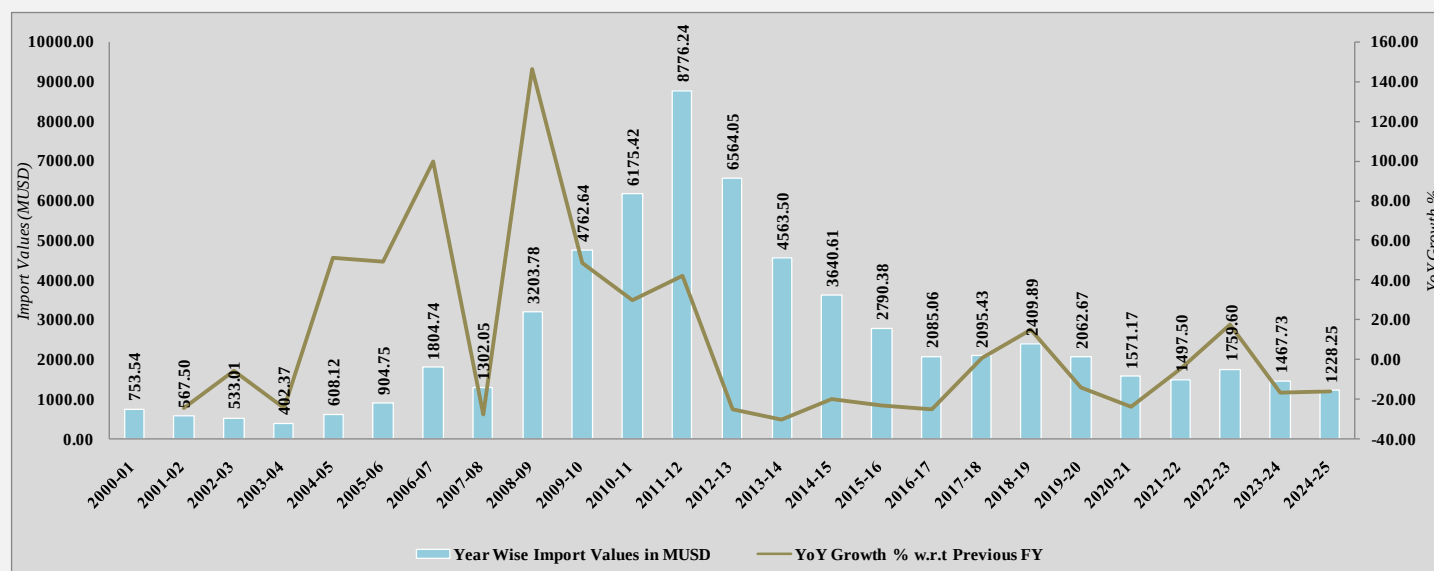


- The above table and charts illustrate the top three destination countries for the export of Project Goods and Laboratory Chemicals from the state of Maharashtra during FY 2024-25. Kazakhstan was the leading importer of project goods from Maharashtra, with export values reaching USD 0.35 million. Indonesia ranked second with USD 0.26 million, followed by USA at USD 0.12 million.
- In the case of Laboratory Chemicals, Exports were significantly higher in value, with Russia emerging as the top destination, accounting for USD 2.04 million. Egypt and UAE followed with imports valued at USD 0.38 million and USD 0.36 million, respectively.

Import Scenario

India's imports under HS Chapter 98 (Project Goods, Some Special Uses) have consistently remained at much higher levels compared to exports, underscoring the country's reliance on foreign sourcing for large-scale industrial and infrastructure projects. With its fast-growing economy and ambitious development agenda, India has emerged as one of the major importers of project goods globally, to foster wide array of domestic sectors such as power, oil exploration, mining, and heavy industries. These imports have played a vital role in bridging domestic capacity gaps, facilitating technology transfer, and supporting India's industrialization drive. The long-term trend highlights India's strategic dependence on project-related imports while gradually moving towards efficiency and self-reliance in recent years.

