



**Isle of Man
Chamber of Commerce**
sheshaght LUGH-TRAGHTEE eLLAN VANNIN

64th Annual General Meeting 1956 – 2019

Annual Report 2018/19

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COUNCIL MEMBERS 2018/19

Honorary Officers

President	Chris Allen
Vice-President	Caren Pegg
Treasurer	Jennifer Lowe
Past President	Micky Swindale

Committee Chairs

Chair Construction Committee	Stephen Smyth
Chief Employment & Skills Committee	Karen Corran
Chair STEM Committee	David Hester
Chief Finance & Professional Services Committee	Stuart Nelson
Chair Digital Committee	Deb Byron
Chair Retail Committee	Andrew Corrie
Chair Visitor Economy Committee	Brett Martin
Chair Road, Sea & Air Committee	Steve Pickett
Chair of the FUEL Committee	Claire Watterson

Council Members

Miles Benham
Carol Glover
Bill Mummery
Ron Berry
Trudi Williamson

PRESIDENT'S ADDRESS

September marks the AGM and the formal end to my presidential term. Those of you that keenly follow Chamber's activities will already be aware that my presence at Chamber events as President ceased in March, 18 months into my 24 month term, as my circumstances at work unexpectedly changed requiring more of my time away from the island, so I felt it appropriate to stand down as I would not be physically present at Chamber events.

I am grateful to Caren Pegg for her willingness to step in at that time as Acting President until the AGM, at which she will formally receive the Presidential chain of office to commence her presidential term.

I have really enjoyed my time on the Board of Chamber and as President. I am proud of the achievements of Isle of Man Chamber of Commerce over the last two years.

My term started with agreement with the Directors on a clear Vision and Mission statement.

Our Vision – to be the Isle of Man's Leading Business Community.

Our Mission – to represent the voice of business in the Isle of Man, fostering business relationships and driving economic growth.

In support of this Vision and Mission for my Presidential term you will have seen significant change for the better with increased benefits on offer to you as our valued members.

Our membership has grown which is a good reflection of the perceived value of membership and the pursuit of our objective to offer more value to our members. We also took the bold step to move away from our traditional offices in Athol Street into new vibrant and exciting premises in the Eagle Lab which gave us a more easily accessible central location. This venue has proved to be everything that we had hoped it would be for events, networking, accessibility and image. This link with Eagle Lab has also allowed us to pursue another objective to support new and emergent business on the Isle of Man in the form of entrepreneurs and start-up businesses on the island.

In September 2018 we also launched the new Business Connex service which was originally conceived as a business 'conciierge' service but has surpassed our expectations in the role that it performs and the service it delivers to new and existing businesses and business people. Jessica Kitchin was specifically recruited to head up the service and has done a marvellous job of taking the embryonic idea and turning it into a jewel in the crown of our service offering. Jessica will tell you more about the activities of the Business Connex service later in this report.

Chamber now has key representation on the new Government agencies which was one of the key objectives highlighted two years ago. This is perceived as an important vehicle to link business and government in support of economic growth projects which are aligned with our variety of business sectors.

As you have come to expect, Chamber continues to represent the interests of the business community with government through our participation in government forums, the new DfE Agencies, scrutiny and comment on government Policies and initiatives and in our response to government consultations that have a bearing on or directly impact the business community. This term has been no different. Your Chamber committees have worked tirelessly behind the scenes responding and commenting on a huge list of topics.

Lastly internally within Chamber we have implemented changes involving a re-structuring of the Board to improve governance and remove cumbersome red tape in decision making, resulting in a slimmer and more effective leadership team.

I am sorry to stand down but leave Chamber in the hands of some very capable people. Chamber is a well-run organisation with really good people and really brilliant business members and I wish them every success in the future.

Chris Allen
President

TREASURER'S REPORT

The year ended 31 March 2018 has been a profitable year for the Chamber. The Chamber of Commerce is essentially a 'not for profit' organisation, however, the profit experienced during 2018 has helped to cover some of the prior year losses experienced in recent years.

Overall membership income has remained largely consistent during 2018 compared to 2017, as there was very little movement in the membership numbers and there has been no change to the members' subscriptions fees since 2016. The increase in overall income since the previous year is predominantly due to the net increase in documentation fees income and functions income, which is testament to the hard work put in by Rebecca and Julie in servicing both the Certificates Of Origin and organising a larger number of successful events, workshops and forums.

During June 2018, the Chamber entered into a new lease agreement on the new Eaglelab premises on Victoria Street, working in collaboration with Barclay's PLC and the Department of Enterprise. The move to the Eaglelab has led to a reduced rental expenditure for the Chamber compared to the previous premises on Athol Street. The cost savings on rent will be reflected in financial year ended 31 March 2019. As a result of the move to the Eaglelab,

Chamber has also re-registered for VAT with effect from 1 April 2018.

During 2018, the overall expenses have reduced substantially compared to the prior year. The main reason for the reduction is that in the prior year (Jan 2017), the number of staff employed by the Chamber reduced from 3 to 2, following the departure of the CEO. The savings on the salary costs and the move to the Eaglelab enabled the Chamber to enter into a formal marketing programme in 2018, in a bid to increase new memberships and also improve the website and offerings to existing members.

The audit of the financial statements for the year ended 31 March 2018 is now complete and we would like to extend our thanks to our auditors Crowe Isle of Man Audit LLC.

Below is an extract of the Statement of Comprehensive Income taken from the final audited financial statements for the year ended 31 March 2018:

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Income			
Subscriptions	1(b)	88,936	89,232
Functions	1(b)	13,861	9,943
Documentation Fees	1(b)	19,065	8,161
Bank Interest		1,125	63
Consultancy & Other Services		417	-
		<hr/>	<hr/>
		123,404	107,399
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TREASURER'S REPORT CONT'D

Expenditure

Staff Costs	42,005	75,304
Accommodation: Rent and Expenses	35,453	31,043
Meeting Expenses and Sundries	3,498	4,479
Marketing	8,530	4,329
Irrecoverable VAT	-	3,445
Depreciation	1,122	1,106
Printing, Stationery and Postage	1,073	1,033
Affiliation Fees	1,155	337
Training and Travel	112	430
	<hr/>	<hr/>
	92,948	121,506
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Surplus/(deficit) for the year and total comprehensive income/ (expense) transferred to/ (drawn from) capital account	30,456	(14,107)
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Jennifer Lowe
Treasurer

BUSINESS CONNEX REPORT

Since its conception in November 2018 and official launch in January 2019, Business Connex (BCX) has assisted over 60 entrepreneurs, businesses and individuals requiring support in navigating the entrepreneurial eco-system and local business community. These prospects have come from a range of sectors including education, blockchain, gaming, aerospace, tech, and finance and range across a variety of jurisdictions including the UK, USA, Hong Kong, South Africa, and Latvia.

