

Macro Insights

14th July 2026

Trial Index of Services Production (ISP)-April 2026

Government has introduced the **Index of Services Production (ISP)**, a new macroeconomic indicator for the Month of April 2026.

The ISP is India's first high-frequency indicator dedicated to measuring services sector output. It tracks short-term changes in the volume of output produced by the formal services sector relative to a specified base year.

Key Features of the Index

Some of the key features of the index include:

- The base year of ISP has been selected as 2024-25. This is well aligned with other sub-sectors that use the new Consumer Price Index (CPI) series based on 2024.
- *Regular monthly trial indices will be released with a lag of ~60 days. Data will be available on the 29th of each month or the next working day if 29th is a holiday.*
- Currently, different price deflators are used for ISP compilation.
 - The Wholesale Price Index (WPI) is used for wholesale trade.
 - For most other sectors, the relevant Consumer Price Index (CPI) or the closest matching CPI is used.

Data Sources:

- Instead of physical units, it utilizes GST outward supplies, administrative data, and the Annual Survey of Incorporated Services Sector Enterprises (ASISSE)

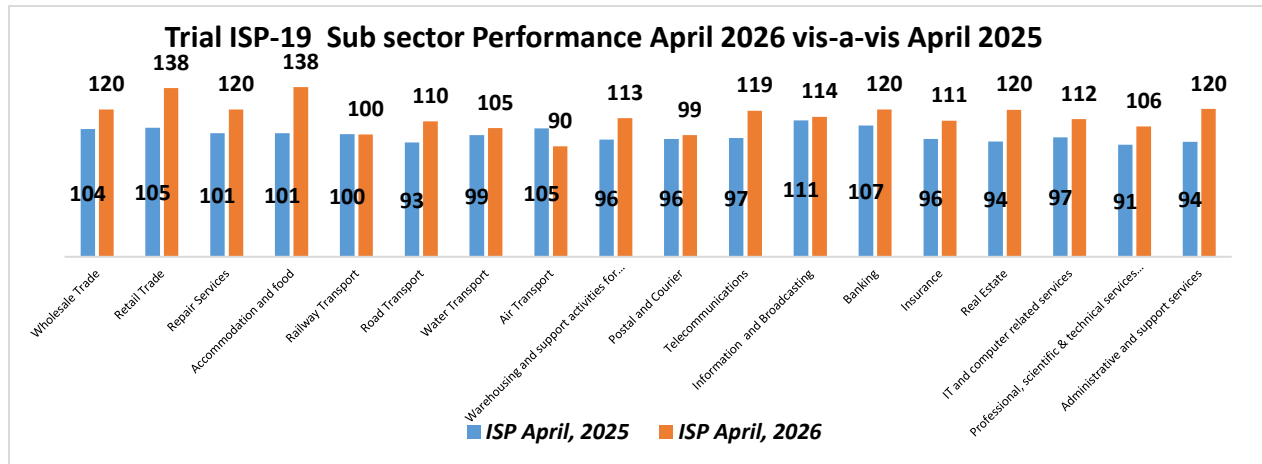
Why ISP matters

- **GDP & Value Add:** Accounting for 52.9% of the Gross Value Added (GVA), the services sector acts as the primary powerhouse of India's economic output, keeping the country firmly anchored as a services-led major economy.
- **Employment Catalyst:** While historically known for contributing heavily to GDP but lagging in job creation compared to agriculture, the sector's growth is translating into massive job numbers, capturing ~30% of total employment and adding 40 million jobs in just six years.
- **Export Powerhouse:** Reaching an estimated USD 103.41 billion in just the first quarter (April–June) of FY2026-27 with a robust 6.16% Y-o-Y growth emphasizes India's global competitive edge, particularly driven by IT, software, Global Capability Centers (GCCs), and professional services.
- The Government aims to position India as a world leader in services, targeting a 10% share in

global services by 2047.

- Several advanced economies regularly publish an ISP or equivalent indicators, such as **France, Spain, and Slovenia**. Further countries like Japan, China, South Korea also publish Service Industry Activity Index.

Performance of 19 sub sectors:



- Out of the 19 sub-sectors, 14 recorded double-digit growth in April 2026 as compared to April, 2025.
- The yearly top 5 sub-sectors for 2025-26 include accommodation and food (35.6%), retail trade (30.5%), repair services (25.1%), wholesale trade (23.6%) and road transport (22.6%).
- With the introduction of ISP, India is advancing its statistical system with global standards.

Likely Impact of ISP:

- Elevated Economic Visibility:** Because services make up over 50% of the Gross Value Added (GVA) in countries like India, the ISP closes a massive data gap. Policymakers and businesses no longer has to wait for quarterly GDP reports to spot economic trends.
- Trial Index covers nearly 60% of the services and more number of services are likely to be included to make it 80% coverage.
- Targeted Policymaking:** By providing high-frequency, sector-specific data (such as sharp declines in specific areas like air transport), central banks and governments can deploy targeted fiscal or monetary interventions.
- Global Standardization:** Releasing an official monthly services metric aligns a country's statistical framework with OECD and global benchmarks.

Deflators used for ISP

Sr. No.	Broad Sectors	Deflator Used
1	Wholesale Trade	WPI
2	Retail Trade*	CPI - Retail
3	Repair & Maintenance Services	CPI - General
4	Accommodation and food service activities	CPI - Restaurants and accommodation services
5	Railway Transport	Not Required
6	Road Transport	CPI - Passenger transport by road
7	Water Transport-Passenger	CPI - Passenger transport by sea and inland waterway
	Water Transport- Freight	Not Required
8	Air Transport	Not Required
9	Warehousing and support activities for transportation	CPI - Transport
10	Postal & Courier Services	CPI - Postage Courier and Money Order
11	Telecommunication	CPI - Information & Communication
12	Information and Broadcasting*	CPI - Information and Broadcasting
13	Banking	CPI - General
14	Insurance	CPI - General
15	Real Estate Activities	CPI - Actual Rental Payments made for housing (Urban)
16	IT and computer related services*	CPI - Services
17	Professional, scientific & technical services including R & D*	CPI - Services
18	Administrative and support services*	CPI - Services
19	Arts, Entertainment and Recreation Services	CPI - Recreation, sport and culture

Note: *Retail, Information & Broadcasting and Services CPI have been worked out based upon related items in the CPI item basket.

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