XI: Import trend of HS-98 (Project Goods, Some special Uses) during 2000-01 to 2024-25



Source: DGCI&S

- The above chart describes the import trends of HS-98 (Project Goods, Some Special Uses) over the last 25 years, showing a strong upward momentum in the early 2000s, with imports rising from USD 753.54 million in FY 2000-01 to an all-time high of USD 8,776.24 million in FY 2011-12.
- Following the peak, imports witnessed a sharp decline from FY 2013-14 onwards, falling from USD 4,563.50 million to nearly USD 2,085.06 million by FY 2016-17. This moderation coincides with the launch of the Make in India initiative in September 2014, which encouraged higher domestic value addition, reduced reliance on foreign sourcing, and promoted indigenous production of capital goods and project components.
- In the last five years, imports stabilized at relatively lower levels, fluctuating between USD 1.2–1.7 billion. In FY 2024-25, imports stood at USD 1,228.25 million, highlighting India's move towards greater self-reliance and optimized project-related imports.

Similar to the approach adopted in the export section, the import analysis under HS-98 is structured around two principal headings,

- 9801 (Project Goods)**, which covers machinery, equipment, spare parts, and raw materials required for setting up or substantially expanding industrial and infrastructure projects.
- 9802 (Laboratory Chemicals)**, which pertains to chemicals imported by recognized institutions for scientific, research, and educational purposes.

The subsequent discussion examines the import performance of these two categories during **FY 2022-23 to FY 2024-25**, with a focus on recent trade patterns and country-wise dynamics.

XII: Import performance of Project Goods and Laboratory Chemicals at HS-4 Digit level

4-Digit HS Code	Commodity Group	Total Import Value (MUSD) in FY 2022-23	Total Import Value (MUSD) in FY 2023-24	Total Import Value (MUSD) in FY 2024-25	Percentage Share in Total Import value of HS-98 in FY 2024-25	YoY(%) Growth. (2024-25 vis-à-vis 2023-24)
9801	Project Goods	1602.92	1321.40	1077.59	87.73	 -18.45
9802	Laboratory Chemicals	51.29	84.68	73.60	5.99	 -13.08

Source: DGCI&S

- The table above presents the import performance of major 4-digit HS codes under HS Chapter 98 during FY 2023-24 and FY 2024-25, highlighting their relative share and year-on-year growth. **HS 9801** (*Project Goods*) emerged as the dominant contributor to HS-98 imports, accounting for 87.73% share in FY 2024-25. Imports, however, declined from USD 1,321.40 million in FY 2023-24 to USD 1,077.59 million in FY 2024-25, registering a YoY decrease of 18.45%.
- HS 9802** (*Laboratory Chemicals*) contributed a minimal share of 5.99% in FY 2024-25, with imports falling from USD 84.68 million in FY 2023-24 to USD 73.60 million, reflecting a decline of 13.08% on YoY basis.

XIII: Top 3 HSN Eight Digit Level Commodities of Project Goods Imported during FY 2024-25.

8-Digit HS Code	Commodity Description	Value in MUSD		
		2022-23	2023-24	2024-25
98010013	Power Project	1109.25	646.40	852.60
98010019	Other Projects	331.39	304.80	136.97
98010011	Industrial Plant Project	122.48	70.48	56.55

Source: DGCI&S

- The above two tables present the major imported commodities at the 8-digit HS level under Project Goods and Laboratory Chemicals. **HSN 98010013** (*Power Project*) consistently dominated the Project Goods segment, recording an import value of USD 852.60 million in FY 2024-25 despite fluctuations over the three-year period. However it needs to be mentioned that imports in 2023-24 and 2024-25 here below USD 1 billion mark.. **HSN 98010019** (*Other Projects*) and **HSN 98010011** (*Industrial Plant Project*), though relatively smaller in value, reflected a declining trend, particularly in FY 2024-25.
- All three major 8-digit HS level commodities under HS 9801 (*Project Goods*), Power Project, Other Projects, and Industrial Plant Project, registered a steady decline in import values between FY 2022-23 and FY 2024-25. This broad-based contraction can be partly attributed to the push under the Make in India initiative, which encourages greater domestic sourcing and reduced reliance on imported project goods.
- Power project imports dominate under HS 9801 (*Project Goods*) due to their capital-intensive requirements and reliance on advanced machinery such as turbines, generators, and boilers, much of which is sourced from abroad. India's national mission to achieve 500 GW of non-fossil fuel electricity capacity by 2030—supported by initiatives like the **National Green Hydrogen Mission** (*which adds renewable capacity to produce green hydrogen*) and the **National Electricity Plan** (*which outlines the necessary transmission infrastructure*) has driven large-scale investments in solar, wind, and hydro infrastructure. This ongoing clean energy transition has resulted in sustained demand for imported project equipment, making power projects the leading contributor within the Project Goods category.