Starting life as a “concierge” service designed for the sole purpose of assisting inward investment relocating to the Isle of Man, BCX has rapidly evolved into an all-encompassing conduit and advisory service, accessible to any business, start-up, entrepreneur or individual who requires introduction into relevant business connections and assistance with starting a life on the Isle of Man.

For individuals and businesses that are new to the Island, BCX offers a welcoming, seamless and stress-free landing pad, including a “keeping in touch” service to ensure we are doing everything we can to retain our relocates.

For a local start-up, BCX can offer valuable instant, objective insight and connection to the business community who can offer support and mentorship that is so valuable during a business’s start-up phase. As a result of BCX, individuals have landed here a lot quicker than anticipated and local businesses have been given access to services and knowledge that they might have otherwise struggled to locate.

Working with both DfE and Eagle Lab, BCX has heavily contributed to building an entrepreneurial community that offers start-ups an inclusive and supportive environment to share highs and lows and the opportunity forge strong relationships with likeminded and useful connections, all of which contributes to giving a new resident or local business owner a sense of belonging, community and connection.

The offering has a three-pronged approach, in that it offers value added resource to:-

- ▶ DfE Agencies
- ▶ Industry stakeholders in terms of support for both clients and new staff
- ▶ Local start-ups with a strong cultural understanding of the Isle of Man but who have limited or basic knowledge of business

We are extremely proud that BCX has been written into the locate.im strategy and the Blockchain welcome package as a recommended resource.

As the Island’s largest business network, we believe the Isle of Man Chamber of Commerce is perfectly placed to utilise our wide-spread, objective and strong relationships with existing on-Island businesses to assist us in offering support for emerging business and personal relocation.

BCX is a free of charge service available to any business, entrepreneur or company employee, new to the Island or setting up here, looking for sign posting and navigation around the start-up/ and relocation offerings.

Not only does BCX provide facilitation, navigation and introductions it also directs and links to informative/ topical training and events. A great example of this was the signposting of drop in immigration sessions to all BCX clients who have expressed a need for immigration support.

As a service, BCX perfectly complements the work of both industry and Government. Industry currently provide the greatest generation of leads, one of the Big Four accountancy firms directing all new staff to BCX is just one great example of how the service is being utilised.

Another key benefit that became evident early on was how effective BCX can be at linking on Island businesses that have synergies, one example of this was the introduction of a high-end property consultant that works with high net worth individuals with a high net worth banking provider.

BCX also conducts regular surveys which will contribute to building the wider picture on barriers, positives and negatives of IoM relocation for both businesses and personal re-locatees. All feedback received is fed into the Department for Enterprise.

Business Connex has surpassed everyone’s expectations and as it has evolved new opportunities have been identified to utilise the strength of Chamber’s business network. The results in the first 11 months clearly demonstrate that Chamber is the perfect platform to offer this service. Not only does Business Connex offer the ability to connect quickly with the right people and organisations, it also directs businesses to local service providers. From our hospitality members to our finance, ICT, and manufacturing and construction committees, the power of Chamber’s network means connections have been made and relationships formed because of the navigation and signposting that Business Connex provides.

Jessica Kitchin
Manager, BCX

AIR, SEA AND ROAD COMMITTEE

(PREVIOUSLY THE TRANSPORT COMMITTEE)

The Committee has been reformed and renamed this year, in a bid to attract new members from a wider variety of industry sectors within the Isle of Man. With more than 15 members now subscribed, we are pleased with our first year in operation. There has been a number of projects that we have been involved with and pleased to contribute too, the key projects and updates are provided below.

Isle of Man Steam Packet Company (SPC) Heads of Terms and Sea Services Agreement

The Isle of Man Government acquired 100% of the Steam Packet Company shares in 2018, and was seen as a positive step from the majority of members. This also presented the opportunity for local businesses to have their say on how the SPC could improve its services and in the hope of freeze of freight rates against the previously imposed annual rate rises driven by the previous User Agreement. In collaboration with the Business Agency Board and Chamber's Retail Committee, the view of the members were presented to Government MHK's and Isle of Man Newspapers, prior to approving the new Sea Services Agreement. Although it is difficult to ascertain whether this had an impact on the final agreement or not, we did succeed in raising awareness of the key issues which were certainly discussed in Tynwald and across the Islands businesses. Although freight rates are unlikely to decline moving forward, there has been a change in the mechanism on how rate increases are calculated, now based on Manx CPI rather than RPI linked.

With the Liverpool port secured to support the tourism sector and the planned investment in new facilities and vessels by the Company in the coming years, backed up by a robust Sea Services Agreement, the Steam Packet Company is in a strong position to provide sustainable freight and passenger operations well into the future.

Air Services

In general, the airfreight services to and from the Island do not provide sufficient departures for freight operators to preferred regions of the UK, as most freight is pushed through the north and midlands airports, even though the final destination may be the south of England. There has been ongoing negotiations for a new entry into the market, but we have not seen any significant progress to date, although this may be one for the future. The Government is reviewing routes, frequency and critical gateway protection, as well as considering optional routes proposed by local businesses and we look forward to working with them through this process.

With the takeover of Flybe by the Connect Airways consortium, backed by Virgin Atlantic and Stobart aviation, this will have stabilised the business for the foreseeable future, providing vital services to passengers to maintain critical medical links with the UK's NHS and business connections throughout the UK and Europe. Easyjet continue to provide competitive services to destinations across the UK and connections further afield, which we hope will continue to maintain the overall number of daily departures, at a fair price to business users and sustainable services to the key trading regions.

