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Coverage
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Theme
The Economy

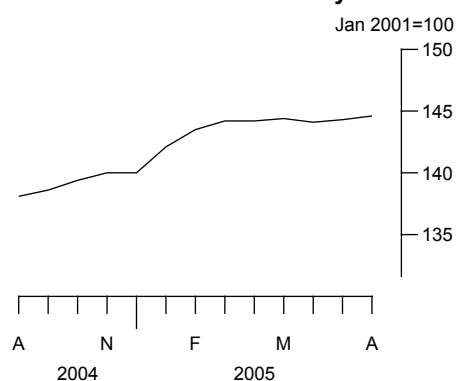
Internet connectivity August 2005

The latest monthly update to the survey of Internet Service Providers (ISPs) shows that in August 2005, broadband¹ connections formed 55.7 per cent of all Internet connections, up from 54.3 per cent in July 2005.

The index of all connections showed that between August 2004 and August 2005 there was a 4.7 per cent increase in the total number of active subscriptions to the Internet. The index increased by 0.2 per cent between July and August 2005.

Dial-up connections continued to decline and now account for 44.3 per cent of all Internet connections.

Index of Internet connectivity



Index of Internet connectivity

	All subscriptions	Percentage change on previous month
<i>January 2001=100</i>		
2004 August	138.1r	0.0
September	138.6r	0.4
October	139.4r	0.6
November	140.0r	0.4
December	140.0r	0.0
2005 January	142.1r	1.5
February	143.5r	1.0
March	144.2r	0.5
April	144.2r	0.0
May	144.4r	0.1
June	144.1r	-0.2
July	144.3r	0.1
August	144.6	0.2

r = revised

1. See background note 1.

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Broadband and dial-up Internet connections

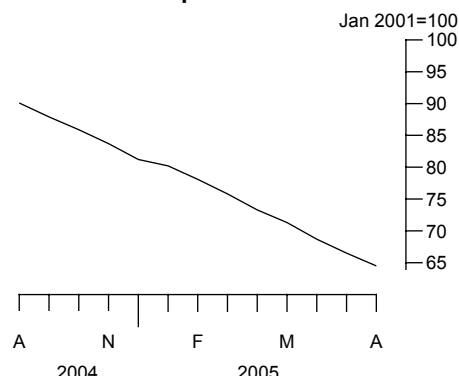
In August 2005, the indices of active subscriptions for dial-up and broadband connections were 64.5 and 10423 respectively, when compared to their base of 100 in January 2001.

Dial-up connections continued to decrease, with a year on year fall to August 2005 of 28.4 per cent. The monthly decrease, from July to August 2005, was 3 per cent.

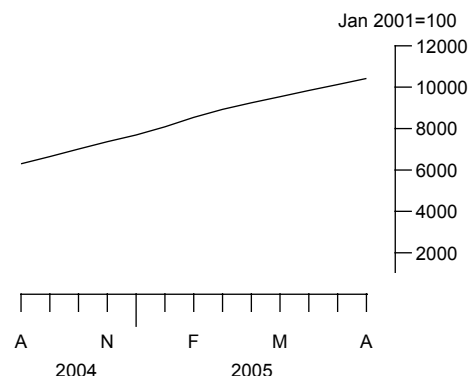
Broadband connections continued to increase their market share and made up 55.7 per cent of all connections in August 2005, up from 54.3 per cent in July 2005. There was a year on year increase of 65.4 per cent, with a monthly increase of 2.9 per cent in August 2005.

Until April 2005, dial-up connections formed the majority of connections to the Internet. However, the index of dial-up connections has been declining since it peaked at 114.3 in February 2002. The market share of broadband connections has been increasing since the index began, reflecting its growing popularity and availability, and in May 2005 broadband connections overtook dial-up.

Index of dial-up Internet connections



Index of broadband Internet connections



Subscriptions for dial-up and broadband Internet connections

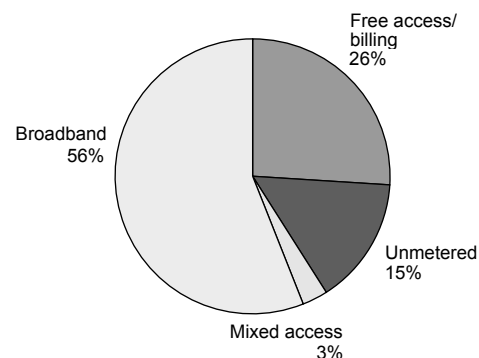
	Dial-up		Broadband		
	Index	Percentage of all subscriptions	Index	Percentage of all subscriptions	
<i>January 2001=100</i>					
2004	August	90.1r	64.7r	6301	35.3r
	September	87.9r	62.9r	6649	37.1r
	October	85.9r	61.1r	7012	38.9r
	November	83.7r	59.3r	7368	40.7r
	December	81.2r	57.5r	7691	42.5r
2005	January	80.2r	56.0r	8087	44.0r
	February	78.1r	54.0r	8539	46.0r
	March	75.8r	52.1r	8932	47.9r
	April	73.3r	50.5r	9244	49.5r
	May	71.3r	49.0r	9538	51.0r
	June	68.7r	47.3r	9838	52.7r
	July	66.5r	45.7r	10128	54.3r
	August	64.5	44.3	10423	55.7