XIV: Eight Digit Level Import Performance of Laboratory Chemicals during FY 2024-25

8-Digit HS Code	Commodity Description	Value in MUSD		
		2022-23	2023-24	2024-25
98020000	Laboratory Chemicals	51.29	84.68	73.60

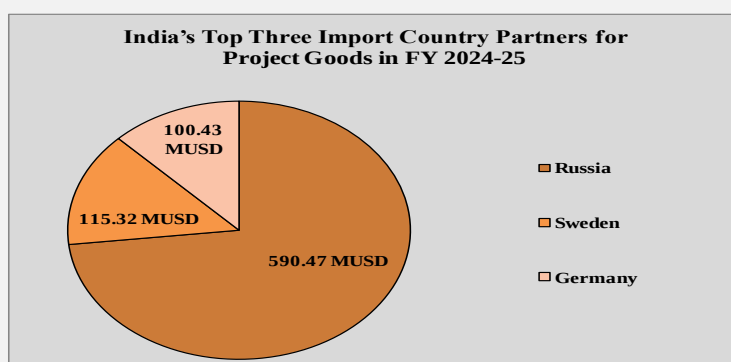
Source: DGCI&S

- **HSN 98020000** (Laboratory Chemicals), the only 8 digit HSN under Major Heading 9802, witnessed an initial rise in imports from USD 51.29 million in FY 2022-23 to USD 84.68 million in FY 2023-24, before declining to USD 73.60 million in FY 2024-25. Despite this drop, its imports remain significant for the research, academic, and scientific sectors, underscoring the steady demand for specialized inputs by recognized institutions to foster India's scientific and associated Research and Development.

XV&XVI: Direction of Trade (Import)

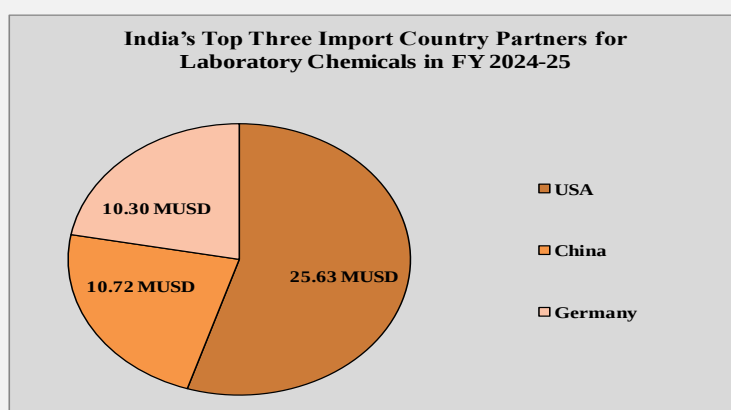
Project Goods				
Financial Year	Total Import Value (MUSD)	Top 3 Import Country Partner		
		1st	2nd	3rd
2022-23	1602.92	Russia (35.37%)	Germany (16.54%)	China (13.95%)
2023-24	1321.40	Russia (59.05%)	China (10.22%)	Germany (8.65%)
2024-25	1077.58	Russia (54.8%)	Sweden (10.71%)	Germany (9.33%)

Source: DGCI&S



Laboratory Chemicals				
Financial Year	Total Import Value (MUSD)	Top 3 Import Country Partner		
		1st	2nd	3rd
2022-23	51.29	USA (32.11%)	Germany (22.03%)	China (15.23%)
2023-24	84.68	USA (35%)	Germany (24.18%)	China (12.29%)
2024-25	73.60	USA (34.83%)	China (14.57%)	Germany (14.01%)

