



**Isle of Man
Chamber of Commerce**

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65th
Annual General Meeting
1956 - 2020

Annual Report 2019/2020

Sponsored by

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COUNCIL MEMBERS 2019/20

HONORARY OFFICERS

President	Caren Pegg
Vice-President	Kristan McDonald
Treasurer	Jennifer Lowe
Immediate Past President	Chris Allen

COUNCIL MEMBERS

Miles Benham
Carol Glover
Bill Mummery
Ron Berry

COMMITTEE CHAIRS

Construction Committee	Gary Crittenden
Employment & Skills Committee	Karen Corran
STEM Committee	David Hester
Finance & Professional Services Committee	Stuart Nelson
Digital Committee	Deb Byron
Retail Committee	Andrew Corrie
Visitor Economy Committee	Brett Martin
Road, Sea & Air Committee	John Quayle
FUEL Committee	Claire Watterson

Foreword from CEO

The new 2019 financial year started with the launch of our free membership for business start-ups which received a phenomenal response, thus proving there is desperate need for more support for entrepreneurs and startups.

Monday meetup sessions for the startup community was also launched along with a series of supportive workshops and mentoring events. The startup community continues to grow and Chamber play an integral part in the entrepreneurial ecosystem and in supporting all local business.

In Sept 2019 the Chamber of Commerce Climate Change Programme was set up to run in parallel with the Government's Climate Change programme and this will go on to be an integral programme for Chamber.

Our charitable members now have their own forum within Chamber to give them a stronger voice into the wider business community.

Our Business Connex service has strengthened and established itself as not only the best placed service to offer advice and connections for businesses and entrepreneurs looking to relocate to the Island but also an invaluable service for existing businesses to tap into the network of Chamber members who are all willing to collaborate, share services and work together for the good of the Island.

In the week's running up to lock-down we quickly mobilised strong ties with DfE to ensure chamber was aligned and offering as much support as possible to our members. During

lock-down we kept a continued line of communication to our members to keep everyone as up to date as possible during a very fast-paced situation.

Our Business Advisory Service was launched during the pandemic to assist those businesses that needed advice and support during this difficult time and we plan to grow this service over the coming year.

2019 was very much focussed around preparing for Brexit. 2020 we were hit with a pandemic. Who knows what will happen in 2021 but one thing recent times has proven is that strong relationships, collaboration and support is what will get our members and the Island's economy through the tough times.

We are a small Chamber with limited resources and we wouldn't be the Chamber we are today without the wonderful support we receive from our members. I would like to thank all of our Committee volunteers and in particular our Sector Leads for the tremendous amount of work they put into supporting and representing their sector members. I would also like to thank the Board for their continued support and mentorship and last but not least to my amazing team, Jessica and Julie for their unwavering commitment and loyalty to Chamber.

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

Rebecca George, Chief Executive

#iomchambercommunity

#givingiombusinessavoice

#letsgrowtogether

PRESIDENT'S REPORT

This last year has been an extremely busy year for the Chamber. Prior to the Pandemic, we had held a number of key events in collaboration with government departments and key individuals. One notable event was the "Are you Brexit Ready" event held in collaboration with the cabinet office. This was a Q&A panel session focussed on discussing preparations for Brexit which, until the Covid-19 pandemic hit, was the main concern looming on the horizon for many of our members.

This was a good example of the increasingly interactive approach Chamber has taken for events where there can be appropriate audience participation, forum-style, for those members that wish to take part. This interactive, collaborative style of events has helped identify trends, shape key messages and facilitated spin-off discussion forums/groups to encourage creative thinking, share industry concerns and influence decision making.

When the pandemic hit in March, Chamber's team took the lead in assisting to coordinate the business community's response to the crisis. It launched a business impact survey which it conducted weekly, assessed the results and fed this back to Government. A crisis group was formed which interacted with DFE and Treasury on a weekly basis to openly communicate and discuss pressing issues. It launched a business advisory service to assist businesses with the complexities of the assistance schemes being launched and to provide general advice surrounding the pandemic. Chamber also launched a business mentoring platform to facilitate connecting up individuals and businesses with other members to produce a further organic support network for struggling businesses. I am very proud of all that Chamber achieved and facilitated in this time. The feedback received from members has shown that Chamber plays a vital role as communicator, mentor and business network the importance of which was amplified as a result of the pandemic.

