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Theme
The Economy

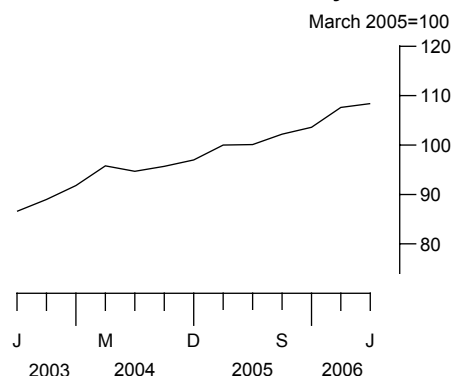
Internet connectivity June 2006

This update to the survey of Internet Service Providers (ISPs) shows that in June 2006, broadband connections formed 72.6 per cent of all Internet connections, up from 69.3 per cent in March 2006.

The index of all connections rose to 108.4 in June 2006 from the base month of March 2005. The index increased by 0.7 per cent between March 2006 and June 2006.

Dial-up connections continued to decline and now account for 27.4 per cent of all Internet connections.

Index of Internet connectivity



Index of Internet connectivity

	All subscriptions	Percentage change on previous quarter
<i>March 2005 = 100</i>		
2003 June	86.6	1.3
September	89.0	2.8
December	91.8	3.1
2004 March	95.8	4.4
June	94.7	-1.1
September	95.7	1.1
December	97.0	1.4
2005 March	100.0	3.1
June	100.1	0.1
September	102.2r	2.1
December	103.6r	1.4
2006 March	107.6r	3.9
June	108.4	0.7

r=revised

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Broadband and dial-up Internet connections

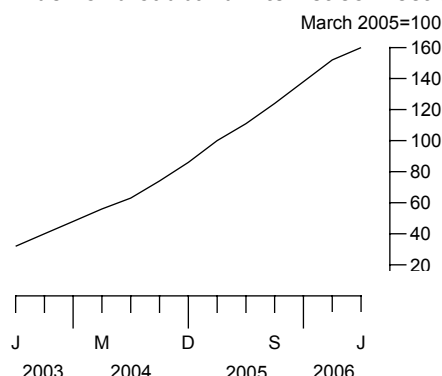
The market share of broadband connections has been increasing ever since the index began, reflecting its growing popularity, affordability and widespread availability.

In March 2006, the indices of active subscriptions for dial-up and broadband connections were 58.4 and 160.1 respectively, when compared to their base of 100 in March 2005.

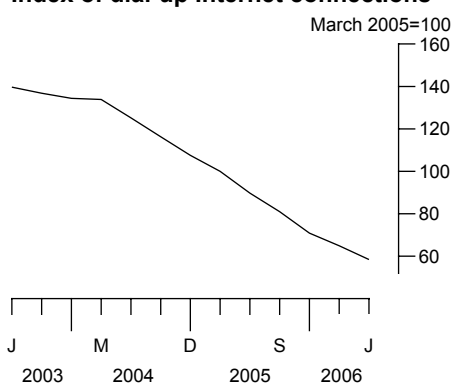
Broadband connections rose to 72.6 per cent of all connections in June 2006, up from 69.3 per cent in March. There was a year on year increase in the broadband index of 44.4 per cent, with a quarterly increase of 5.5 per cent. This increase is significantly lower than at any point since 2002, slowing from March's increase of 10.3 per cent. This is the fourth year where growth has slowed in the second quarter.

Dial-up connections continued to decrease, with a year on year fall in the index of 34.9 per cent to June 2006. The quarterly decrease, from March 2006 to June 2006, was 10 per cent.

Index of broadband Internet connections



Index of dial-up Internet connections



Subscriptions for dial-up and broadband Internet connections

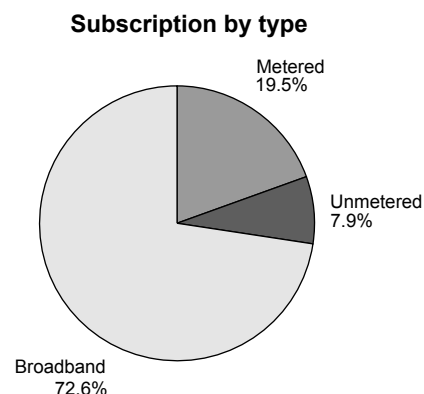
		Dial-up		Broadband	
		Index	Percentage of all subscriptions	Index	Percentage of all subscriptions
<i>March 2005=100</i>					
2003	June	139.7	82.0	31.8	18.0
	September	136.8	78.2	39.5	21.8
	December	134.4	74.5	47.6	25.5
2004	March	133.9	71.1	56.4	28.9
	June	125.2	67.3	63.1	32.7
	September	116.3	61.8	74.4	38.2
	December	107.5	56.3	86.2	43.7
2005	March	100.0	50.9	100.0	49.1
	June	89.7	45.6	110.9	54.4
	September	81.0	40.3	124.1r	59.7
	December	70.9	34.8r	137.6r	65.2r
2006	March	64.9r	30.7r	151.8r	69.3r
	June	58.4	27.4	160.1	72.6

