

18 September 2002

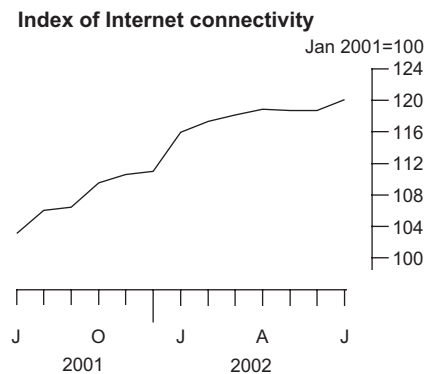
**Coverage**  
United Kingdom  
**Theme**  
The Economy

# Internet connectivity

## July 2002

The latest monthly update to the survey of Internet Service Providers (ISPs) shows that between July 2001 and July 2002 there was a 16.5 per cent increase in the number of subscriptions to the Internet.

At 1.2 per cent the month on month increase between June and July is the largest displayed since February 2002. The number of dial-up subscriptions displayed an increase for the first time since February 2002. Uptake of permanent connections continues to increase due to advertising campaigns on the back of a fall in the price of the broadband technology (see over).



Subscriptions are defined as those that were active during the month in question. The growth during the second quarter of 2002 has been revised downwards due to updated company information.

### Index of Internet connectivity

	All subscriptions	Percentage change on previous month
<i>January 2001=100</i>		
<b>2001</b>		
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
<b>2002</b>		
January	115.9	4.4
February	117.3r	1.2
March	118.1r	0.7
April	118.9r	0.7
May	118.7r	-0.2
June	118.7r	0.0
July	120.1	1.2

r = revised

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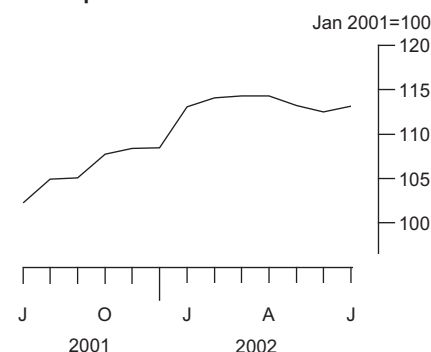
### Dial-up versus permanent Internet connections

In July 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 113.1 and 1060.9 respectively.

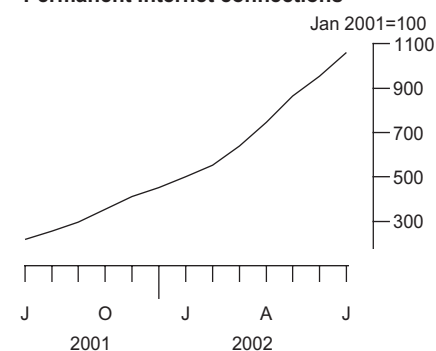
The year on year growth to July 2002 was 10.7 per cent for dial-up connections, with an increase of 0.5 per cent from June to July 2002. The year on year growth was 387.1 per cent for permanent connections, with an increase of 11.4 per cent from June to July 2002. Dial-up connections continued to dominate the overall number of subscriptions, but with permanent connections continuing to increase their share.

Permanent connections made up 6.5 per cent of total subscriptions in July 2002, up from 5.9 per cent in June. 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



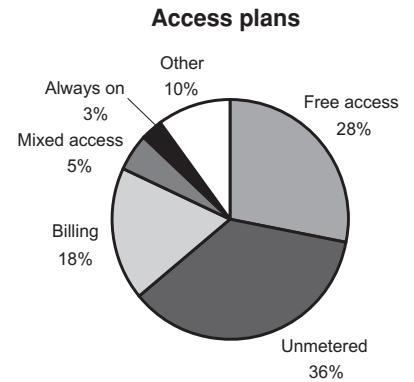
### Dial-up and permanent Internet connections

		Dial-up		Permanent	
		Index	Percentage of all subscriptions	Index	Percentage of all subscriptions
<b>2001</b>	July	102.2	98.45	217.8	1.55
	August	104.9r	98.23	256.5	1.77
	September	105.1	97.95	298.0	2.05
	October	107.7	97.63	354.6	2.37
	November	108.4	97.27	411.4r	2.73
	December	108.4	97.01	452.8	2.99
<b>2002</b>	January	113.1	96.83	501.4	3.17
	February	114.1r	96.54	553.9	3.46
	March	114.3	96.02r	640.6	3.98r
	April	114.3r	95.39r	747.0r	4.61r
	May	113.2r	94.66r	865.0r	5.34r
	June	112.5r	94.11r	952.4r	5.89r
	July	113.1	93.52	1060.9	6.48

r = revised

**Access Plans**

In July 2002, the percentage of subscriptions using free access fell by one percentage point to 28 per cent. Those paying a fixed rate for unmetered access increased to 36 per cent, while billed access for call minutes also fell by one point to 18 per cent. At 5 per cent and 3 per cent respectively, there was no change in the percentage of subscriptions using a mixed plan (fixed rate plus bills for calls) and 'Always on'. 'Other' access accounted for the remaining 10 per cent of subscriptions (up from 9 per cent in June).



**Percentage of subscriptions by access plan**

		Free Access	Unmetered	Billing	Mixed	Always on	Other
<b>2002</b>	January	37	29	18	5	1	10
	February	35 <sup>r</sup>	31	19 <sup>r</sup>	4	1	10
	March	32	33	19	4	2	10
	April	30	35	19	4	2	10
	May	30	35 <sup>r</sup>	19	5	2	9
	June	29 <sup>r</sup>	35 <sup>r</sup>	19	5	3	9
	July	28	36	18	5	3	10

<sup>r</sup> = 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 stands at 75 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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