Operator Licence Compliance for Goods Vehicle Operators

New to the Island in 2018, heavy goods vehicle operators must now be registered. Through a series of workshops and consultation between the Department for Infrastructure and local businesses over the past 2 years, supported by the Chamber, this now forms part of transport law in the Isle of Man. The introduction of these new regulations, are to ensure that vehicles are road worthy, regularly maintained and inspected by competent persons. Both operators and drivers must follow best practice to ensure the continued safety of our roads.

Looking Forward....

With the RSA committee now meeting on a regular basis and these key projects behind us, the sector will refocus on the current challenge. These include; Employment through recruitment and training to ensure future resources are sustained within the sector. Continued close collaboration with Chamber partners and Government agencies to support ongoing projects, such as Brexit.

The future challenges facing the industry are; the impact of fuel costs, impacted by global relations, the value of sterling and introduction of hybrid and electric vehicles. Minimum wage, which is expected to impact the industry substantially from 2019.

The Committee will continue to support the Government Business Agency Model and help to formulate an overarching logistics strategy for the Island in 2020 to ensure these lifeline and critical services are maintained and continue to support the Islands infrastructure and business community.

Steve Pickett
Air, Sea and Road Sector Lead

CONSTRUCTION COMMITTEE

2018/19 has seen further co-operation between the construction industry's various stakeholder groups. The prospect of a single body to represent and promote the sector is now a real possibility for 2020.

Chamber's construction members, within the wider Construction Forum have been working closely in the past year with DfE and the Construction Federation, which represents the island contractors and runs the MACCS scheme. A Leadership Group has been formed and we've been working on a joint strategy for the industry, this to be taken forward by a newly formed 'Construction Isle of Man' body. It is envisaged that this new body will encompass not only contractors, but also the specialist consultancy disciplines, trades, suppliers and anyone with an interest in the sector.

Crucial to this will be the appointment of a new public/private funded 'Construction Champion'. They would co-ordinate delivery of the strategy, manage accreditations to a re-scoped MACCS scheme, promote the sector and become an industry spokesperson and point of contact for Government departments and other outside bodies. A paper is being prepared for consideration by DfE's Business IOM Agency aimed at securing the public aspect of the funding required. We then hope to have someone in the post as early as possible in 2020.

Promotion of the construction sector has continued in the meantime, focussing on schools and young people. The small, dedicated team behind the 'THINK Construction IOM initiative continue to post industry news, vacancies and careers promotion material to a growing band of followers on social media. There was an impressive presence at the Employability and Skills Fair last November and attendance at school careers fairs and assemblies has continued since. This work is certainly bearing dividends with impressive levels of enrolment and interest in UCM's construction trade courses, bucking the wider UK trend.

Training the island's next generation of architects, engineers, quantity surveyors etc is perhaps more of a challenge as these courses have not historically been provided on island. We've therefore taken a keen interest in UCM's aspiration to secure a higher education partner institution and made a submission, urging the selection of a partner with a strong construction faculty.

The Construction Forum continues to meet monthly and in the past year has engaged speakers on topics ranging from the Douglas Promenade scheme, DOI Highways'

input to planning applications, building control and construction waste management.

Representatives have met with the Cabinet Office's Planning Policy team to discuss the Eastern Area Plan. Some of these discussions centred on the prioritisation of brownfield site development and we've noted ongoing public debate on this issue. If brownfield development is to be prioritised, it needs to be backed by strong policy and incentives for developers. Sustainable greenfield development should be able to continue alongside this though, governed by the Area Plans, rather than being demonised.

More recently, construction members were involved in Chamber's submission to the Public Accounts Committee's Inquiry into Government Procurement practice. We also submitted a shorter construction-specific response. This is a very important subject within the sector. We had already held meetings in the past year with the Procurement function within the AG's Chambers concerning the workings of the Procurement Portal and separately, with DOI's Project Management Unit.

Procurement is one of a number of areas, which directly affects the delivery of Capital Programme, this being the lifeblood of a fair chunk of the construction sector. Figures in the 2019 Budget told us what we already knew, that there has been historic under-delivery of the Capital programme, especially in the past 2-3 years. We welcome Treasury's commitment to investigate the reasons for historic under-delivery and look forward to engaging with those conducting this study.

Aside from the Douglas Promenade Refurb, the small number of Capital Schemes on the ground is a factor in what have been difficult market conditions for many in 2019, particularly over the normally busier summer months. With this comes the challenge of maintaining resources to meet the demands of what is expected to be a busier end to the year, with the signs being that 2020 will be a very busy year indeed for the sector.

Stephen Smyth
Construction Lead

DIGITAL COMMITTEE

The digital industry on the Island continues to grow year on year with significant direct and indirect economic significance.

The Committee benefits from a strong membership of senior managers representing a wide range of sectors including Audit and Professional Services, Blockchain, Consultancy, Data Centres and Hosting, Education, eGaming, Engineering, Insurance, IT Supply and Technical Services, Legal, Public Sector, Retail, Software Development and Telecommunications.

Many Committee members are also members of other Boards and Committees which extends our sphere of influence. These include the Digital Agency, Manx ICT Association, Love Tech Isle of Man, the Egaming Strategy Advisory Board and the Institute of Directors.

Data Protection Sub Committee

The Digital Committee also has a GDPR sub-committee, chaired by Claire Milne. An event took place at the end of May when Iain MacDonald gave his views on GDPR 'a year down the line'. The event had over 170 attendees.

A common complaint was the lack of available GDPR guidance which is due to resource constraints in the Data Protection Office.

Further GDPR-related events are planned.

Open Forum

The Committee held a successful Open Forum at the beginning of May which gave the wider Chamber membership the opportunity to hear about the current focus of the Committee, hear from topical speakers and to offer thoughts and options on digital matters.

The Forum focussed on the 'Digital Economy' and the key speakers were Deb Byron, Chamber Sector Lead and Lyle Wraxall Chief Executive of the Isle of Man's Digital Agency who gave a summary of activities since the Digital Agency was launched, discussing developments in blockchain, tech trials, eGaming, media, and telecoms.

