

Index of Services Production (ISP) - New Macroeconomic Indicator

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Why in News?

The Ministry of Statistics and Programme Implementation (MoSPI) will launch the Index of Services Production (ISP) in July 2026.

- **ISP** - It will be India's **1st monthly indicator** designed to measure changes over time in the volume of output produced by the service sector, relative to a specified base period (2024-25).
- It is designed as the services-sector counterpart to the **Index of Industrial Production (IIP)**.
- **Technical Advisory Committee (TAC)** - Constituted in May 2025.

Key Highlights

- **Coverage** - Key formal-service sector activities (wholesale and retail trade, transport, banking, insurance, telecom, hotels and restaurants, real estate, professional services, arts and entertainment).
- **Data Sources** - **GST returns (major source)**, administrative data (Railways, Directorate General of Civil Aviation, Reserve Bank of India, and Insurance Regulatory and Development Authority of India) and ASISSE surveys.
- **Methodology** - Fixed-weight **Laspeyres volume index**; weights are based on sectoral GVA contribution.

The Laspeyres volume index measures the change in physical quantities of goods or services over time, using the values of a specific base period as weights.

- **Future Expansion** - Health and education to be added after ASISSE (Annual Survey of Incorporated Services Sector Enterprises) data

availability.

Quick Facts

Service sector in India

- **Contribution** - Over **50% of Gross Value Added (GVA)** since 2013-14.
- **Significance** - Largest component of India's economy; critical for policymaking and international comparability.

References

1. [DD News | ISP](#)
2. [The Hindu | ISP](#)

