

18 July 2002

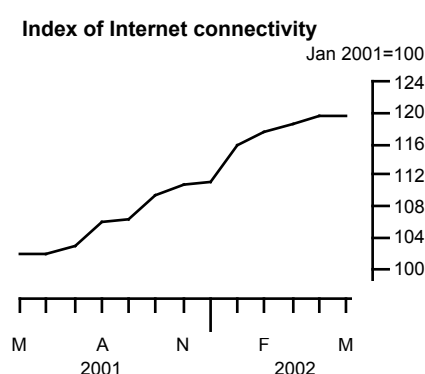
Coverage
United Kingdom
Theme
The Economy

Internet connectivity

May 2002

The latest monthly update to the survey of Internet Service Providers (ISPs) shows that between May 2001 and May 2002 there was a 17.2 per cent increase in the number of subscriptions to the Internet. The month on month change between April and May 2002 was -0.1 per cent.

This is the first fall in the number of subscriptions since June 2001, and is driven by a fall in dial-up connections, see over. There was also a decrease in the same period last year, which although larger, may suggest a seasonal effect. At 4.4 per cent, December 2001 to January 2002 continues to display the largest month on month rise. Subscriptions are defined as those that were active during the month in question.



Index of Internet connectivity

	All subscriptions	Percentage change on previous month
<i>January 2001=100</i>		
2001		
May	102.0	-0.9
June	101.9	-0.1
July	103.1	1.2
August	106.1	2.9
September	106.5	0.4
October	109.5	2.8
November	110.6	1.0
December	111.0	0.4
2002		
January	115.9	4.4
February	117.6	1.5
March	118.6	0.9
April	119.6	0.8
May	119.5	-0.1

r = revised

Issued by
National Statistics
1 Drummond Gate
London SW1V 2QQ

Telephone
Press Office 020 7533 5725
Public inquiries 0845 601 3034

Contact
Rachel Gibbins 01633 813061
Email rachel.gibbins@ons.gov.uk

Internet
www.statistics.gov.uk

Next publication date
19 August 2002

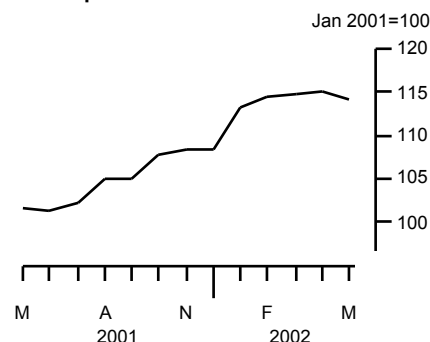
Dial-up versus permanent Internet connections

In May 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 114.0 and 866.6 respectively.

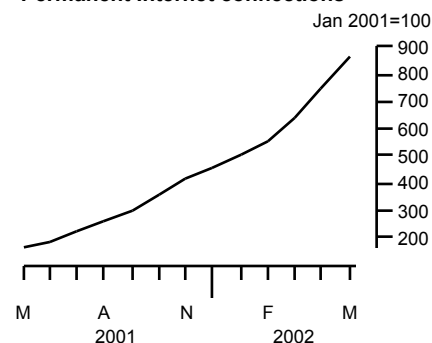
The year on year growth to May 2002 was 12.2 per cent for dial-up connections, with a decrease of 0.9 per cent from April to May 2002. The year on year growth was 421.4 per cent for permanent connections, with an increase of 15.7 per cent from April to May 2002. Dial-up connections continued to dominate the overall number of subscriptions, but with permanent connections continuing to increase their share.

Permanent connections made up 5.3 per cent of total subscriptions in May 2002, up from 4.6 per cent in April. 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

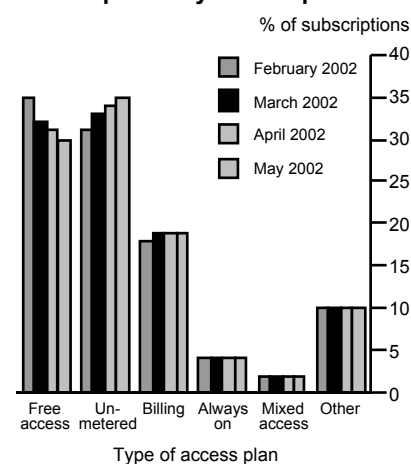
		Dial-up		Permanent		
		Index	Percentage of all subscriptions	Index	Percentage of all subscriptions	
2001	May	101.6	98.81	166.2	1.19	
	June	101.3	98.67	185.2	1.33	
	July	102.2	98.46	217.8	1.54	
	August	104.9	98.23	256.7	1.77	
	September	105.1	97.95	298.5	2.05	
	October	107.7	97.63	355.3	2.37	
	November	108.4	97.28	412.3r	2.72	
	December	108.4r	97.01	453.8	2.99	
	2002	January	113.1	96.83	503.0	3.17
		February	114.4	96.55	555.9	3.45
		March	114.7r	96.04	643.0r	3.96
		April	115.0r	95.43	748.7r	4.57
May		114.0	94.71	866.6	5.29	

r = revised

Access Plans

In May 2002, the percentage of subscriptions using free access continued to fall (31 per cent in April to 30 per cent). Those paying a fixed rate for unmetered access increased to 35 per cent while 19 per cent of subscriptions continued to use billed access for call minutes. At 4 per cent there was no change in the percentage of subscriptions using a mixed plan, paying a fixed rate plus bills for calls. 'Always-on' subscriptions continued to make up 2 per cent of the total, although some permanent connections might have been reported in the 10 per cent that made up 'Other' access plans.

Subscriptions by access plan



Percentage of subscriptions by access plan

		Free Access	Unmetered	Billing	Mixed	Always on	Other
2002	January	37	29	18	5	1	10
	February	35	31	18	4	2	10
	March	32r	33	19r	4	2	10
	April	31	34r	19	4	2	10
	May	30	35	19	4	2	10

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, 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 has fallen to 61 per cent for the current month. An exercise to contact non-responders is currently underway. 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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