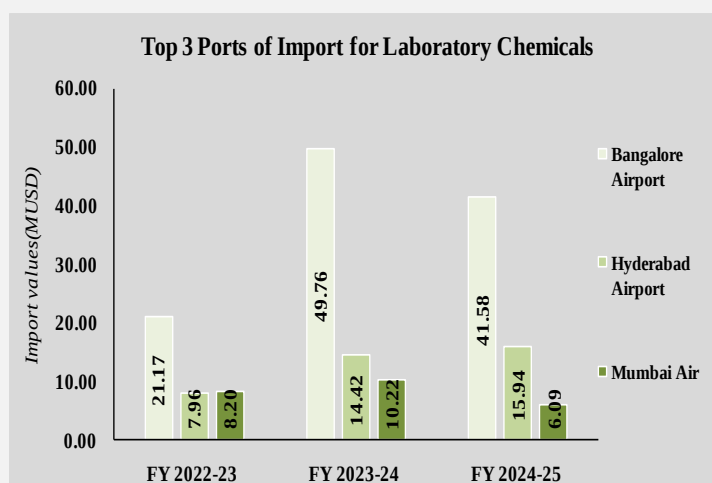
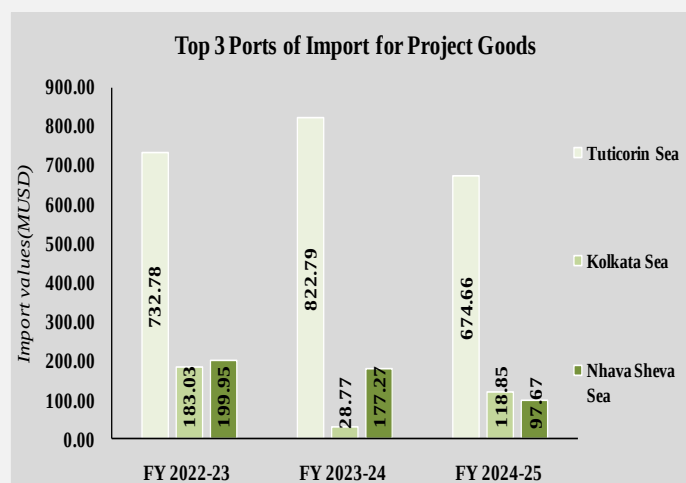
Source: DGCI&S



- For Project Goods, Russia has consistently remained India's leading import partner, with its share rising sharply from 35.37% in FY 2022-23 to 54.8% in FY 2024-25. This increase in share occurred despite the overall import value of Project Goods declining steadily from USD 1,602.92 million in FY 2022-23 to USD 1,077.58 million in FY 2024-25. This sustained dominance highlights India's heavy reliance on Russia for machinery and equipment linked to industrial and infrastructure projects amid a shrinking import base.
- Germany has also been a steady supplier throughout the period, although its share moderated from 16.54% in FY 2022-23 to 9.33% in FY 2024-25. Meanwhile, China, which accounted for 13.95% in FY 2022-23, saw a decline in its share, being replaced by Sweden as the second-largest partner in FY 2024-25 with a 10.71% share.

- In the case of Laboratory Chemicals, USA has consistently been the dominant import partner, accounting for nearly one-third or more of India's Laboratory Chemical imports over the last three years. Its share stood at 34.83% in FY 2024-25. This reflects India's continued dependence on advanced chemical supplies from the USA for research and scientific needs.
- Germany and China alternated between the second and third positions in Laboratory Chemicals imports. While Germany was the second-largest supplier in FY 2022-23 and FY 2023-24, China overtook it in FY 2024-25 with a 14.57% share, pointing to a substantial role of Chinese supplies in India's chemical import basket.

