

FOR IMMEDIATE RELEASE

SCOTLAND LEADS THE UK IN INTERNET PHONE SERVICES

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Scotland leads the UK in making phone calls over the internet – so called VoIP services, according to Ofcom research published today. It shows 19% of internet users in Scotland (19%) use VoIP.

In its Communications Market Report for Scotland, Ofcom examines availability, take-up and usage of internet, telecommunications and broadcasting services. It compares findings across Scotland with those in Wales, Northern Ireland and the nine English Regions.

This is the second time Ofcom has undertaken such research in Scotland. Last year's report showed significant differences, particularly in take-up levels of broadband and digital television, both between the nations and also between those living in urban and rural areas. This year's report shows those gaps are closing. In 2005 there was a twelve percentage point gap between the number of adults with broadband at home in Northern Ireland (lowest at 24%), Wales (25%), Scotland (31%) and England (highest at 36%). This year's report shows that by 2006 this gap had reduced to three percentage points. Take-up in Scotland, Wales and Northern Ireland stood at 42% and in England had reached 45%.

In 2005 the gap between the nations in terms of digital television take-up was even larger at 19 percentage points (Wales at 72%, England at 66%, Scotland at 60% and NI at 53%). By 2006 this gap had reduced to 13 percentage points (Wales at 82%, Scotland at 76% and NI at 69%). In 2006 Scotland moved just ahead of England (76% vs. 75%).

KEY FINDINGS ACROSS SCOTLAND

INTERNET AND TELECOMMUNICATIONS

- Consumers in Scotland believe that having a landline phone available to every household is almost as important as having an electricity supply.
- 2G mobile phone coverage is lower in Scotland than in all other nations. Geographic coverage is 92% in Scotland (equivalent to 98% population coverage) compared to a 99% UK average.
- Scotland had the highest level of broadband take-up among small to medium sized businesses at 67%. England stood at 64%, Northern Ireland at 52% and Wales at 47%.
- People in Scotland are most likely to rely on a mobile phone as their only telecommunications device. Some 14% live in households that rely solely on a mobile compared to a 10% UK average. Household take-up of fixed line telephones is also lower in Scotland (85%) than any other nation (the UK average was 90%).

BROADCASTING

- In 2006 local commercial radio in Scotland generated the highest radio revenue per head at almost £10 compared to the other nations. English stations generated £7.81 per head while in Northern Ireland and Wales commercial radio generated £6.66 and £6.39 respectively. In

Scotland, local commercial radio had a 43% share of total radio listening in 2006 compared to a UK average of 32%.

- More people in Scotland rely on newspapers for their national and regional news than in the rest of the UK. When asked what their main source of national and regional news was 24% of Scots cited newspapers (14% UK average). Conversely, fewer Scots (59%) cited TV news as their main source than the UK average (68%).
- Viewers in Scotland watch more television each day (4.1 hours per day) than viewers in any other nation (UK average 3.8 hours per day). However, viewing in Scotland has fallen by 8.8% over the four years to 2006.
- Scottish national television output is the most expensive regional or national programming on a cost-per-hour basis in the UK - £34,000 per hour against a UK average of £26,000.

DIGITAL COMMUNICATIONS IN RURAL AND URBAN SCOTLAND

The report also includes the results of research carried out into take-up and availability of communications services in rural and urban areas of Scotland. In urban Scotland 54% have broadband at home compared to 45% in rural areas. The research found that many rural dial-up internet users don't have broadband either because they are satisfied with their dial-up service (46%) or are not interested in upgrading (12%).

Those surveyed said they had little interest in new communications services. When asked which services they would like to be made available that they currently cannot access 2% of respondents in rural areas said they would like DAB radio, 1% would like 3G mobile and 1% said they wanted digital TV to be made available. Response levels in urban areas were the same or lower.

Ofcom Chief Executive Ed Richards said: "The geographic gap between the digital haves and have-nots in the UK has been gradually narrowing, but we need to do more to ensure that everyone is able to benefit from the economic and social benefits modern communications offer".

Vicki Nash, Director of Ofcom Scotland, said: "Last year Scotland lagged behind on digital television and broadband. Today we have pulled level with the rest of the UK and are leading the way in using internet phone services."

Ofcom is today also publishing a UK-wide report and other supplementary reports for Wales, Northern Ireland and the English Regions. The full text of all reports can be found at: <http://www.ofcom.org.uk/research/cm/cm07/>

Ends.

NOTES FOR EDITORS AND CSEs

1. Ofcom is the independent regulator and competition authority for the UK communications industries, with responsibilities across television, radio, telecommunications and wireless communications services.

For further details please visit www.ofcom.org.uk.

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