

Release of Report of the Technical Advisory Committee on Compilation of the Index of Services Production (ISP) with Base Year 2024-25

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- MoSPI embarks on compilation of ISP as a high frequency indicator for the services sector representing more than 50% of GVA Contribution
- Report of the Technical Advisory Committee outlines conceptual & methodological framework for compiling ISP

The services sector is the most dynamic and rapidly expanding segment of the Indian economy. It contributes nearly 53 percent of India's Gross Value Added (GVA), generates substantial employment and has emerged as a key driver of economic growth, investment and exports.

The proposed ISP represents an important milestone in strengthening India's statistical system and improving the measurement of the services sector, which accounts for more than half of the country's economic activity. ISP will complement IIP and provide, for the first time, a comprehensive monthly measure of short-term movements in India's formal sector of the economy.

Data Sources

The availability of GST data has transformed India's statistical landscape. Every month, millions of businesses file GST returns reporting their outward supplies, generating a rich source of information on economic activity. For many market-based services, outward supplies reported through GST closely reflects production because services are typically produced and consumed simultaneously. By deflating GST-based outward supplies with suitable price deflators, it becomes possible to estimate real changes in service sector output at a monthly frequency. Since these data are already collected for tax administration, the approach imposes no additional reporting burden on businesses. For the purpose of compilation of ISP, GST has shared aggregated data. MoSPI neither has access to, nor does it require unit level data for the purpose.

Although GST provides extensive coverage of market-based services such as trade, accommodation, food services, telecommunications, professional services, real estate and administrative support services, some services which are exempt from GST such as Health and Education, a large chunk of railways, individual life & health insurances, non-AC public transport and transport of essential commodities need to be covered through other sources. For these exempted categories, ISP will draw upon two other sources of information namely administrative datasets from railways, aviation, banking and insurance and ASISSE for health and education. In that sense, ISP will be a unique blend of multiple data sources and methodologies dovetailed to meet Indian situation.

Technical Advisory Committee on Index of Services Production

To guide the development of the ISP, MoSPI constituted a Technical Advisory Committee on Index of Services Production (TAC-ISP) in May 2025 under the Chairpersonship of Ms. Debjani Ghosh, Distinguished Fellow, NITI Aayog. Apart from representatives from academia and the industry associations, the TAC – ISP has members from the Ministries / departments of the services sector.

Over the past year, the Committee held extensive deliberations on conceptual, methodological and operational aspects of ISP compilation. As part of the consultative process, an Approach Paper on Compilation of ISP was released in the public domain on 27th April 2026 seeking comments and suggestions from stakeholders.

The report of the TAC-ISP has now been finalised after extensive deliberations and discussions. It provides a comprehensive framework for compilation of monthly ISP for the formal sector of the economy.

Report

The report presents the deliberations and recommendations of TAC on various conceptual and methodological aspects of ISP compilation, including sectoral coverage, identification of appropriate data sources, selection of price deflators, weighting structure, index compilation methodology and dissemination framework. The report also documents the rationale for adopting universe approach showcasing the dynamicity within the sector. It recommends a Laspeyres volume index with 2024–25 as the base year, compilation at the 2-digit NIC 2025 level, and aggregation using Gross Value Added (GVA) weights.

The Report recommends release of overall as well as sub – sectoral ISPs initially on a trial basis to gather stakeholder feedback, validate the methodology through use of other quarterly / annual data sets and study resilience of the indices.

To ensure timely dissemination, the Committee recommends monthly compilation of sectoral indices and release of the ISP within 60 days of the reference month, while providing a robust, internationally comparable framework for monitoring short-term movements in India's services economy.

The release of this report is intended to help users better understand and assimilate the proposed ISP framework ahead of the release of the (trial) ISP series on 14th July 2026.



Report of TAC-ISP

Press Release in PDF

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