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Coverage
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Theme
The Economy

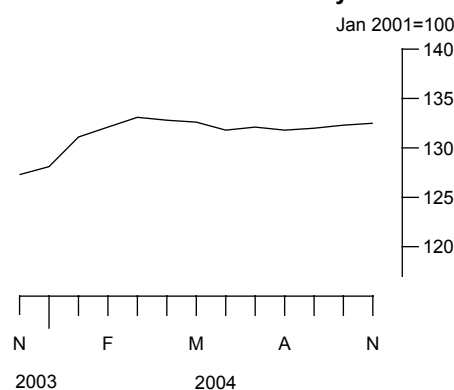
Internet connectivity November 2004

The latest monthly update to the survey of Internet Service Providers (ISPs) shows that between November 2003 and November 2004 there was a 4.1 per cent increase in the number of active subscriptions to the Internet. The index increased by 0.2 per cent between October and November 2004 to 132.5. It has now increased for three consecutive months, but is still a little below the peak of 133.1 in March 2004.

The market share for permanent connections continued to increase in November and now accounts for 37.7 per cent of all connections. This compares with a market share of 20.9 per cent a year before.

The index of dial-up connections, after a peak of 114.3 in February 2002, continues to decrease.

Index of Internet connectivity



Index of Internet connectivity

| | All subscriptions | Percentage change on previous month |
|-------------------------|-------------------|-------------------------------------|
| <i>January 2001=100</i> | | |
| 2003 November | 127.3 | 0.3 |
| December | 128.1 | 0.6 |
| 2004 January | 131.1 | 2.3 |
| February | 132.1 | 0.8 |
| March | 133.1 | 0.8 |
| April | 132.8 | -0.2 |
| May | 132.6 | -0.2 |
| June | 131.8 | -0.6 |
| July | 132.1 | 0.2 |
| August | 131.8 | -0.2 |
| September | 132.0 | 0.2 |
| October | 132.3r | 0.2 |
| November | 132.5 | 0.2 |

r = revised

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Dial-up versus permanent Internet subscriptions

In November 2004, the indices of active subscriptions for dial-up and permanent connections were 83.2 and 6465 respectively when compared to their base of 100 in January 2001.

Dial-up Internet connections continued to decrease, with a year on year fall to November 2004 of 18 per cent. The decrease from October to November 2004 was 2.5 per cent.

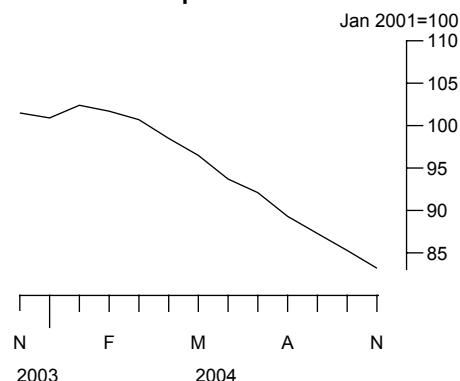
Permanent Internet connections continued to increase their market share and made up 37.7 per cent of all subscriptions in November 2004, up from 36 per cent in October 2004. There was a year on year increase of 87.8 per cent for subscriptions for permanent connections, with a monthly increase in November of 4.8 per cent.

The increase in the market share for permanent connections reflects the continuing move from slower dial-up connections to the quicker broadband, cable and leased line technologies. Dial-up still dominates the overall number of subscriptions, despite its share dropping to 62.3 per cent of all subscriptions in November 2004.

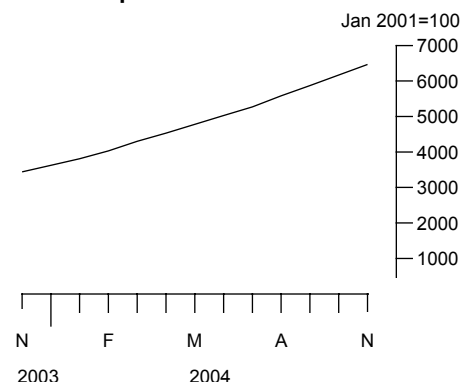
Revisions have been made due to late company returns.

Subscriptions for dial-up and permanent Internet connections

Index of dial-up Internet connections



Index of permanent Internet connections



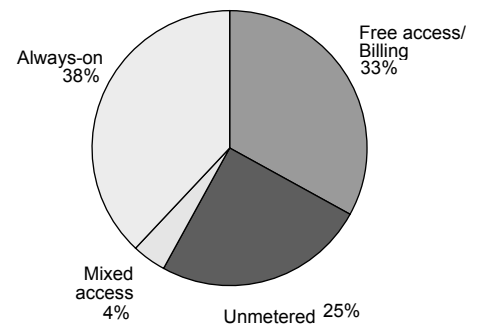
| | | Dial-up | | Permanent | |
|-------------------------|-----------|---------|---------------------------------|-----------|---------------------------------|
| | | Index | Percentage of all subscriptions | Index | Percentage of all subscriptions |
| <i>January 2001=100</i> | | | | | |
| 2003 | November | 101.5 | 79.1 | 3442 | 20.9 |
| | December | 100.9 | 78.1 | 3626 | 21.9 |
| 2004 | January | 102.4 | 77.5 | 3809 | 22.5 |
| | February | 101.7 | 76.4 | 4031 | 23.6 |
| | March | 100.7 | 75.0 | 4301 | 25.0 |
| | April | 98.5 | 73.6 | 4530 | 26.4 |
| | May | 96.5 | 72.2 | 4778 | 27.8 |
| | June | 93.7 | 70.5 | 5029 | 29.5 |
| | July | 92.1 | 69.2 | 5271 | 30.8 |
| | August | 89.3 | 67.3 | 5582 | 32.7 |
| | September | 87.3 | 65.6 | 5872r | 34.4 |
| | October | 85.3 | 64.0 | 6171r | 36.0 |
| | November | 83.2 | 62.3 | 6465 | 37.7 |