XVII& XVIII: Top Ports of Import



Source: DGC&S

- For Project Goods imports, Tuticorin Sea Port of Tamil Nadu consistently handled the highest volumes during the period under review. Its dominance can be attributed to its strategic location near major industrial and infrastructure clusters in southern India, particularly power and heavy engineering projects, as well as its specialized facilities for handling oversized and heavy-lift cargos. Import values through Tuticorin remained consistently high, ranging from USD 732.78 million in FY 2022-23 to USD 822.79 million in FY 2023-24, before moderating to USD 674.66 million in FY 2024-25.
- Nhava Sheva Sea Port ranked second in FY 2022-23 and FY 2023-24, recording imports of USD 199.95 million and USD 177.27 million respectively, before declining to USD 97.67 million in FY 2024-25. Kolkata Sea Port, on the other hand, witnessed fluctuations, falling sharply from USD 183.03 million in FY 2022-23 to just USD 28.77 million in FY 2023-24, before recovering to USD 118.85 million in FY 2024-25.
- For Laboratory Chemicals, Bangalore Airport consistently dominated imports throughout the review period, supported by its proximity later to premier research institutions, biotech clusters, and pharmaceutical hubs in southern India. Imports nearly doubled between FY 2022-23 and FY 2023-24, reaching USD 49.76 million in FY 2023-24, before easing slightly to USD 41.58 million in FY 2024-25, yet retaining its position as the leading entry point for Laboratory Chemicals.
- Alongside Bangalore, Hyderabad Airport gradually improved its position by overtaking Mumbai in FY 2023-24 and FY 2024-25, with imports rising to USD 15.94 million in FY 2024-25. Mumbai Air Cargo, which earlier held the second spot, slipped to third with a reduced value of USD 6.09 million in FY 2024-25, though it continues to remain a notable gateway.

Evolving Import Partner Dynamics of HS 9801 (Project Goods)

Within HS Chapter 98, the 4-digit major heading HS 9801 (*Project Goods*) stands out as the dominant category, accounting for 87.73% of total imports, making it the main indicator of how India's trade in this chapter is linked to investment and global partnerships. It encompasses machinery, equipment, spare parts, and raw materials required for setting up or expanding industrial and infrastructure projects.

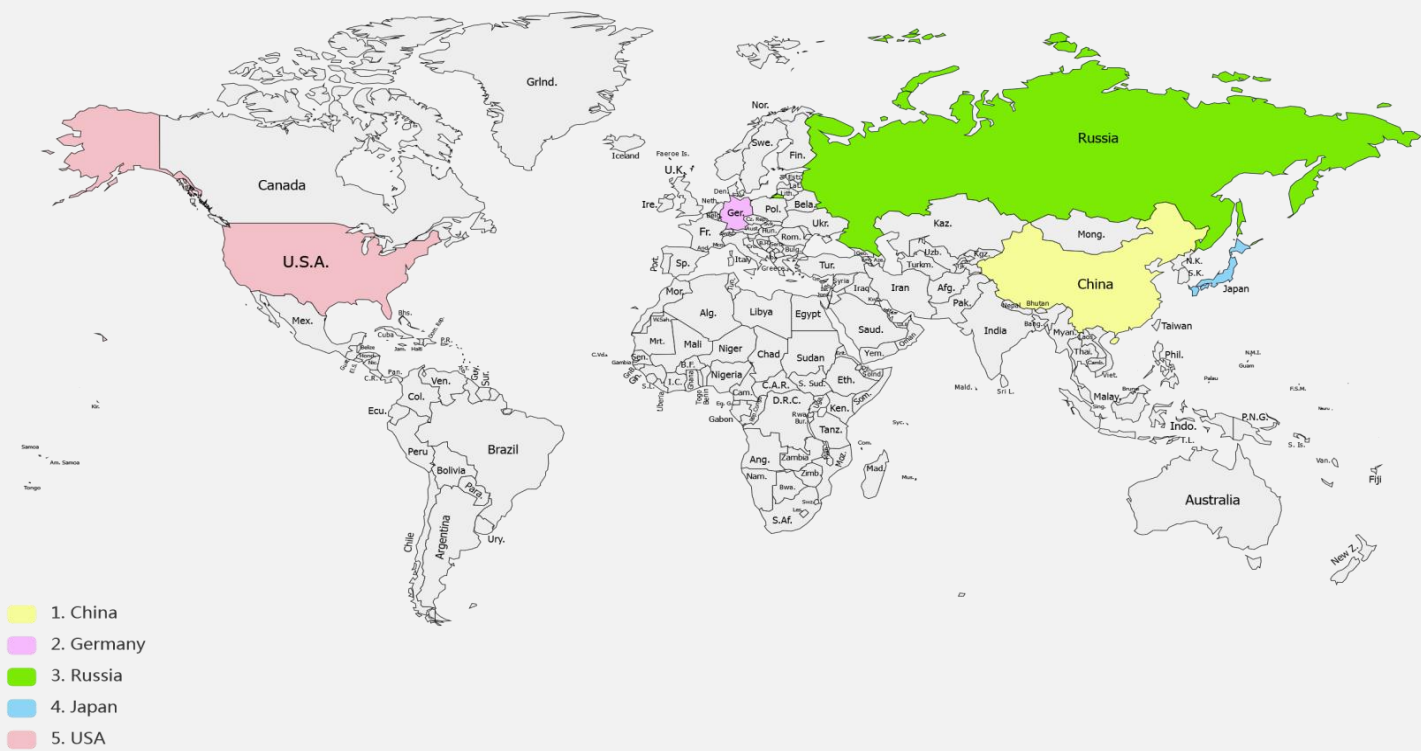
XIX: Leading Import Partners of HS 9801 (Project Goods) in last 10 years. (2014-15 to 2024-25)