r = revised

Type of subscription

In August 2005, the percentage of active subscriptions using free or billed dial-up access was 26 per cent, compared with 34 per cent a year before. The percentage of those paying a fixed rate for unmetered dial-up access was 15 per cent compared with 26 per cent a year before. The percentage of active subscriptions using a mixed subscription type (fixed rate plus calls) has remained at 3 per cent since February 2005, while broadband subscriptions rose to 56 per cent compared with 35 per cent in August 2004.

Subscription by type



Percentage of subscriptions by type

		Free access/ billing	Unmetered	Mixed access	Broadband
2004	August	34r	26r	5	35
	September	34r	25r	4	37
	October	33r	24r	4	39
	November	32	23r	4	41r
	December	31	22r	4	43r
2005	January	31r	21r	4	44
	February	31r	20r	3	46
	March	30r	19r	3	48
	April	29	18r	3	50r
	May	28r	18r	3	51
	June	27	17r	3	53r
	July	27r	16r	3	54
	August	26	15	3	56

r = revised

Revisions

The entire index is under continual review to ensure that ONS publishes its best estimates. Revisions have been made to the figures published on 20 September 2005, as a result of previously non-responding businesses providing dial-up data that were lower than estimated.

Summary of revisions

		Dial-up			Broadband	
		All subscriptions	Index	Percentage of all subscriptions	Index	Percentage of all subscriptions
2004	August	-0.6	-0.6	-0.2	-	0.2
	September	-0.8	-0.8	-0.2	-	0.2
	October	-0.9	-0.8	-0.3	-	0.3
	November	-0.9	-0.9	-0.3	-	0.3
	December	-0.9	-0.9	-0.3	-	0.3
2005	January	-0.9	-0.9	-0.3	-	0.3
	February	-0.9	-0.9	-0.3	-	0.3
	March	-0.9	-0.9	-0.3	-	0.3
	April	-0.9	-1.0	-0.3	-	0.3
	May	-1.1	-1.0	-0.3	-	0.3
	June	-1.1	-1.0	-0.3	-	0.3
	July	-0.9	-1.0	-0.4	-	0.4

BACKGROUND NOTES

1. As a commonly used term and a widely understood concept, “broadband” has replaced the term “permanent” that was used until the April 2005 index of Internet connectivity release.
2. 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. An active 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.
3. The index of connectivity uses January 2001 as the base month. The index expresses the current month as a percentage of the base month. The response to the survey stands at 78 per cent for the current month. Estimates are made for non-responding businesses. The index is not seasonally adjusted.
4. Subscriptions for dial-up connections are those that access the Internet via Integrated Services Digital Network (ISDN) or an analogue modem. Free access/billing subscriptions are for dial-up connections where call charges are either paid to the telecommunications supplier or direct to the ISP. Unmetered subscriptions are for dial-up connections where a fixed price is paid per month, quarter or year. Mixed access subscriptions are for dial-up connections where a fixed price covers access within defined hours and access at other times is billed.
5. 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. A review of the survey was published on the website in September 2005.
http://www.statistics.gov.uk/downloads/theme_commerce/internetconnectivityreport.pdf
6. The Office for National Statistics publishes an updated First Release each month. Comments are welcomed.
7. The term “broadband” for the purpose of this release includes Digital Subscriber Line (DSL) broadband, cable broadband and leased lines.
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. 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 themselves be subject to sampling or other sources of error. The table covers estimates of the index of Internet connectivity first published in December 2001 in respect of January 2001. A spreadsheet giving a revisions triangle (real time database) of estimates from January 2001 to August 2005 and the calculations behind the averages in the table are 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 43 months	Average over the last 43 months without regard to sign (average absolute revision)
All subscriptions	144.6	0.65	1.68
Dial-up subscriptions	64.5	-0.39	0.92
Broadband subscriptions	10423	94.91	98.14

A statistical test has been applied to find out if the average revisions are significant. No statistically significant revision was identified.

More information about the revisions material in the release can be found on the National Statistics website at:
http://www.statistics.gov.uk/about/Methodology_by_theme/revisions_policies/default.asp

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 2005.