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

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