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Coverage
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Theme
The Economy

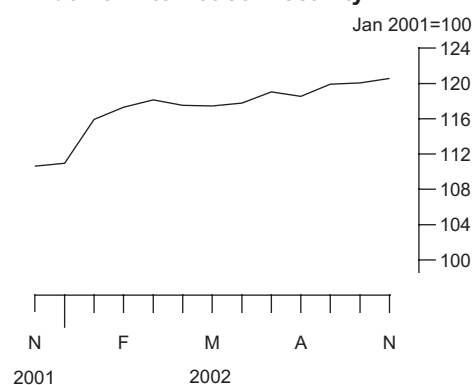
Internet connectivity

November 2002

The latest monthly update to the survey of Internet Service Providers (ISPs) shows that between November 2001 and November 2002 there was a 9.0 per cent increase in the number of subscriptions to the Internet. The month on month change between October and November 2002 was 0.4 per cent.

The number of Internet subscribers continued to increase in November 2002. Dial-up connections continued to fall whilst permanent connections continued to increase in November 2002. Permanent connections also continued to increase their share of the total of all Internet subscriptions (see over).

Index of Internet connectivity



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

Index of Internet connectivity

		All subscriptions	Percentage change on previous month
<i>January 2001=100</i>			
2001	November	110.6	1.0
	December	111.0	0.4
2002	January	115.9	4.4
	February	117.3	1.2
	March	118.1	0.7
	April	117.5	-0.5
	May	117.4	-0.1
	June	117.8r	0.3
	July	119.0r	1.0
	August	118.5r	-0.4
	September	119.9r	1.2
	October	120.1r	0.2
	November	120.6	0.4

r = revised

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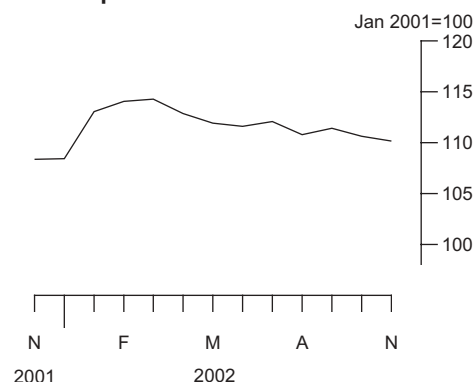
Dial-up versus permanent Internet connections

In November 2002, subscriptions for dial-up and permanent Internet connections continued to display quite different patterns of growth. The indices for dial-up and permanent subscriptions were 110.2 and 1530.8 respectively.

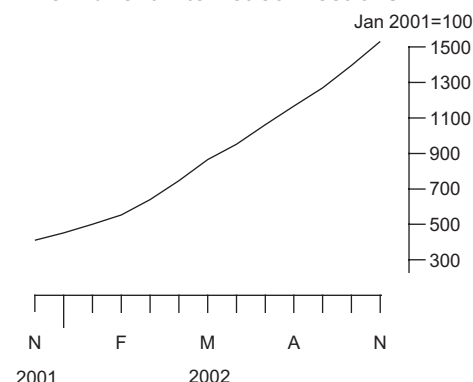
The year on year growth to November 2002 was 1.6 per cent for dial-up connections, with a decrease of 0.4 per cent from October to November 2002. The year on year growth was 272.1 per cent for permanent connections, with an increase of 9.7 per cent from October to November 2002. Dial-up connections continued to dominate the overall number of subscriptions, but with permanent connections continuing to increase their share.

Permanent connections made up 9.3 per cent of total subscriptions in November 2002, up from 8.5 per cent in October. This increase in the market share is due to a fall in the price of broadband technology. Revisions to both the dial-up and permanent indices have occurred due to updated company information.

Dial-up Internet connections



Permanent Internet connections



Dial-up and permanent Internet connections

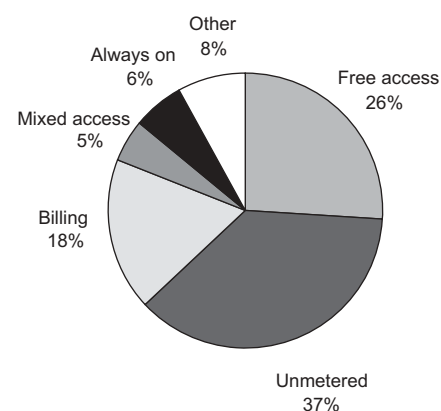
		Dial-up		Permanent	
		Index	Percentage of all subscriptions	Index	Percentage of all subscriptions
2001	November	108.4	97.27	411.4	2.73
	December	108.4	97.01	452.8	2.99
2002	January	113.1	96.83	501.4	3.17
	February	114.1	96.54	553.9	3.46
	March	114.3	96.02	640.6	3.98
	April	112.9	95.34	747.0	4.66
	May	111.9	94.60	865.1	5.40
	June	111.6r	94.07r	952.8r	5.93r
	July	112.1r	93.46r	1061.8r	6.54r
	August	110.8r	92.78r	1166.5r	7.22r
	September	111.4r	92.23r	1269.6r	7.77r
	October	110.6r	91.47r	1395.6r	8.53r
	November	110.2	90.69	1530.8	9.31

r = revised

Access Plans

In November 2002, the percentage of subscriptions using free access remained at 26 per cent. Those paying a fixed rate for unmetered access decreased to 37 per cent. At 18 per cent and 5 per cent respectively, there was no change in the percentage of subscriptions using billed access or a mixed plan (fixed rate plus calls). 'Always-on' subscriptions rose to 6 per cent whilst the percentage using 'Other' remained at 8 per cent.

Subscriptions by access plans



Percentage of subscriptions by access plan

		Free Access	Unmetered	Billing	Mixed Access	Always on	Other
2002	January	37	29	18	5	1	10
	February	35	31	18	4	1	10
	March	32	33	19	4	2	10
	April	30	35	19	4	2	10
	May	29	35	19	5	2	10
	June	28r	35	19	5	3	10
	July	27	37r	18	5	3	10
	August	28	36	18	5	4	9
	September	28	37	18	5	4	8
	October	26	38	18	5	5	8
	November	26	37	18	5	6	8

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 66 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 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 presently having some difficulty making this distinction. In future publications, ONS is also looking to include analysis on the type of technology used.
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. 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, OFTEL produce a quarterly report on Business use of the Internet, which again should not be confused with this First Release.
9. Details on National Statistics policy governing the release of new data are available from the Press Office.
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