A Q&A session followed the speakers' presentations, and the audience were invited to express their opinions about the key issues which they would like to see Chamber's Digital Committee focusing on.

Blockchain

The Committee has taken a keen interest in the Isle of Man's new Blockchain office with a number of Committee

members playing an active role in the development and implementation of the Blockchain Strategy.

In June, Chamber held a 'Be the Blockchain' event for members which gave participants a good understanding of how blockchain technology works and how companies are using the technology on the Island.

Telecoms Strategy

The Committee is fully supportive of both the Strategy and the need to reform and improve the current Planning processes and is pleased with the level of engagement between Government and Industry in balancing the strategic goal to be a world leader in telecoms whilst continuing to support the Isle of Man as a special place to live and work.

The Committee has responded to consultations as these have been made available. It is encouraging to see the Strategy is being progressed across a number of areas and the new subsea cable is positive news given the age of the existing subsea cables.

The time taken to get the new Telecoms Regulations in front of Tynwald is disappointing with a further delay to the October Sitting.

eGaming

Members of the Committee are working with Government on a new eGaming Strategy which focuses more on the needs and issues of on-Island businesses and less on bringing new eGaming businesses to the Island.

With areas of the sector under threat, it is positive that the new software licence has been successful.

Education and Skills

Given the shortage of ICT skills, and the resulting negative impact on economic growth, the Committee welcomes the creation of a Digital Skills Strategy by the Department for Enterprise and looks forward to working with the Department on new skills initiatives.

It is encouraging that the Digital Agency approved funding to run the ICT Apprenticeship Scheme for a further year. There has been a high level of interest in the scheme from employers and work to identify suitable apprentices is underway.

DIGITAL COMMITTEE CONT'D

The Committee responded to the Education Bill consultation raising three key areas of concern:

- ▶ Lack of consultation with teaching staff
- ▶ Threatening terminology
- ▶ Department of Education able to prescribe the curriculum without any consultation with teaching staff

It is hoped that significant revisions are made to this important piece of legislation.

Looking Forward

The Committee, together with wider Chamber, will be focusing on the environment, particularly:

- ▶ Impact assessment – how to calculate your carbon footprint as a business
- ▶ Reduction – techniques and technological solutions to reduce the carbon footprint over time
- ▶ Mitigation – carbon offsetting by funding activities which have a negative net carbon impact

A Chamber Working Party is being established.

The Committee will also be looking at the quality of management information data that is available from different Government departments.

Deb Byron
Digital Sector Lead

EMPLOYMENT & SKILLS COMMITTEE

The Employment & Skills Committee is an active Committee comprised of volunteers who practice or carry out work related to employment law, human resources, recruitment, education, training or skills. We represent a wide cross-sector of our economy including finance, retail, construction, hospitality, HR Consultancy, telecommunications, pensions and legal.

As you will note from our terms of reference, our role is to represent and support Chamber members on all matters concerning employment and training. Key areas of focus over the last 12 months include but not limited to:

- ▶ **Zero Hours Contracts** Provided feedback to the Zero Hours Contracts Committee on the use of Zero Hours Contracts in the Isle of Man.
- ▶ **Minimum Wage** We continue to support members on this important topic which remains a challenge for local businesses, particularly from the retail and hospitality sectors. Whilst we agree with the principles of setting an effective minimum wage to ensure workers have a minimum standard of living, we also believe that any decision made by Government officials should be with the full understanding of any impact to the domestic economy. In advance of the Minimum Wage consultation a number of Committee Chairs along with Caren Pegg, met with a representative from the Department for Enterprise to ensure key challenges were understood and ideas shared for a potential way forward. A submission was also prepared by the Committee (in conjunction with wider Committees) in response to the consultation and submitted to the Minimum Wage Committee.
- ▶ **Equality** Representatives from the Committee have organised numerous workshops and sessions to provide support to Chamber members of all sizes. There are two further sessions taking place later this year, full details are available on the recently refreshed Chamber website. It is envisaged that this will continue to be an area of focus for the Committee as we continue to explore initiatives that promote Equality in the workplace.
- ▶ **Skills for Growth** The subject of skills continues to be a challenge for many businesses on the Island and is a key area of focus for all Committees. In January 2018 we carried out a skills shortage survey to enable us to consider initiatives which would support local business. A skills sub-group was formed to explore the results and it was clear that there were many views and various challenges. The Committee plan to re-run the Skills survey shortly and are currently finalising questions. We intend to host a feedback session/workshop with interested members to present the results and discuss further initiatives. Further activity supporting skills is as follows:
 - ▶ **Locate.im** I represent the Committee (along with other Chamber members) on the Locate.im strategy team which is organised by the Department for Enterprise. This provides a valuable platform for feedback and collaboration. During the year, the Department for Enterprise also organised a workshop to collaborate and discuss initiatives that would support businesses to fill the vacancies they have, to increase the economically active population and improve the overall ability to recruit skilled workers. The Employment and Skills Committee were pleased to have the opportunity to attend and look forward to supporting future events.
 - ▶ **University Tender Process** The Department of Education are exploring the market to identify interest from experienced universities to provide and deliver higher education courses on the Isle of Man. The Committee believes that higher education courses on the Isle of Man, in conjunction with UCM, will be an opportunity to both retain students on and attract students to the Isle of Man. It could also be an opportunity to expand life-long learning on the Island which the Committee is passionate about. Representatives from the Committee were invited to a preliminary tender presentation in December 18. We are hopeful that we can continue to provide input to this exciting Department of Education led project.
 - ▶ **Immigration** - Chamber continues to liaise with the Immigration Office in an ongoing quest to make the Immigration Rules more flexible and simplified as well as being as prepared as we can be for Brexit. Following on from the changes introduced last year replacing Tier 2, the Immigration Office has now turned its attention to Tier 1 reform namely Entrepreneur, Graduate Entrepreneur and Investor Routes. Chamber recently engaged with the

EMPLOYMENT & SKILLS COMMITTEE CONT'D

Immigration Office and DFE in relation to proposed changes in this regard. All chamber members were invited to attend an open forum with DFE and the Immigration Office to discuss the proposed changes. This forum took place last month and those attendees were encouraged to complete the online survey. It is anticipated that there will be further consultation when the actual likely changes have been settled upon. Given the current uncertainty with Brexit and the effect of this on the immigration system, we intend to continue to liaise closely with the Immigration Office.