FY	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Import Value (MUSD)	3631.43	2761.07	2074.44	2077.61	2375.57	2025.51	1498.94	1356.05	1602.92	1321.40	1077.58
Growth % w.r.t Previous FY		↓-23.97	↓-24.87	↑ 0.15	↑ 14.34	↓-14.74	↓-26.00	↓-9.53	↑ 18.20	↓-17.56	↓-18.45
Top 3 Import Country Partners with Their Respective Share Percentage	1st	China (36.01%)	China (36.79%)	China (29.34%)	Russia (31.83%)	Russia (22.69%)	Russia (24.17%)	Russia (38.38%)	Russia (35.37%)	Russia (59.05%)	Russia (54.80%)
	2nd	Germany (17.34%)	Germany (17.61%)	Germany (14.13%)	China (23.3%)	China (21.64%)	China (23.22%)	China (14.49%)	Germany (16.54%)	China (10.22%)	Sweden (10.71%)
	3rd	USA (9.49%)	USA (10.09%)	Russia (12.64%)	Germany (11.75%)	Germany (11.00%)	Germany (7.74%)	Germany (14.34%)	China (13.95%)	Germany (8.65%)	Germany (9.33%)

- The shifting pattern of India's import partners for Project Goods reveals a major transition over the last decade. Until FY 2016-17, China dominated India's Project Goods imports under HS 9801, consistently holding the top position with a share of nearly half of total imports. However, from FY 2017-18 onwards, Russia emerged as the leading partner, overtaking China for the first time.
- Russia's share rose sharply from 12.64% in FY 2016-17 to 31.83% in FY 2017-18, and it continued to consolidate its position through FY 2018-19 and FY 2019-20, reflecting a significant shift in India's sourcing pattern. The India-Russia Annual Bilateral Summits of 2018 and 2019 played a key role in this reorientation, as both nations emphasized enhanced cooperation in mining, metallurgy, energy, and infrastructure, alongside proposals for Russian investment in industrial corridors and railway projects — areas directly tied to Project Goods.
- These policy and trade developments laid the groundwork for Russia's long-term role, with its share stabilizing above 35% in subsequent years and peaking at 59.05% in FY 2023-24, firmly establishing it as India's principal partner in Project Goods. Meanwhile, China's dominance declined, with its share falling from 36.79% in FY 2016-17 to 22.69% in FY 2018-19, pointing to a gradual reduction in reliance on China for critical project-linked imports.

