

17 December 2003

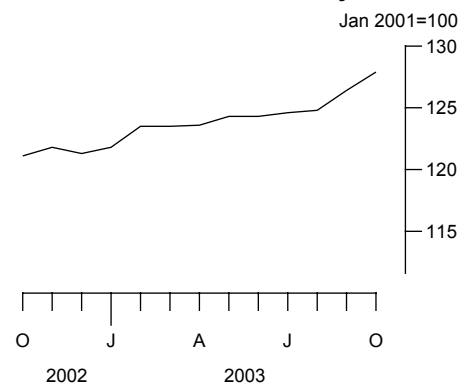
Coverage
United Kingdom
Theme
The Economy

Internet connectivity

October 2003

The latest monthly update to the survey of Internet Service Providers (ISPs) shows that between October 2002 and October 2003 there was a 5.6 per cent increase in the number of subscriptions to the Internet. The month on month change between September and October 2003 was 1.2 per cent.

Index of Internet connectivity



Permanent connections continued to increase their market share and now account for around 1 in 5 (20.4 per cent) of all subscriptions to the Internet compared with less than around 1 in 10 (9.2 per cent) a year ago.

Subscriptions are defined as those that were active during the month in question. Revisions have been made due to the availability of further company information.

Index of Internet connectivity

	All subscriptions	Percentage change on previous month
<i>January 2001=100</i>		
2002		
October	121.1	0.3
November	121.8	0.6
December	121.3	-0.4
2003		
January	121.8	0.4
February	123.5	1.4
March	123.5	0.0
April	123.6	0.1
May	124.3	0.6
June	124.3	0.0
July	124.6r	0.2
August	124.8r	0.2
September	126.4r	1.3
October	127.9	1.2

r = revised

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Dial-up versus permanent Internet connections

In October 2003, the indices for dial-up and permanent subscriptions were 103.2 and 3239 respectively.

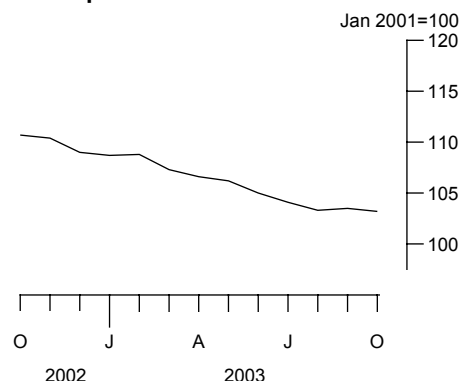
Subscriptions for dial-up and permanent Internet connections continued to display quite different patterns of growth. The year on year decrease to October 2003 was 6.8 per cent for dial-up connections, with a decrease of 0.3 per cent from September 2003 to October 2003. The year on year growth was 124.8 per cent for permanent connections, with an increase of 7.0 per cent from September 2003 to October 2003.

Dial-up connections continued to dominate the overall number of subscriptions, but with permanent connections continuing to increase their share, reaching 20 per cent for the first time.

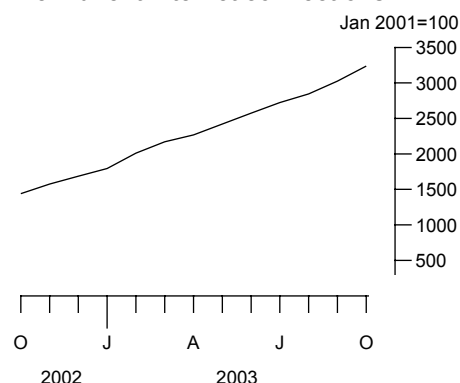
Permanent connections made up 20.4 per cent of total subscriptions in October 2003, up from 19.3 per cent in September 2003. This increase in the market share reflects the continued marketing drive and increase in availability of broadband services.

Revisions have been made due to the availability of further company information.