- ▶ **Education Bill** The Committee welcomed the opportunity to provide feedback on the new Education Bill and prepared a submission in response to the consultation in March 2019. A useful meeting with Minister Cregeen, Professor Barr and Laurie Hooper followed, which allowed us to discuss our feedback in more detail.
- ▶ **Workplace Pensions** A submission was made in August 2019 on the 'Workplace Pension' consultation, which we believe is the first of a two-stage process. Whilst overall, the Committee support the introduction of a Workplace Pension, there were a number of key areas of feedback collated via Committee Chairs and members. We are hopeful that there will be an opportunity to discuss feedback in more detail in the near future.

It is anticipated that our key areas of focus will be covered within our recently agreed 6 sub-groups:

1. Education and Skills
2. Growing the IOM Population
3. Aging Population
4. Brexit
5. Domestic Economy
6. Employment Legislation

To conclude, the Employment and Skills Committee have contributed to several consultations on a variety of subjects over the year and continually consider how we can best support members, often with very busy day jobs. I would like to take this opportunity to thank Committee members for all their support during the year.

As a Chamber Committee we are also conscious that we can further improve collaboration with wider Committees and members to ensure we represent the voice of business in the most effective way. If you would

like further information on the key areas of focus, would like to join a sub-group or even just share your views over a coffee please do not hesitate to contact me or any member of the Committee.

Karen Corran
Chair, Employment & Skill Committee

FINANCE & PROFESSIONAL SERVICES COMMITTEE

Finance and Professional Services continue to be a significant part of the Isle of Man's economy, whether measured by employment, GDP or tax contribution. It is a very interesting and diverse sector, with many mature industries represented alongside a number of innovators / disruptors.

Membership of the Finance and Professional Services Committee of the Chamber of Commerce is drawn from a broad cross section of the Isle of Man financial services sector. We are actively recruiting more members for the Committee to reflect the diversity of the sectors which we represent. During the last year the Finance Committee has maintained a broad focus on the Isle of Man financial services sector, interacting closely with Treasury, and the Department for Enterprise, along with other relevant authorities and regulators.

As I write this report, the Finance Agency is a year old, and we have seen good progress over the first 12 months, though still much more to do.... I am delighted to be part of the board for this and will continue to represent Chamber to the best of my ability. The other board members are drawn from a wide cross section of the Financial and Professional services segment of the Island. Over the course of the next month, the Finance Agency will be concluding its strategy for the next 3 years.

The Financial and Professional Services industries have their own professional bodies, which represent their industries very well. One challenge for the Chamber Committee is to better link in with these bodies and ensure that concerns and opportunities in one professional body can be given wider scrutiny and input.

The past 12 months have been very busy for the industry as we continue to implement new and existing regulation and work closely with Government on issues of international importance. Areas discussed include beneficial ownership and substance and their impact on the sector. We also have to be aware of wider areas such as Moneyval, EU, and dare I say it, Brexit. The one constant is change! We need to continue to have constructive dialogue with regulators, Government and other associated stakeholders. Though I firmly believe there is a bright future for the Financial and Professional Services sector, with some emerging opportunities.

Other topical areas for discussion have included (i) the first new banking license being granted under the Alternative Banking Regime, (ii) the consolidation in the CSP industry, and (iii) how to embrace the Fintech sector.

We continue to work with other areas of Chamber on common areas such as recruitment, retention and training. Whilst numbers vary there is a general acknowledgement

of vacancies in the FPS sector in the hundreds, and we believe that if we can find a way to fill these positions, then that in itself would provide a major benefit to the economy.

I am indebted to the support of the committee in reviewing and contributing to a number of the consultations there have been over the last 12 months.

The wider landscape has a number of uncertainties, however the Isle of Man has a successful track record in adapting to challenges and seeking out opportunities. The Committee are currently engaged with Government, exploring some of the opportunities.

In closing I would like to thank my fellow committee members for their hard work and dedication, and would reiterate my earlier comments about always exploring new members who can add value to the Committee.

Stuart Nelson
Finance & Professional Services Sector Lead

FUEL COMMITTEE

Established at the 2017 AGM, the Fuel committee took on the mission to look at future trends impacting the Isle of Man, its workforce and the businesses it supports. Fuel intends to raise awareness of potential issues, provide feedback or suggest solutions to both Chamber of Commerce members and wider Isle of Man communities.

Fuel is aware that with the speed of changes in technology, and the level of global connectivity, that change is coming at us both personally and through business at a fast pace and we, as the future of business on the Island need to ensure that we are not just reacting to problems arising currently but are also considering those on the horizon in five, ten or twenty years' time

During the 2018/19 year Fuel decided to take a look inward, at the various business sectors represented on the island, and by its membership, how future trends and developments in technologies could affect the way businesses operate, how we may conduct business in the future and the changing relationships between our personal and professional lives.

We have received excellent guest speakers from the manufacturing, legal and finance sectors who have discussed with Fuel the development they have seen throughout their careers in the sectors in which they work, along with the changes currently being seen and those forecast in the not so distant future. This has led to much discussion on the changing skills and demographics required in the sectors supported by Isle of Man businesses and how, as the required skills change, the education, training and life-long learning offered to employees will have to be considered and adapt to ensure that the island maintains an engaged and motivated working population.

One of the areas of change that we have specifically been looking at is the introduction of AI and automation and the impact these technologies have, not just on manufacturing where the leap isn't too great considering the huge strides forward the industry has already made in the last 40 years. The impact on other professions such as law and accountancy were also discussed, we looked at potential similarities in timeline and impacts from the manufacturing sector and what progress had been made so far. We have researched and had guest speakers discussing technologies allowing interrogation of client's computer systems allowing all processed transactions to be checked as part of an audit or the computer aided formulation of standard legal documentation such as leases and wills. As these technologies are adopted more widely and integrated into the way that businesses operate the requirement and skills of those employed will also have to change.

