Service Output Index Set to Debut in July with FY25 Base

Our Bureau

New Delhi: The government will launch the Index of Service Production (ISP), a new high-frequency indicator aimed at tracking growth in the services sector, on a trial basis next month with 2024-25 as the base year, the statistics ministry said Wednesday.

The index will cover sectors like wholesale and retail trade; transport; banking; insurance; telecommunications; hotels and restaurants; real estate; professional, scientific and technical services; and arts, entertainment and recreation. As the counterpart of the Index of Industrial Production (IIP), which measures the economic growth of the industrial sector, the ISP will cover the formal services sector and will be released on a monthly basis, the ministry said. The ISP is a short-term indicator that will measure changes in the real output of the services sector over time relative to the base year.

ISP will cover the formal services sector and will be released on a monthly basis

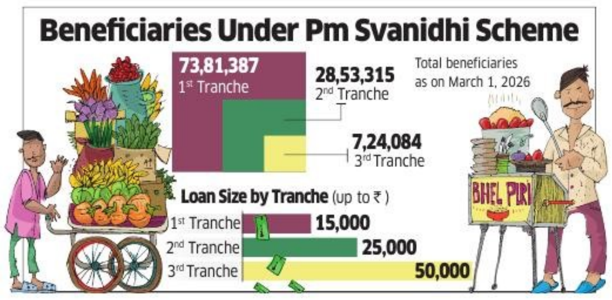
The services sector has become the backbone of India's economy, contributing more than half of the country's gross value added since 2013-14.

BID TO BUILD CREDIT HISTORIES

PSBs Plan to Roll Out ₹1 L Bridge Loans for Vendors

Banks drafting a model scheme to ease credit access and help vendors graduate to larger loans

Dheeraj Tiwari



New Delhi: The government has asked public sector banks to develop loan products of up to ₹1 lakh each for street vendors to help them graduate to higher-ticket Mudra loans, officials said.

Banks are drafting a model scheme with relaxed eligibility norms and simplified credit appraisal to help vendors build credit histories and transition to larger loan sizes, they said.

"While micro-credit is available, it was analysed that the transition into bigger loans was facing impediments on account of no tailor-made product for this segment. We have now asked banks to bridge this gap through a structured loan scheme," said a government official, who did not wish to be identified.

At present, the loan ticket size under PM SVANidhi (Prime Minister Street Vendor's AtmaNirbhar Nidhi) scheme is ₹50,000. So far more than 10.5 million loans amounting to over ₹17,800 crore have been sanctioned under the scheme. Launched in June 2020, PM SVANidhi has facilitated access to formal credit for street vendors, enabling them to expand their livelihoods.

A bank executive said that lenders are working on a draft scheme which will help borrowers under the PM SVANidhi scheme to graduate to Pradhan Mantri Mudra Yojana (PMMY).

"It was pointed out that there have to be some sort of bridge loans based on relaxed assessment parameters which will help these borrowers to take up higher-value loans," he said on condition of anonymity, adding that banks are working on a model scheme which will ensure these borrowers can avail loans up to ₹1 lakh and further build up their credit history.

Borrowers need to have a satisfactory credit track record to avail a Mudra loan. "This new product will help first-time borrowers to scale up, and if the repayments are timely, they stand eligible for higher-category loans under the Mudra scheme," said another bank executive.

The government has already directed banks to scale up lending based on the Grameen Credit Score (GCS) and its complete integration with the Jan-Samarth Portal. Under Phase I, GCS has been developed using existing data attributes such as rural and agriculture-related borrowings available with credit information companies.

India's GDP Growth May Ease to 6.6% in FY27: S&P

New Delhi: India's economic growth is expected to decelerate to 6.6% in 2026-27 from 7.7% in the previous financial year, amid energy-related pressures, expectations of a below-average monsoon and slowing global growth, S&P Global Ratings said on Wednesday. Retail inflation is projected to rise to 5.1% this fiscal.

The agency expects GDP growth to recover to 7.2% in 2027-28. S&P's baseline forecast assumes that disruptions in the Strait of Hormuz will gradually ease during the second half of the year. While global oil prices are expected to remain elevated in the near term, they are projected to decline gradually and return to pre-Iran war levels by early 2028. However, a prolonged energy disruption would be unfavourable for the Asia-Pacific region.

Higher energy costs would increase the prices of goods and services, pushing inflation in China, India and Japan up 0.5-0.6 percentage points in the third quarter of 2026. In addition, weaker purchasing power, lower capital expenditure and adverse wealth effects would weigh on economic growth.

Retail inflation in India is forecast to rise to 5.1% in 2026-27 as manufacturers pass on higher energy costs to consumers. —**Our Bureau**

MoSPI Explores Framework for Valuation of Coal Assets

New Delhi: The Ministry of Statistics and Programme Implementation (MoSPI) is exploring the inclusion of monetary valuations of nonrenewable mineral and energy resources in the national accounts, using coal as a pilot case in a discussion paper issued Wednesday.

The paper outlined a framework for assigning monetary values to nonrenewable mineral and energy assets within the national accounting system, positioning India among leading emerging economies in the field of natural capital accounting. "Accurate and transparent monetary valuation of India's mineral and energy resources will serve as a foundational input for data-driven policymaking and sustainable development," the ministry said. Coal has been selected for the pilot due to its importance to the Indian economy. The paper sets out methodologies for compiling monetary asset accounts for coal in line with the UN's System of Environmental-Economic Accounting (SEEA).

Coal accounts for the bulk of electricity generation, and serves as a key input for industries such as steel, cement, and chemicals. —**Our Bureau**