Dial-up Internet connections



Permanent Internet connections



Dial-up and permanent Internet connections

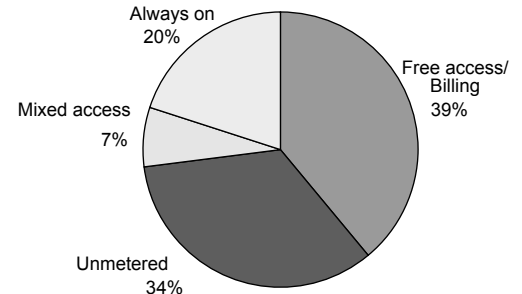
		Dial-up		Permanent	
		Index	Percentage of all subscriptions	Index	Percentage of all subscriptions
<i>January 2001=100</i>					
2002	October	110.7	90.8	1441	9.2
	November	110.4	90.0	1576	10.0
	December	109.0	89.2	1687	10.8
2003	January	108.7	88.6	1795	11.4
	February	108.8	87.4	2010	12.6
	March	107.3	86.1	2170	13.9
	April	106.6	85.5	2268	14.5
	May	106.2	84.6	2422	15.4
	June	105.0	83.3	2574	16.7
	July	104.1r	82.4	2723	17.6
	August	103.3r	81.6	2846	18.4
	September	103.5r	80.7	3026r	19.3
	October	103.2	79.6	3239	20.4

r = revised

Access plans

In October 2003, the percentage of subscriptions using free access or billed access was 39 per cent, compared with 47 per cent a year ago. The percentage of those paying a fixed rate for unmetered access was 34 per cent. The percentage of subscriptions using a mixed plan (fixed rate plus calls) was 7 per cent for the eighth consecutive month, whilst 'Always-on' subscriptions rose to 20 per cent compared to 9 per cent in October 2002.

Subscriptions by access plans



Percentage of subscriptions by access plan

		Free Access/ Billing	Unmetered	Mixed Access	Always on
2002	October	47	35	9	9
	November	46	35	9	10
	December	45	36	8	11
2003	January	45	36	8	11
	February	43	36	8	13
	March	43	36	7	14
	April	43	35	7	15
	May	42	35	7	16
	June	42	35	7	16
	July	41r	35r	7	17
	August	41	34	7	18
	September	40r	34r	7	19
	October	39	34	7	20

r = revised



BACKGROUND NOTES

1. E-commerce could have a huge impact on the way businesses operate. It has the potential to lead to growth in trade, increase markets, improve efficiency and effectiveness and transform business processes. In recognition of its significance in the future performance of the economy, the UK Government has set itself the target of becoming 'the best environment in the world to do e-commerce.' *DTI 1998 White Paper "Our Competitive Future: Building the Knowledge-Driven Economy" CM4176*. In response, the ONS has developed a package of measures that will help monitor the UK's use of e-commerce.
2. One strand of the strategy is the Monthly Inquiry to Internet Service Providers (ISPs). This inquiry, established in January 2001, surveys a panel of ISPs, collecting data on the number of active subscriptions, type of connections to the Internet and access plan used. Publication of the index commenced in December 2001, in respect of October 2001.
3. The index of connectivity is constructed for Internet subscriptions, with January 2001 being used as the base month. The index expresses the current month as a percentage of the base month. The response to the survey stands at 81 per cent for the current month. Estimates are made for non-responding businesses. The index is not seasonally adjusted.
4. The Internet Service Providers Inquiry is carried out in line with the rigorous standards of all National Statistics. However, it is important to note that there is currently no definitive population of ISPs from which to sample, and therefore the index should be treated with some caution as it is still in development phase.
5. The entire index is reviewed each month to ensure that ONS publishes its best estimates. Revisions can occur due to company misreporting, late returns or additions to the panel of ISPs.
6. The Office for National Statistics publishes an updated First Release each month. Feedback is welcomed, as are any suggestions for future analysis. ONS aims to publish additional information as the survey develops and the data become more robust. One area for development is to distinguish between business and non-business connections to the Internet, although ISPs are continuing to have some difficulty making this distinction.
7. Dial-up connections are those that access the Internet via ISDN or an analogue modem. Permanent connections are those with a dedicated continuous Internet connection.



8. Free Access/Billing subscriptions are dial-up connections where call charges are either paid to the telecommunications supplier or direct to the ISP. Unmetered subscriptions are dial-up connections where a fixed price is paid per month, quarter or year. Mixed access subscriptions are dial-up connections where a fixed price covers access within defined hours and access at other times is billed. Always-on subscriptions are permanent or broadband connections.
9. There is a quite separate National Statistics First Release *Internet Access* which gives information on households with home access to the Internet and individuals' access to the Internet. That information comes from the Expenditure and Food Survey and the National Statistics Omnibus Survey, and is published quarterly. Similarly, OFCOM produce a quarterly report on Business use of the Internet, which again should not be confused with this First Release.
10. Details on National Statistics policy governing the release of new data are available from the Press Office.
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