2018/2019 has seen Committee members meet with members of the Isle of Man Government to discuss topics such as homelessness and poverty; participate in focus groups regarding the future funding of social and nursing care on the island; attend meetings of the Manx National Development Forum and join strategy days with the Locate.im team.

A long running area of interest for Fuel has been looking at the working population of the island, linking the islands demographics, work with Locate.im on the relocation of working age people to the island and also how to attract young people leaving the island to return home following university or time away in the UK or further afield. This year we have taken a deep dive into becoming a parent on the Isle of Man, how we support working families, childcare options and how legislation differs from other countries and also the ability of women to re-enter the workplace following maternity leave. Having undertaken initial research on this topic, we are looking forward to working with other Chamber Committees to prompt further discussion on this, and other demographic challenges the island faces.

Looking forward to the 2019/20 year, Fuel are intending to form a number of sub-committees to allow us to concentrate our efforts on a number of different areas such as climate change, AI and Automation, future of work and also education. If anyone would be interested in coming to speak to us about any of these areas or to discuss a particular topic, please do get in touch.

The above gives just a flavour of some of the work Fuel have been doing this year, and we look forward to continuing our role in raising awareness of the future impacts to Isle of Man that we believe need to be considered.

Claire Watterson
Chair, Fuel Committee

RETAIL COMMITTEE

Looking at 2018's report the opening paragraph reads "The retail environment remains very challenging both internationally and on the Island. Numerous iconic brands have disappeared from our high streets in the past year. Affected locally by changing consumer shopping patterns a weak domestic economy and an escalating cost base.". This statement is as true today as it was last year, if anything the pace of change has escalated further and survival in retail is only assured for those who can adapt and keep pace to stay ahead of the change. The most innovative and progressive retailers (of which there are several on the Isle of Man) are not only equipped to survive but also thrive in this environment and there have been several examples of this during 2019 and main towns do still have a buoyant and interesting retail sector and they should be cherished and protected by continuing to support a town centre first strategy for retail.

The coming year will be particularly difficult with an ever escalating cost base locally particularly in freight and utilities which continue to disadvantage Manx based retailers. The continuing move towards a living wage also applies pressure to an already high cost base. The reality is that retailers must be ever more creative in seeking out efficiencies to reduce their costs and in a world where technology is playing an increasing part many retailers are finding it difficult to find the funds to invest in technology to keep them relevant and competitive.

Easy customer access to bricks and mortar retailers is key to their continued survival and this has been a real challenge in 2019, particularly in Douglas with the promenade works. However, Douglas Borough Council and DfE are to be commended for their efforts to alleviate these issues through creative carparking provision and their continued efforts to listen to and act on the concerns of affected retailers and other town centre businesses.

The Retail Committee of the Chamber of Commerce also commend the work of the DfE in their branding project where they have sought the views of the business operators in several of the island's towns and villages and are supportive of helping to enhance the visitor experience in those areas. We look forward to seeing this initiative progress in 2020.

The previously highlighted challenging recruitment environment has intensified further in 2018/19 and attracting and retaining workers into retail businesses is the most challenging it has been in living memory and is limiting the growth of retail and hampering the provision of excellent customer service. We would encourage government to continue to look at measures to bolster the workforce and also encourage further work permit reforms to make it simpler to recruit.

Brexit is a major cause for uncertainty for the latter part of 2019 and beyond. When (if?) it eventually happens it is likely to create further challenges and while large UK retailers with Isle of Man branches will have the benefit of their UK operations to create strategies and contingencies

to overcome the challenges, Manx retailers will no doubt benefit from the support and planning which is already being undertaken by Government and the Retail Committee would further encourage the Government to reach out to small Manx Retailers to guide them through the turbulent post Brexit landscape.

Andrew Corrie
Retail Sector Lead

STEM COMMITTEE

The STEM (Science, Technology, Engineering, Maths) name was adopted early in 2019 to facilitate greater collaboration between the established Engineering & Manufacturing Committee members and other chamber member companies which operate in related sectors (and face similar challenges).

Our two key goals are as follows:

1. Proactively Grow the sector as part of a robust industrial strategy that positions the island for success

Our high-tech Engineering & Manufacturing businesses account for ~3% of our economy (previously reported at 7% when this figure included a wider range of engineering/manufacturing plus food/drink companies). This compares with ~11% in the UK. IoM engineering remains a small but important aspect of the island's diverse economy and there is clearly an opportunity to grow.

The STEM committee continues to develop its strategy to align with the priorities of the newly formed DfE Business Agency and vice-versa. It is important that government develops and communicates a clear 'industrial strategy' that sets out a vision and roadmap to create the type of STEM presence that is appropriate and sustainable for the Isle of Man. This will include clarity around the size of the industry and the types of companies/markets/products that will enhance the reputation and economic strength of the island.

The inclusion of other STEM companies (e.g. Bio-med) to this chamber committee will be an opportunity to share best practice and align strategies for growth. To grow significantly (e.g. to match the UK), the island's infrastructure would need to be enhanced (e.g. transportation – sea/road/air; industrial zones; housing, etc). There are currently very few companies employing >50 people. There are many smaller businesses, and some may find it increasingly challenging to invest in the technologies, processes and systems needed to compete on a global scale. Enticing more medium sized businesses to the island will be necessary to significantly increase the size of the sector (this is unlikely to happen solely by growth of the current businesses, although several current businesses are continuing to grow).

The Isle of Man Aerospace Cluster (IOMAC) continues to be a useful vehicle to position and showcase the IoM's high-tech engineering sector to outside stakeholders. It is recognised locally that dependence on one market sector is relatively high risk and a diversity of companies, products, process and market is preferable for sustainability.

BREXIT repercussions will also challenge all UK / IOM companies which move goods and materials across borders.

2. Continue to tackle skill shortages

The Awareness of Careers in Engineering (ACE) programme continues to promote engineering and manufacturing as a career choice for people starting their careers and those wishing to change careers. ACE is organising the STEMfest event for 1-2 October 2019 (Villa Marina; ~650 primary students) in collaboration with Government and UK based STEM educational experts. ACE also continues to work with all of the island's schools, promoting STEM.

The programme also continues to support the University College, IoM in continually developing the manufacturing apprenticeship scheme and the Advanced Manufacturing Training Centre (AMTC); and its other Engineering (& related) courses.