r = revised

Access plans

In November 2004, the percentage of active subscriptions using free access or billed access was 33 per cent, compared with 39 per cent a year before. The percentage of those paying a fixed rate for unmetered dial-up access decreased to 25 per cent. The percentage of active subscriptions using a mixed plan (fixed rate plus calls) remained at 4 per cent, while always-on subscriptions rose to 38 per cent compared with 21 per cent in November 2003.

Subscriptions by access plans



Percentage of subscriptions by access plan

| | | Free Access/ Billing | Unmetered | Mixed Access | Always- on |
|------|-----------|-------------------------|-----------|-----------------|---------------|
| 2003 | November | 39 | 34 | 6 | 21 |
| | December | 39 | 33 | 6 | 22 |
| 2004 | January | 39 | 33 | 6 | 22 |
| | February | 38 | 33 | 5 | 24 |
| | March | 38 | 32 | 5 | 25 |
| | April | 37 | 32 | 5 | 26 |
| | May | 36 | 31 | 5 | 28 |
| | June | 35 | 30 | 5 | 30 |
| | July | 35 | 29 | 5 | 31 |
| | August | 34 | 28 | 5 | 33 |
| | September | 34 | 27 | 5 | 34 |
| | October | 34 | 26 | 4 | 36 |
| | November | 33 | 25 | 4 | 38 |

Table 1R summarises the revisions to the figures published on 17 December 2004. The entire index is under continual review to ensure that ONS publishes its best estimates. The revisions in this release have occurred due to late company returns.

1R Summary of revisions

| | All Subscriptions | Dial-up | | Permanent | |
|----------------------|----------------------|---------|---------------------------------------|-----------|---------------------------------------|
| | | Index | Percentage of all subscriptions | Index | Percentage of all subscriptions |
| 2003 November | - | - | - | - | - |
| December | - | - | - | - | - |
| 2004 January | - | - | - | - | - |
| February | - | - | - | - | - |
| March | - | - | - | - | - |
| April | - | - | - | - | - |
| May | - | - | - | - | - |
| June | - | - | - | - | - |
| July | - | - | - | - | - |
| August | - | - | - | - | - |
| September | - | - | - | 1 | - |
| October | -0.1 | - | - | 1 | - |

BACKGROUND NOTES

1. E-commerce 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 developed a package of measures to help monitor the UK's use of e-commerce.
2. One strand of the strategy is the Monthly Survey to Internet Service Providers (ISPs). This survey, established in January 2001, surveys a panel of ISPs, collecting data on the number of active Internet subscriptions, type of connections 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 active 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 72 per cent for the current month. Estimates are made for non-responding businesses. The index is not seasonally adjusted.
4. The Internet Service Providers Survey 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. A full review of the survey commenced in October 2004.
5. The Office for National Statistics publishes an updated First Release each month. Comments are welcomed, and will feed into the review mentioned above.
6. Dial-up subscriptions are those that access the Internet via Integrated Services Digital Network (ISDN) or an analogue modem. Permanent subscriptions are those with a dedicated continuous Internet connection.
7. Free Access/Billing subscriptions are dial-up subscriptions 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 subscriptions.

Revisions

8. One indication of the quality of key indicators in this release can be obtained by monitoring the size of revisions. The table below records the size and pattern of revisions that have occurred since this survey began. Please note that these indicators only report summary measures for revisions. The revised data may itself be subject to sampling or other sources of error. The table covers estimates of the index of Internet connectivity first published in October 2001 in respect of January 2001. A spreadsheet giving these estimates and the calculations behind the averages in the table is available on the National Statistics website at:

<http://www.statistics.gov.uk/statbase/Product.asp?vlnk=8251>

| | Value in latest period | Revisions between first publication and estimates 12 months later | |
|-------------------------|------------------------|---|--|
| | | Average over the last 34 months (bias) | Average over the last 34 months without regard to sign (average absolute revision) |
| All subscriptions | 132.5 | 0.10 | 0.90 |
| Dial-up subscriptions | 83.2 | -0.20 | 0.68 |
| Permanent subscriptions | 6465 | 13.41 | 17.52 |

A statistical test has been applied to the average revision to find out if there is bias in the estimates. No statistically significant bias was identified. This table is updated on a quarterly basis and has been updated for this release.

More information about the revisions material in the release can be found on the National Statistics website at:

<http://www.statistics.gov.uk/cci/article.asp?ID=793>

General

9. Details on National Statistics policy governing the release of new data are available from the Press Office.

10. **National Statistics** are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. © Crown Copyright 2005.