Since local Covid-19 restrictions were lifted in the Isle of Man, the Board has regrouped and refocussed on its goal of modernising the constitution of Chamber to ensure that

it reflects Chamber as it currently operates and in order to give the Board the flexibility to operate as it needs to with the ability to change rules as needed to ensure that it moves with the times and can adapt to the particular economic demands of the Island and our members as they arise. This was a long and complex project. Prior to the changes initiated, the constitution of the Chamber was fairly antiquated. The changes ensure that the constitution complies with the Equality Act and also to ensure that our main method of communication is via email (which is both our current membership's preference and a necessity - proven by the recent pandemic when working/meeting remotely was needed).

In terms of the organisational structure of Chamber the change to the constitution reflects the restructuring of the old Council which had commenced over the last few years with the Council being replaced with a smaller Board to focus on overall strategy and a separate Steering Group formed comprising the Committee Chairs with the respective sector interest focus being maintained. These structural changes were discussed at the last AGM with those members that attended, the changes to the Council were recorded and it was noted that an EGM would be held to make changes to the constitution to update it. Whilst this EGM was somewhat delayed due to other projects/priorities and the pandemic, at the time of publication, it is scheduled to take place on September 9th 2020 in advance of this year's AGM.

The Board has the power to manage the company as well as appoint other directors to the Board and, as ever,

remain accountable to its members. The key positions of President, Vice-President and Treasurer will remain elected positions for the members to elect in future AGMs. The constitutional changes are simply to ensure that those on the board that have the responsibility and risk can take decisions quickly and have the flexibility to make changes which it feels are needed for the proper running of a modern, dynamic chamber.

We were fortunate to secure a webinar with the Treasury Minister immediately following his Budget Update Statement which was a unique opportunity for members to ask questions and hear directly from the Minister in relation to the Island's financial plans following the pandemic. This event was very well received by members.

We are now a year away from the Island's next general election. More than ever there is a need for the Isle of Man to urgently assess its priorities to ensure that we are best positioned to rebuild our economy following the Covid-19 pandemic and also so that we are geared up to tackle Brexit and any challenges or opportunities that it may throw up. Work on Chamber's Business Manifesto was underway at the beginning of the year but halted due to the pandemic as all resources needed to be channelled into the temporary pandemic work already described.

We have now picked the manifesto project back up again and in order to ensure that we have an accurate and up-to-date assessment of priorities post-pandemic, we have undertaken a series of "Have Your Say" Webinars with each represented sector within Chamber and many members attended to offer their views on what the priorities should be for Chamber and, more importantly for our Island generally. These sessions were extremely useful in helping Chamber understand what the current themes and trends are which are affecting businesses across all sectors as well as helping highlight industry-specific problems which need fixing. The Manifesto's key themes which will be presented at the AGM and published shortly thereafter have been based on the feedback provided by members to Chamber. It is not surprising that themes include tackling the skills gap, public sector finances and a "joined-up Government".

On the matter of joined-up Government, at our Employment & Skill Committee's instigation, DFE and DEC has jointly met with Chamber in order to discuss a cohesive skills strategy which looks at aligning our education system with the needs of the Isle of Man economy and to draw together the ad hoc strands of work focussed on different aspects of skills which were operating largely independently. This is a positive step forward and we look forward to continuing to work with this new skills initiative which is such an important project.

I have always felt that the work that Chamber does in providing an influential voice to the business community is critically important. Working together and collaborating as a business community, we help firms, business of all sizes operating in all sectors to achieve more. I believe it's our network, relationships and contacts with other members of this business community that lead us to achieve goals beyond those we could ever achieve alone. Now, more than ever, it is vital that the business community's voice is heard if we are to successfully navigate what could be some stormy waters ahead. We need plans that deal with

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short to medium-term issues facing the island now as well as long-term issues that will face future generations.

Chamber continues to partner with the Lisa Lowe Centre for Positive Mental Health Support/ Isle Listen as its charity for the next year. The business case for workplace wellness is strong for any organisation whether it is a big global entity or a SME and there is more of a need than ever for individuals to be provided with support as necessary after a traumatic year. Chamber continues to encourage every business to place it at the heart of their business strategy and looks forward to working with it over the year ahead.

