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Coverage
United Kingdom
Theme
Economy

Internet sales rise 29 per cent to £130bn in 2006

2006 e-commerce Survey of Business

The value of Internet sales by UK businesses rose to £130.4bn in 2006, an increase of 29.1 per cent on the 2005 figure of £101bn, according to estimates from the latest annual e-commerce survey published today by the Office for National Statistics (ONS).

The results of the 2006 survey, which was based on businesses with ten or more employees, show growth in the use of Information and Communication Technologies (ICTs) and large increases in the value of trade over the Internet.

The results highlight greater use of ICTs by the largest businesses (those with 1,000 or more employees) and that saturation is being reached by most sizes of business surveyed, in some ICTs, such as computer use, Internet access and use of broadband.

Other key findings of the survey include:

- Internet sales represented 6.5 per cent of the total value of all sales by non-financial sector businesses in 2006.
- Internet sales accounted for 36.8 per cent of the value of sales over all kinds of ICTs in 2006, up from 33.1 per cent in 2005.
- 27.1 per cent of the value of all purchases made by non-financial sector businesses were made over the Internet or other ICTs in 2006.
- Just over 52 per cent of businesses used the Internet to interact with public authorities, such as government departments and local and regional authorities in 2006.
- Almost one in five businesses employed ICT specialists in 2006.

The largest businesses have led the way with the adoption of new ICTs, as shown by the use of broadband. Nearly 99 per cent of businesses with 1,000 or more employees had broadband (DSL or other fixed connection) in 2006, compared to 70.3 per cent of those with 10 to 49 employees.

Detailed results and analysis on the 2006 estimates of the use of ICTs by businesses and the values of e-commerce are available via the link below (see Background Note 7).

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BACKGROUND NOTES

1. Businesses with employment of less than 10 were not included in the 2006 survey. These businesses were covered until the 2004 survey, which means that some headline results of the 2005 and 2006 surveys are not directly comparable with earlier years.
2. Some 8,000 UK businesses with 10 or more employees were questioned on e-commerce and ICT usage in the survey, now in its seventh year.
3. Banking and Financial businesses are excluded from estimates relating to the proportions of businesses buying and selling over ICTs, and the values of their sales and purchases.
4. The survey was given experimental status for the 2002 survey results, which remained in place until the 2005 survey. This year the survey has been reviewed and has met the criteria for National Statistics status.
5. The definition of e-commerce has been agreed by the OECD and the European Union. It is the method by which the order is placed which determines whether a transaction is e-commerce - not the payment or delivery channel.
6. The 2004 and 2005 estimates of ICT usage and electronic trading have been revised as a result of updated estimates provided by businesses. 2002 and 2003 estimates have not been revised.
7. The detailed results of the 2006 survey can be found on the National Statistics website at
<http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=6645>
8. Details of all ONS e-commerce reports can be found at
www.statistics.gov.uk/about/methodology_by_theme/e-commerce_related_activities/default.asp
9. Details of the policy governing the release of new data are available from the ONS press office.
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