

4.2: Ministry of Commerce and Industry

Service Producer Price Indices (SPPIs)

1	Contact Organization	Office of the Economic Adviser (OEA), Department for Promotion of Industry & Internal Trade (DPIIT), M/o Commerce & Industry
2	Compiling agency	Business Service Price Index Division (BSPI), OEA
3	Custodian agency	OEA, DPIIT
4	Name of Organisation	Office of the Economic Adviser (OEA), Department for Promotion of Industry & Internal Trade (DPIIT), M/o Commerce & Industry
5	Author Name (if different from Organization name)	NA
6	Disseminating Agency (if different from (4) and (5))	NA
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12	Data description	Service PPIs (SPPIs) measures average change in the prices received by the producers on production of a service. This index is compiled on the basis of Basic Price. The index is compiled for seven services namely, Banking, Securities, Insurance, Pension Funds, Air Passenger, Railways and Telecom. The prices are collected from the administrative/ institutional sources and online data as available on the websites of service providers. SPPIs are compiled and released on a quarterly basis. The indices are released on 55 th day from the end of the recently completed quarter. The details are available at OEA's website 'https://eaindustry.nic.in'.
13	System of Classification	NA
14	International/ National Standards Classification etc.	NA

15	Sector coverage	Seven services namely, Banking, Securities, Insurance, Pension Funds, Air Passenger, Railways and Telecom are covered.
16	Concepts and definitions	The Banking Service Price Index measures the change in prices of direct and indirect services rendered by banks. The Banking Service Contribution Index capture changes in intermediation services by including the Implicit Price Deflator (IPD) for loans and deposit. The Securities Transaction Service PPI tracks the average inflationary trends and changes in transaction costs of the financial services in the security market (such as brokerage, fees, and commissions, specifically excluding government taxes namely STT, stamp duty). The Management of Pension Fund Service PPI measures the average change in price of the pension services offered by PFRDA registered intermediaries. The Insurance Service PPI captures the average change in the premium prices charged by selected insurance companies in Life, Non-Life and Health Insurance businesses. The Railway Service PPI tracks the average change in price charged by Railways for freight and passenger services. The Telecom Service PPI indicates the average change in prices of wireless and wireline services offered by telecom service providers for selected plans. The Air (Passenger) Service PPI reflects the average change in prices of passenger services offered by airline companies on selected domestic and international routes. SPPIs are compiled using the basic price received by the service providers. Also, no weights have been assigned, since the seven services do not cover entire service sector. Accordingly, indices of the seven services namely, Banking, Securities Transaction, Insurance, Management of Pension Funds, Railways, Air (Passenger), and Telecom Service are compiled and released without their respective weights individually.
17	Unit of Compilation	SPPI is an index and therefore it is unit free.
18	Population Coverage	The prices for services are collected from the

		administrative/institutional sources and web-based data.
19	Reference Period	The Base Period of the current series of SPPI is 2022-23. In case of Air (Passenger) Service Price Index, the weight reference period is 2022-23 and the price reference period is 2025-26.
20	Duration & Period of Enumeration	The price data for services is provided by the concerned Ministry/Regulator/selected service providers (Insurance companies). In case of Air (Passenger) Service and Telecom Service, the data is collected from the website of the selected service providers. The service price indices for Banking and Securities are compiled and shared by Reserve Bank of India and Securities Exchange Board of India respectively. SPPIs are released on a quarterly basis. The provisional SPPIs for recently completed quarter i.e. reference quarter, are released with a -lag of 55 days. Provisional figures are finalized after a lag of one quarter and 55 days.
21	Sample Size / Dataset Size	For Banking Services, data is collected from 31 banks (10 are public sector banks, 4 are private banks, 3 foreign banks, 1 small finance bank, 3 regional rural banks and 10 urban cooperative banks) by RBI. For Securities Transaction SPPI, data is collected from exchanges i.e. BSE, NSE, MCX and NCDEX; Security Depositories-CDSL, NSDL; Mutual/ Investment Funds, Portfolio Management, by SEBI. For Management of Pension SPPI, data is collected from all intermediaries by PFRDA. For Insurance Services, data is sourced from 22 insurance companies representing Life, Non-Life and Health Insurance. For Railway SPPI, data is collected for 13 freight commodities and 04 passenger classes for different popular trains. The data is collected from Ministry of Railways. In case of Air (Passenger) SPPI, data of representative airlines is collected for 84 domestic and 66 international routes using official website of airline companies. For Telecom SPPI, data of popular wireless and wireline plans is collected from the website of major