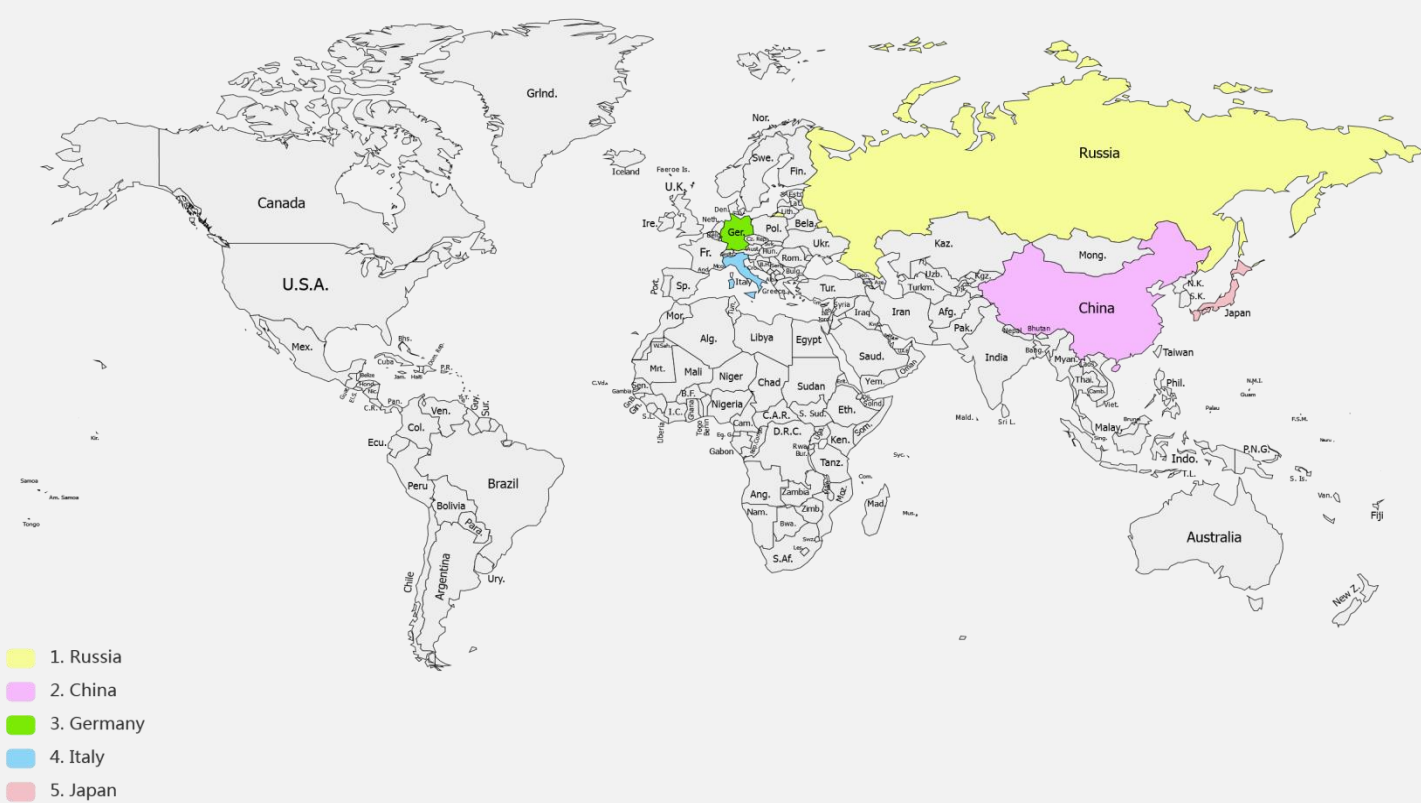
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Top 5 Import Country Partners During 2015-16 to 2019-20



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Top 5 Import Country Partners During 2020-21 to 2024-25



CONCLUSION

India's trade under HS Chapter 98 reflects its evolving industrial and research priorities, with imports consistently far exceeding exports in value terms. Project Goods (HS 9801) have remained the dominant segment, though the gradual decline in recent years points to the sustained impact of domestic manufacturing initiatives such as Make in India. Laboratory Chemicals (HS 9802), while comparatively smaller, continue to support the country's expanding scientific, research, and educational ecosystem. Export performance under both headings shows India's growing integration into global value chains, though on a modest scale relative to imports. The concentration of trade flows through select ports and country partners highlights both opportunities for diversification and the need to strengthen domestic production capacity. Overall, the trends underline a gradual shift towards greater self-reliance, while maintaining vital linkages with global suppliers and markets and trade in this segment does hint at India's significant strides in the field of critical infrastructure developments as well as scientific research.