The island also needs to continue positively addressing diversity issues to attract greater participation from female engineers; through changes in manufacturing culture, progressively transforming the perception, image and reputation of the industry with students, teachers, parents and the general public.

Dave Hester
Stem Sector Lead

VISITOR ECONOMY COMMITTEE

Over the past year we have been working closely with the Visit Agency as it develops a strategy and marketing plan for our sector. The concept of agencies is new to the Island and it is taking a little time for the public-private partnership to gel, but the potential is great and we are starting to see some very real benefits flowing through. In particular, Visit has been successful in its application for additional resources from the Marketing Initiative Fund ('MIF') with £450,000 already secured and the prospect of a further £450,000 if we prove our effectiveness over the next few months. This additional funding will significantly expand our marketing reach and hopefully generate increases in visitor numbers for several years to come.

There is still work to do on the all-important Destination Management Plan, effectively our multi-year strategy, but I am hopeful that this will be fully developed over the next six months. We have a framework established but we still need to undertake a 'deeper dive' into our product and the multiple sub-sectors of our market that flow from it. For example, it's clear that our largest general group of visitors is the older-adult demographic, but within this are multiple sub-sectors ranging from highly active 50-somethings to much older retirees who may have mobility or DDA needs. If we're to be successful across the piece we must understand each of the sub-sectors and cater for their specific needs and this is where the need for a very thorough strategy plan becomes paramount.

If we do get our strategy right, we could grasp a once in a generation opportunity for Isle of Man tourism. The uncertainties around the UK's economic performance and the increasing prospect of a no-deal Brexit are driving Sterling ever lower and laying the foundations for a 'staycation' boom in 2020 and beyond. Overseas visitors will also see the cost of holidays to the British Isles reduce, which in turn gives a substantial potential boost to TT, Festival of Motorcycling and our summer traffic generally. Period-visitor inward and domestic tourism in the UK generated £42 billion in 2018 and is forecast to grow by a further £2 billion in 2019. We currently attract just 0.2% of this total so we only have to attract a few additional fractions of a percent to realise a major uplift in our tourist numbers and revenues.

Whilst the macro-economic situation within the UK is working in our favour by driving a strong staycation market, we do face some very real challenges to our industry's wellbeing from closer to home. Minimum wage has increased at three times the rate of inflation since 2016, casual work contracts are under review and workplace pensions are in the pipeline. All of these measures will put increasing pressure on hotels and other hospitality businesses, with the most recent Minimum Wage Committee report acknowledging that 30% of businesses in our industry were already in a loss-making position in 2016/17, before the latest three rounds of above-inflation wage increases. On the back of this we have canvassed hard with government to take a wider perspective on the domestic economy before the very measures that they

are putting in place to improve the lot of employees actually starts to have the opposite effect by triggering corporate losses, lack of investment and job losses. The initial response from government has been positive and the creation of a domestic economy committee, with a remit to look at how best to support our industry (and other local sectors in the same position) is under active consideration. I applaud this initiative and would encourage government to move quickly towards establishing the appropriate forum.

One immediate and critical issue facing much of the sector is the overrunning Douglas promenade scheme. Work on the tram tracks from Summerhill to Castle Mona was originally meant to be complete by late April but is still ongoing as I write this in mid-August. This has caused major disruption to many businesses, in particular restaurants and retailers on Central and Queen's Promenade who rely on convenient parking and easy access to underpin their trading. Next year will also see the delayed impact of reputational damage to the hotels and guest houses in the area, which make up over 30% of the Island's serviced accommodation stock. The upgraded promenade will be a big plus in time but the work is causing serious damage in the short term and we're working as hard as we can to leverage support from government for the affected businesses and to ensure delays don't occur on the rest of the scheme.

In summary, like most business sectors, the visit economy is currently facing a mixture of challenges and opportunities. The next couple of years will be crucial and if we can achieve a well-founded strategy and marketing plan, plus positive engagement from government to help address our sector issues, then I'm confident opportunity will win through.

A final word by way of thanks to the members of the Visitor Economy Committee. I have very much appreciated the high level of engagement from committee members during my first year as sector lead, which has helped me greatly in formulating a considered view to take to Visit Agency. Subject to being re-elected at the AGM, I look forward to another constructive year working with you all.

Brett Martin ACA
Visitor Economy Sector Lead

A YEAR AT THE CHAMBER

Foreword

Over the past year we have spent a lot of time on increasing awareness of Chamber and the work we undertake to support local business. Community has become an integral part of Chamber's philosophy and we are passionate about creating this amongst our start up members. We encourage members to share, network and participate in all the work that we do.

We are particularly proud of our free membership for business start-up's initiative which has seen over 100 start-up's join Chamber since June. That's over 100 local entrepreneurs who are now part of the Chamber community. By embracing the start-up community we now have an ecosystem of members that covers all facets of business from blue chip corporates to SME's through to start-up's.

Building on this support, creating a self-serving ecosystem of knowledge sharing and mentoring across all sectors and size of business will be a key focus for 2019 and beyond.

This is your Chamber – as a member you have the opportunity to highlight barriers to your business at Committee and Board level. The more the business community engages with Chamber, the stronger our voice to challenge for change.

#iomchambercommunity
#givingiombusinessavoice
#letsgrowtogether

Rebecca George
Chief Executive

Total membership as at 31 March 2019:	318 businesses representing circa 15,000 employees
Staff:	Rebecca George, Chief Executive Julie Stephens, Office Manager Jessica Kitchin, Business Connex Manager
Committee volunteers:	150

Export Documents

238 Certificates of Origin were issued between April 2018 and March 2019.

In May 2018 IoM Chamber was audited to assess our export certification work and the report concluded 'The inspector was pleased with the overall standard of documentation and procedures, and therefore has no hesitation in recommending that the Isle of Man Chamber of Commerce should retain its Issuing Body Status'. During the audit, Rebecca and Julie both requalified as authorised signatories to issue Certificates of Origin.

The Isle of Man Chamber of Commerce is the only Chamber approved by the British Chambers of Commerce to issue Certificates of Origin in the Isle of Man.