r=revised

Type of subscription

A recent review of the Internet Service Providers Survey recommended that the number of dial-up categories should be reduced, but to retain the differentiation between unmetered and metered types of connection. As a result, the categories of free access/billing and mixed access, were replaced with the metered dial-up category in the March 2006 release. The unmetered dial-up and broadband categories remain as before.

In June 2006, the percentage of active subscriptions using metered dial-up access was 19.5 per cent, compared with 29.4 per cent a year before. The percentage of those paying a fixed rate for unmetered dial-up access was 7.9 per cent compared with 16.2 per cent a year before. Broadband subscriptions rose to 72.6 per cent compared with 54.4 per cent in June 2005.



Percentage of subscriptions by type

		Metered	Unmetered	Broadband
2003	June	46.8	35.2	18.0
	September	44.7	33.5	21.8
	December	42.4	32.1	25.5
2004	March	40.3	30.8	28.9
	June	38.7	28.6	32.7
	September	36.8	25.0	38.2
	December	34.2	22.2	43.7
2005	March	32.2	18.7	49.1
	June	29.4	16.2	54.4
	September	26.8	13.5	59.7
	December	23.8	11.0r	65.2r
2006	March	21.6r	9.1	69.3r
	June	19.5	7.9	72.6

r=revised

Revisions

Revisions to the data in this survey have been caused by a change to the panel of ISPs.

Summary of revisions

	All subscriptions	Dial-up		Broadband	
		Index	Percentage of all subscriptions	Index	Percentage of all subscriptions
2005	September	0.1	-	0.2	-
	December	0.1	-	0.5	0.1
2006	March	0.3	-0.1	0.7	0.1

BACKGROUND NOTES

1. A recent review of the Monthly Survey to Internet Service Providers recommended a change to the frequency of the survey. As a result, the index of Internet Connectivity has been converted from a monthly to a quarterly publication. The first of such quarterly publications related to March 2006. Data are collected for the final month in each quarter i.e. March, June, September and December.
2. The review of the survey was published on the website in September 2005 and is available at:
http://www.statistics.gov.uk/downloads/theme_commerce/internetconnectivityreport.pdf
3. The Index of Internet Connectivity has been rebased to March 2005 = 100. The rebased series replaced the previous series, based on January 2001 = 100. The index prior to March 2005 was adjusted to be consistent with the new base month, but will not be revised further. The original series was frozen as at December 2005, but will still be available on the National Statistics website.
4. The response to the survey stands at 83 per cent for the current month. Estimates are made for non-responding businesses. The index is not seasonally adjusted.
5. Subscriptions for dial-up connections are those that access the Internet via Integrated Services Digital Network (ISDN) or an analogue modem. Unmetered subscriptions are for dial-up connections where a fixed price is paid per month, quarter or year. Metered subscriptions are for dial-up connections where call charges are made depending on the amount of time spent online, or where a fixed price covers access within defined hours and access at other times is billed. Percentages may not sum to 100 due to independently rounded components.
6. 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.
7. This survey, established in January 2001, surveys a panel of ISPs, collecting data on the number of active Internet subscriptions, types of connections and types of subscriptions. To be regarded as an active subscriber, a subscriber must have accessed the Internet in the month to which the survey refers. Publication of the index commenced in December 2001, in respect of January to October 2001.

8. Information about the e-commerce survey of business and about Internet access by households and individuals is available at:
http://www.statistics.gov.uk/about/Methodology_by_theme/e-commerce_related_activities/default.asp

Revisions

9. In this and future publications, any revisions to data that occur back to June 2005 will be reflected in the publication. Data prior to June 2005 will not be revised, as March 2005 is now the base month for the index. Detailed revisions analyses will not be published for the rebased index until there are sufficient time periods to produce a meaningful measure of statistical significance. The spreadsheets giving information on revisions that related to the index prior to rebasing will still be available on the website at :
<http://www.statistics.gov.uk/statbase/Product.asp?vlnk=8251>

General

10. Details on National Statistics policy governing the release of new data are available from the ONS Press Office.
11. **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 2006.