I would like to thank the Board, the Steering Group, the Sector Committee Chairs and all the members that have contributed to the running of Chamber. Special thanks obviously must be reserved for my vice, Kristan, who has been very supportive of all of Chamber's initiatives over the last year and also to Rebecca, Jessica and Julie who all respectively work tirelessly for Chamber and its members. It has been a particularly challenging and unusual year. However, challenges often present opportunities and by working together we will provide a voice for business to ensure that we continue to influence the Isle of Man's decision-makers which a view to contributing to the economy positively.

Caren V J Pegg
President

THE CONSTITUTIONAL CHANGES ARE
SIMPLY TO ENSURE THAT THOSE ON THE BOARD
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WHICH IT FEELS ARE NEEDED FOR **THE PROPER
RUNNING OF A MODERN, DYNAMIC CHAMBER**

TREASURER'S REPORT

The year ended 31 March 2019 has been another successful year for the Chamber. The Chamber of Commerce is essentially a 'not for profit' organisation, however, the profit experienced during both 2018 and 2019 has helped to cover some of the prior year losses experienced in recent years, and has also stood the Chamber in good stead in terms of coping with the economic impact of the Coronavirus so far in 2020.

Overall membership income has remained largely consistent during 2019 compared to 2018, as expected, as there has been only a very small increase in membership numbers and no change to the members' subscriptions fees since 2016. The increase in overall income since the previous year is predominantly due to a new service offering, Business Connex (BCX) which is a concierge service provided by Chamber.

Although documentation fee income has reduced from the certificates of origin service line, functions income from workshops and forums increased during 2019, which has gone some way towards compensating for some of the lost documentation fees revenue.

Chamber has focused on reducing costs where possible in 2019, although overall expenses have increased compared to the prior year. The main reason for the increase is that the number of staff employed by the Chamber increased from 2 to 3, following the launch of the BCX service

offering. The move to the Eaglelab has enabled some cost savings in respect of office rental costs, however the savings experienced have been used to largely cover the formal marketing programme the Chamber entered into in 2018. The marketing programme has proven to be a good initiative for Chamber, and since the year ended 31 March 2019, Chamber has started to experience an increase in membership numbers.

Following the move to the Eaglelab, Chamber has also re-registered for VAT with effect from 1 April 2018. As a partially-exempt business for VAT purposes, not all VAT suffered by the Chamber is recoverable.

The audit of the financial statements for the year ended 31 March 2019 is now complete, and as always 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 2019:

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019	2018
		£	£
Income			
Subscriptions	1(b)	88,138	88,936
Business Connex income	1(b)	25,000	-
Functions	1(b)	16,892	13,861
Documentation Fees	1(b)	12,574	19,065
Consultancy & Other Services		2,329	417
Bank Interest		42	1,125
		144,975	123,404
Expenditure			
Staff Costs		54,259	42,005
Accommodation: Rent and Expenses		26,293	35,453
Meeting Expenses and Sundries		9,919	3,498
Marketing		11,615	8,530
Irrecoverable VAT		3,580	-
Business Connex expenses		2,743	-
Car parking		976	-
Affiliation fees		799	1,155
Depreciation		698	1,122
Printing, Stationery and Postage		594	1,073
Forum expenses		534	-
Training and Travel		193	112
		112,203	92,948
Surplus for the year and total comprehensive income transferred to capital account		32,772	30,456

BUSINESS CONNEX (BCX)

Since its conception in November 2018 and official launch in January 2019 Business Connex (BCX) has assisted 164 (figures as per August 2020) 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, Block chain, gaming, aerospace, tech, and finance and range across a variety of jurisdictions including the UK, USA, Hong Kong, South Africa, and Latvia. This is a 72% increase on assistance given last year over the same period.

From starting life as a Concierge service designed exclusively for those relocating to the island BCX has evolved into an all-encompassing service firmly fixed in the IoM entrepreneurial eco-system, available to any business or individual bringing economic substance to the island who might be, scoping out, relocating, newly relocated or already on island requiring signposting, connection or support.