		telecom service providing companies.
22	Data Confidentiality	Considering the sensitivity of the price data, the price data collected from the representative service providers are kept confidential and is not shared with other data providers/ stakeholders/ users.
23	Legal Acts and Other Agreements	NA
24	Data Sharing / Dissemination Practices	SPPIs are released on a quarterly basis. The provisional SPPIs for a recently completed quarter i.e. reference quarter, are released with a time lag of 55 days from the end of the quarter. Provisional figures are finalized after a lag of one quarter and 55 days. Time series data on SPPI since April 2023 is available on the website (https://eaindustry.nic.in) of the Office of Economic Adviser.
25	Release Calendar	Advance release calendar is available in official website https://eaindustry.nic.in
26	Frequency of Dissemination	Quarterly
27	Data Access	SPPI is accessible at “ https://eaindustry.nic.in/download_data_2223.asp ”
28	Documentation on methodology	Documentation on the concepts, methodology used in compilation of SPPI and all necessary details is available in office website https://eaindustry.nic.in and can be accessed at https://eaindustry.nic.in/uploaded_files/wpi/WPI_PPI_Manual.pdf
29	Quality documentation	Appropriate checks are in place for data scrutiny and validation. Efforts are made to ensure timeliness and transparency in release of the indices. Measures are in place to monitor the quality of the price data. Efforts are continuously made to ensure that the guidelines for price collections are followed. The processing of data is carefully done each quarter according to a fixed schedule with checking and validation of data. Elementary and higher-level indices are thoroughly checked. Before publishing, the final index figures are examined to avoid mistakes/errors/discrepancies.
30	Quality assurance	
31	Sampling Error	NA
32	Measures of Reliability	The data is collected from data sources through the regulators (i.e. RBI, PFRDA and SEBI), official websites of service providers (for Air Passenger and Telecom Service) and insurance companies. The data is scrutinized and data inconsistencies are taken up with the data providers for appropriate reasons. The indices are disseminated as per the release

		schedule.
33	Timeliness	The SPPIs are released on a quarterly basis at a lag of 55 days from the end of each quarter. The provisional indices are finalized after a lag of one quarter and 55 days.
34	Comparability over Time	SPPIs, being inflation indicators are comparable across time. Concepts and methods of index compilation remain same through the entire life span of the series. Details are also available on the website. (https://eaindustry.nic.in) The data (i.e. Service wise indices) is disseminated through the official website quarter-wise and financial year-wise for public use.
35	Coherence with Other Data Sources	SPPIs are compiled in line with the international practices and are coherent.
36	Source Data Type	For Insurance, Management of Pension of Funds, Banking, Securities Transaction and Railways Services, the data is collected from the Ministries/Departments, banks, exchanges and insurance companies. The data is collected through websites of telecom companies and airlines for Telecom and Air passenger services respectively.
37	Frequency of Data Collection	Quarterly for Banking, Securities, Insurance and Pension Funds. Monthly for Telecom, Railways and Air (Passenger).
38	Mode and method of data collection method	Data for services is provided by the concerned Ministry/Regulator/selected service providers (Insurance companies). In case of Air (Passenger) Service and Telecom Service, the data is collected from the website of the selected service providers. The price indices for Banking and Securities Transaction Services are received from RBI and SEBI respectively.
39	Data validation	The data submitted by Ministries/Departments/Agencies or collected through websites is validated manually. Outliers or any unusual movement in prices for a particular service item are examined for verification.
40	Data compilation	The Compilation of SPPI (2022-23=100) broadly consists of two stages: First, the elementary indices are compiled by adopting short-term formulation using chain-based Jevons formula, which uses ratio of current month price to the previous month price and is then multiplied with the Index of

		previous month. - ▪ In the second stage, these elementary price indices are aggregated using weighted arithmetic mean to obtain higher level indices using Laspeyre's index formula, which has a fixed base-year weighting diagram operative through the entire life span of the series. ▪ In case of missing prices, targeted mean imputation method is used for treatment of temporary missing prices. In this methodology, current month's missing price of a particular quotation of an item is imputed by multiplying the previous month price of that quotation with the geometric mean or average of price change ratios (current month price divided by previous month price) of available quotations of that item.
41	Data identifier(s)	NA
42	Metadata last posted	SPPIs are released for the first time.
43	Metadata Last Updated	SPPIs are released for the first time.