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Coverage
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Theme
The Economy

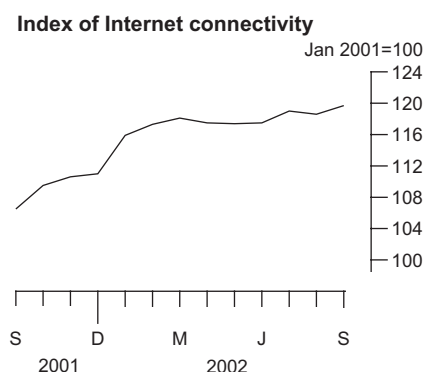
Internet connectivity

September 2002

The latest monthly update to the survey of Internet Service Providers (ISPs) shows that between September 2001 and September 2002 there was a 12.4 per cent increase in the number of subscriptions to the Internet. The month on month change between August and September 2002 was 0.9 per cent.

The number of Internet subscribers has increased in September, more than compensating for the fall that was seen in August. Both dial-up and permanent connections showed increases in September, with permanent connections continuing to increase its share of the total of all Internet subscriptions.

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		
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	117.3	1.2
March	118.1	0.7
April	117.5	-0.5
May	117.4	-0.1
June	117.5	0.1
July	119.0	1.3
August	118.6	-0.3
September	119.7	0.9

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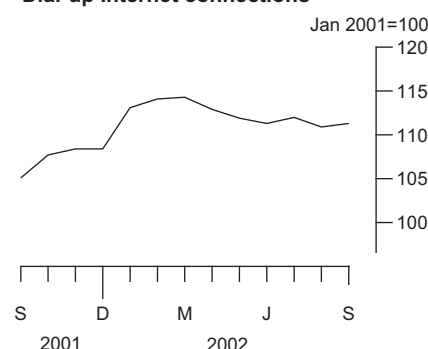
Dial-up versus permanent Internet connections

In September 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 111.3 and 1269.5 respectively.

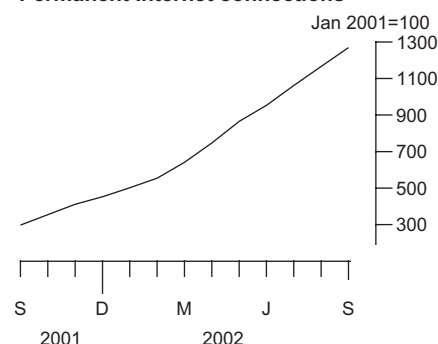
The year on year growth to September 2002 was 5.9 per cent for dial-up connections, with an increase of 0.4 per cent from August to September 2002. The year on year growth was 326.0 per cent for permanent connections, with an increase of 8.9 per cent from August to September 2002. Dial-up connections continued to dominate the overall number of subscriptions, but with permanent connections continuing to increase their share.

Permanent connections made up 7.8 per cent of total subscriptions in September 2002, up from 7.2 per cent in August. 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

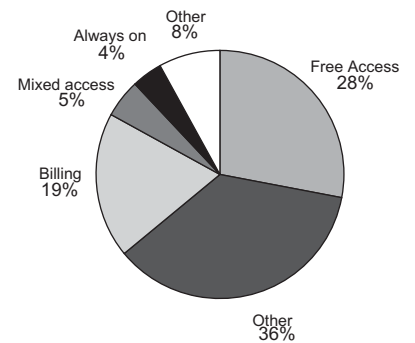
		Dial-up		Permanent	
		Index	Percentage of all subscriptions	Index	Percentage of all subscriptions
2001	September	105.1	97.95	298.0	2.05
	October	107.7	97.63	354.6	2.37
	November	108.4	97.27	411.4	2.73
	December	108.4	97.01	452.8	2.99
2002	January	113.1	96.83	501.4	3.17
	February	114.1	96.54	553.9	3.46
	March	114.3	96.02	640.6	3.98
	April	112.9	95.34	747.0	4.66
	May	111.9	94.60	865.1	5.40
	June	111.3r	94.05	952.6	5.95
	July	112.0	93.46	1061.3	6.54
	August	110.9	92.79	1166.0r	7.21
	September	111.3	92.22	1269.5	7.78

r = revised

Access Plans

In September 2002, the percentage of subscriptions using each access plan remained at the levels they were in August 2002. The only exceptions were 'Always on' and 'Other'. The levels for each access plan were; Free Access (28 per cent), Unmetered Access (36 per cent), Billing (19 per cent), Mixed access (5 per cent). 'Always-on' subscriptions rose to 4 per cent of the total, 'Other' subscriptions fell to 8 per cent of the total.

Subscriptions by access plan



Percentage of subscriptions by access plan

		Free Access	Unmetered	Billing	Mixed Access	Always on	Other
2002	January	37	29	18	5	1	10
	February	35	31	18	4	1	10
	March	32	33	19	4	2	10
	April	30	35	19	4	2	10
	May	29	35	19	5	2	10
	June	29	35	19	5	3	10
	July	27	36	18	5	3	10
	August	28r	36r	19	5	3	9
	September	28	36	19	5	4	8

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, 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 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 74 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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