In July, partnered with the Department for Enterprise, we hosted our first Customs Procedure & Export Documents training course. We continue to work closely with the Department in relation to Brexit and the impact it may have on local businesses.

Chamber Events

1054 members attended 29 Chamber lunches, workshops and seminars between April 2018 and March 2019.

Events 2018/2019

27/04/2018	Meeting our population challenges with the Hon Chris Thomas MHK, Minister for Policy and Reform
03/05/2018	Year of our Island and UNESCO Biosphere, presented by Jennie Wheeler, Change and Reform Programme Lead, Cabinet Office and Jo Overy, UNESCO Biosphere Isle of Man Project Officer
03/05/2018	Protecting your business by preventing a data breach
19/06/2018	Introducing Health & Wellbeing to the Workplace (Hints & Tips for businesses with no onsite HR Support)

A YEAR AT THE CHAMBER CONT'D

22/06/2018	Eagle Lab Tour
28/06/2018	Drawing the Future JA Event
14/09/2018	2018 AGM Lunch
19/09/2018	Chamber of Commerce Networking Event - Sandra Kirkham, MD, Progress To Excellence Group Ltd
15/10/2018	Health and Social Care Review, engagement with industry - an audience with Sir Jonathan Michael
16/10/2018	LinkedIn "What you need to know!"
17/10/2018	An overview of the Promenade Re-development and current ongoing work to upgrade coastal defences
08/11/2018	MUA Five Year Pricing Strategy, presented by MUA Chairman, Dr Alex Allinson MHK
19/11/2018	'More than Muffins' "Developing a high-performance culture, presented by Emma Walker, Smart HR - non member
27/11/2018	Marketing Strategy & Action Plan Workshop, presented by Sarah McCartney, SMLC Consulting
06/12/2018	Christmas Lunch at Woodbourne House
18/01/2019	Brexit & Beyond at the Comis Hotel
30/01/2019	Employing non-EEA Nationals - a workshop with Nick Robinson, Chief Immigration Officer and Carl Fielding, Immigration Officer
31/01/2019	Launch of Business Connex
12/02/2019	More than radio - with 3FM
26/02/2019	IoM Coc/DFE Brexit Workshops Retail
26/02/2019	IoM Coc/DFE Brexit Workshops Engineering, Manufacturing and Biomed
27/02/2019	IoM Coc/DFE Brexit Workshops Food Processing, Food Exports, Logistics
28/02/2019	Member Showcase
28/02/2019	IoM Coc/DFE Brexit Workshops Construction Sector
01/03/2019	IoM Coc/DFE Brexit Workshops Visit and Hospitality
06/03/2019	Integrity at Work, presented by Simon Culhane, Chief Executive, CISI
21/03/2019	Disruptive Influences, presented by Stuart Colligon from Auxesia

28/03/2019	Immigration Update - EU Settlement Scheme
29/03/2019	Update on the new immigration rules

Retiring Council Members

This year 5 Council members are retiring from office: Trudi Williamson, Peter Horsthuis, John Watt, Stephen Bradley. A big thank you from all of us for the many years of service you have given to Chamber.

Sector Leads and Committee Chairs

The following have been appointed as Sector Leads and Committee Chairs

Construction (part of the Construction forum)

TBC

Digital (formally ICT & eBusiness)

Deb Byron

Employment & Skills

Karen Corran

Finance & Professional Services

Stuart Nelson

FUEL

Claire Watterson

Retail

Andrew Corrie

Road, Sea & Air

John Quayle

STEM (formally Engineering & Manufacturing)

Dave Hester

Visitor Economy

Brett Martin

Thanks

The Isle of Man Chamber of Commerce would like to thank Crowe Isle of Man LLC, PDMS and Celton Manx for their continued service support to Chamber.

SUSTAINING MEMBERS OF THE ISLE OF MAN CHAMBER OF COMMERCE

The Isle of Man Chamber of Commerce would like to thank the following Sustaining Members for making a special contribution to Chambers development by paying an additional subscription. Their substantial contributions help secure the financial autonomy of Chamber and enhances the quality of the services we can provide to all our members.

Airport Secure Parking	ISO QA Limited
Aon (Isle of Man) Limited	KPMG LLC
Appleby	Lloyds TSB Bank (Isle of Man) Ltd
Apricot Investments	LMS Partners Ltd
Auxesia Limited	MAC Financial
Azure Aerospace	Mannin Group
Barclays	Manx Petroleum
Best Western Palace Hotel & Casino	Manx Solar Electrical
Boal & Co	Manx Telecom Ltd
Bold Consultancy Limited	Manx Utilities Authority
Bramden Associates	Marks and Spencer (Isle of Man) Ltd
Cains	MTV
Canada Life International Ltd	Paragon
Capital International Ltd	Paysafe Group PLC
Castletown Golf Links	PDMS Ltd
Celton Manx Limited	PricewaterhouseCoopers LLC
Cherry Godfrey	Quinn Legal
Chrystals	Rational Services Ltd
Colas Holdings (IOM)	RL360
Computer Network Defence Network Ltd	RLC Engineering Group Limited
Connect2Recruitment Limited	Royal Bank of Scotland International
Crowe Isle of Man LLC	Safety Management Services (Isle of Man) Limited
D Q Advocates Limited	Sancus (Isle of Man) Limited
Deloitte	SC Consulting Services
Douglas Technical Limited	Simply Secure Limited
EPL Recruitment Ltd	Skanco Business Systems Ltd
Equiom (Isle of Man) Limited	Smart HR
Fiducs Limited	Strix Group Ltd
Find Us On Web limited	Swagelok Limited
Grant Thornton	The Exchange Limited
Groudle Cottages	TLC Business Solutions
Hamblin	Tower Insurance
Hansard Global Plc	Triumph Actuation Systems – UK & IOM
HSBC Bank plc	UHY Crossleys LLC
ILS Fiduciaries (IOM) Limited	Utmost Limited (formerly Axa)
IQE Limited	Vantage Arpeggio
IQ-EQ	Wi-Manx Limited
Island Aggregates	Zurich International Ltd
Isle of Man Enterprises	
Isle of Man Newspapers	
Isle of Man Post Office	
Isle of Man Steam Packet Co Ltd	