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**Coverage**

United Kingdom

**Theme**

The Economy

## Value of Internet sales rises 81 per cent in 2004

### 2004 e-commerce Survey of Business

The value of Internet sales by businesses rose to £71.1 billion in 2004, an increase of 81 per cent on the 2003 figure of £39.3 billion. This is according to experimental statistics from the latest annual e-commerce survey, published today by the Office for National Statistics (ONS).

The results of the 2004 survey show growth in the use of Information and Communication Technologies (ICTs) and large increases in the value of trade over the Internet.

The results also highlight significantly greater use of ICTs by the largest businesses (those with 1000 or more employees) and show that saturation is being reached by these businesses in the use of some ICTs, such as having a website or having a broadband Internet connection.

Other key findings of the survey include:

- The value of Internet sales to households rose to £18.1 billion in 2004 from £10.8 billion in 2003, a rise of 67.6 per cent.
- 6.7 per cent of businesses sold over the Internet in 2004 (5.4 per cent in 2003) while 35.3 per cent made purchases over the Internet in 2004 (29.4 per cent in 2003).
- 32 per cent of businesses with 1000 or more employees sold over the Internet in 2004 and 70.3 per cent purchased over the Internet in 2004.
- Internet purchases by businesses rose 64.6 per cent, from £37.9 billion in 2003 to £62.4 billion in 2004.
- 33.8 per cent of businesses had a website in 2004, compared to 30.7 per cent of businesses in 2003. Of businesses with 1000 or more employees, 98.1 per cent had a website in 2004.

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For businesses with an Internet connection, the use of broadband as the primary connection method rose from 25.7 per cent in 2003 to 42.3 per cent in 2004, an increase of 64.6 per cent.

## BACKGROUND NOTES

1. Financial businesses are excluded from estimates relating to the proportions of businesses buying and selling over ICTs, and the values of their sales.
2. Some 12,000 firms were questioned on ICT usage in the survey, now in its fifth year.
3. 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.
4. The 2002 and 2003 estimates of electronic trading have been revised as a result of updated estimates provided by businesses.
5. The 2004 e-commerce survey results are being published as a single release. The detailed results can be found on the National Statistics website at <http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=6645>
6. 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](http://www.statistics.gov.uk/about/methodology_by_theme/e-commerce_related_activities/default.asp)
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