

17 September 2004

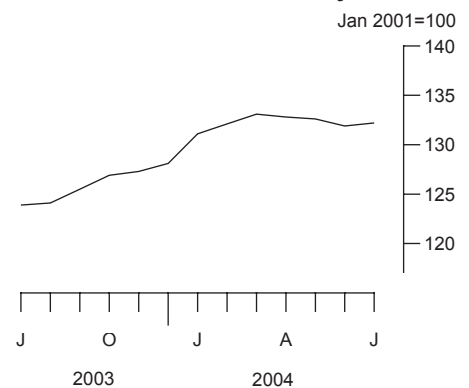
Coverage
United Kingdom
Theme
The Economy

Internet connectivity July 2004

The latest monthly update to the survey of Internet Service Providers (ISPs) shows that between July 2003 and July 2004 there was a 6.7 per cent increase in the number of active subscriptions to the Internet. The index increased by 0.2 per cent between June and July 2004 and this is the first increase in the index since March 2004, following a pattern similar to previous years.

The market share for permanent connections continued to increase in July and now stands at 30.9 per cent compared with 17.0 per cent a year before. The index of dial-up connections, after a peak of 114.5 in February 2002, continues to decrease.

Index of Internet connectivity



Revisions have been made to the index due to late returns and updated company information.

Index of Internet connectivity

	All subscriptions	Percentage change on previous month
<i>January 2001=100</i>		
2003 July	123.9	0.2
August	124.1	0.2
September	125.5	1.1
October	126.9	1.1
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	131.9r	-0.5
July	132.2	0.2

r = revised

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Dial-up versus permanent Internet subscriptions

In July 2004, the indices of active subscriptions for dial-up and permanent connections were 92.1 and 5281 respectively.

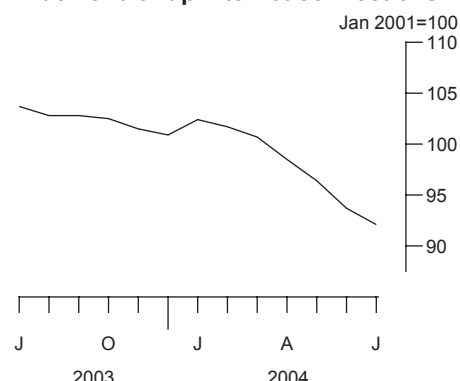
Dial-up Internet connections continued to decrease, with a year on year decrease to July 2004 of 11.2 per cent. The decrease from June to July 2004 was 1.7 per cent.

Permanent Internet connections continued to increase their market share and made up 30.9 per cent of all subscriptions in July 2004 up from 29.5 per cent in June 2004. There was a year on year increase of 93.7 per cent for subscriptions for permanent connections with a monthly increase in June of 4.9 per cent.

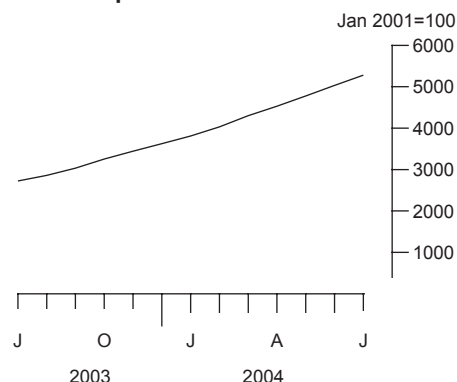
The increase in the market share for permanent connections reflects the continued marketing drive, competitive pricing and the increase in availability of broadband services. However, dial-up still dominates the overall number of subscriptions despite decreasing to 69.1 per cent of all subscriptions in July 2004.

Revisions have been made due to updated company information.

Index of dial-up Internet connections



Index of permanent Internet connections



Subscriptions for dial-up and permanent Internet connections

	Dial-up		Permanent		
	Index	Percentage of all subscriptions	Index	Percentage of all subscriptions	
<i>January 2001=100</i>					
2003	July	103.7	83.0	2726	17.0
	August	102.8	82.2	2858	17.8
	September	102.8	81.3	3033	18.7
	October	102.5	80.2	3254	19.8
	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	96.4r	72.2	4779	27.8
	June	93.7r	70.5	5034r	29.5
	July	92.1	69.1	5281	30.9

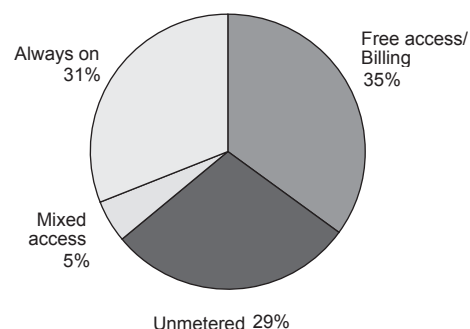
r = revised

Access plans

In July 2004, the percentage of active subscriptions using free access or billed access was 35 per cent, compared with 41 per cent a year before. The percentage of those paying a fixed rate for unmetered access was 29 per cent. The percentage of active subscriptions using a mixed plan (fixed rate plus calls) was 5 per cent, while always-on subscriptions rose to 31 per cent compared with 17 per cent in July 2003.

There are now more subscriptions for always-on connections than unmetered dial-up.

Subscriptions by access plans



Percentage of subscriptions by access plan

		Free Access/ Billing	Unmetered	Mixed Access	Always on
2003	July	41	35	7	17
	August	40	35	7	18
	September	40	34	7	19
	October	40	34	6	20
	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

Table 1R summarises the revisions to the figures published on 18 August 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 company misreporting.

1R Summary of revisions

	All Subscriptions	Dial-up		Permanent	
		Index	Percentage of all subscriptions	Index	Percentage of all subscriptions
2003					
July	-	-	-	-	-
August	-	-	-	-	-
September	-	-	-	-	-
October	-	-	-	-	-
November	-	-	-	-	-
December	-	-	-	-	-
2004					
January	-	-	-	-	-
February	-	-	-	-	-
March	-	-	-	-	-
April	-	-	-	-	-
May	-	-0.1	-	-	-
June	-0.1	-0.1	-	-4	-

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 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 Survey to Internet Service Providers (ISPs). This survey, 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 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 81 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 will commence 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 28 months (bias)	Average over the last 28 months without regard to sign (average absolute revision)
All subscriptions	132.2	0.28	0.93
Dial-up subscriptions	92.1	-0.10	0.72
Permanent subscriptions	5281	15.00	19.95

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 will next be updated in the 19th October 2004 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 2004.