BCX 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

BCX currently delivers:-

- First stage enquiry information and vital tax and immigration form to ensure relocation viability
- A welcoming, seamless landing pad for those that are new to the island including a "keeping in touch service"
- For a local start-up, BCX can offer valuable instant, objective insight and connection to the business community who can offer support and mentorship.
- Recruitment assistance and connection
- Provides facilitation, navigation, introductions and direction to informative/ topical training and events.
- Linking on Island businesses that have synergies
- 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 and identifies why IoM was not the jurisdiction of choice. Feedback is then provided to Locate.

REVIEW OF 2019/2020

Stronger relationships and a greater understanding of BCX were forged with Locate this year, this was evidenced in an increase in DfE referrals. This stronger Locate/BCX relationship has been mutually beneficial as Locate historically cannot recommend services, but by utilising BCX, Locate can now offer a solution and demonstrate outstanding customer service by being able to introduce clients to us. A great example of this was a hosted visit for several Chinese delegates, in which we only had 24 hour's notice to prepare for. This visit resulted in two members of the party booking a subsequent visit and one member has now registered an IoM company and plans to recruit here. Coincidentally, BCX also assisted a Shipping company run by a Chinese CEO, who now assists with any translation needs or cultural insight required for other Chinese prospects. This again, demonstrates how BCX has the ability to spot synergies and create opportunities.

BCX were delighted to present at the first Isle of Man BITA lunch which resulted in a number of relocation enquiries and new BCX partners.

Better promotion of BCX on social media and the development of BCX information on Chamber website has increased online enquiries.

After a surge in issues relating to opening corporate Bank accounts, the latter part of 2019 saw BCX assisting and contributing to the production of a "white paper" which was presented to Government. We subsequently worked alongside the Banks in the production of a one page document for Start Ups which outlines the information required to open an account and highlight potential issues, in a bid to ease the process and manage expectations.

Exclusive Partnerships were forged with several external stakeholders this year, in terms of offering support to new employees and relocators. Partnerships include but are not excluded to, B-local, KMPG, IoM Opportunities, Tilney Group and Ellanstone. Not only was this of benefit to the companies but also in terms of offering DfE valuable insight- once again demonstrating why BCX is such an important conduit between industry and Government.

Because BCX has transitioned so much from the original remit, the final part of 2019 was spent refining KPI's.

THE POSITIVE SIDE TO THIS IS THAT WITH ALL THE COMMUNICATIONS CHAMBER HAVE BEEN PRODUCING DURING THIS TIME **OUR PROFILE IS HIGHER THAN EVER**

2020 started amazingly well with BCX enquiries at an all-time high. BCX continued to take on new local partners, demonstrating that the service is still prominent in the public domain.

With the help of both a Tax and Immigration expert, BCX devised viability crib sheets which allow us to work smarter and prioritise BCX enquiries based on their commitment and viability to relocate. This has resulted in lower rates of post crib sheet correspondence, but the enquiries we do go on to assist are more genuine and committed to relocation.

After a fairly busy February 2020, March arrived and enquiries all but ceased, by now Europe was dealing with the Covid-19 pandemic and this was absolutely evident in a decline of BCX activity. A planned client trip to the island was cancelled, the Blockchain summit was cancelled and by the end of March life as we knew it had changed forever.

Together with the wider work of Chamber, BCX worked hard to launch the Business Advisory Service and our remit went from predominately assisting relocating business and individuals to putting all our energy into the survival of our local economy. BCX also acted as vital conduit in terms of dealing with numerous enquiries into DLGS and other Government financial support schemes. BCX has conducted many Bank intros including escalating complaints and queries relating to DLGS.

To date BAS has assisted over 120 local businesses, connecting them with 66 specialist mentors. Success stories include saving two businesses that thought they would have to liquidate by connecting them with entrepreneurial mentors that taught them to "think outside of the box" and diversify their businesses.

Other than assisting existing BCX clients with queries on borders opening and government financial assistant "normal" BCX enquiries completely stopped during this time. A high proportion of our enquiries come from South Africa and anecdotally we are told SA borders are unlikely to reopen until Q1 2021.

The positive side to this is that with all the communications Chamber have been producing during this time our

profile is higher than ever and we see a massive increase in local companies wishing to be BCX and BAS partners. I'm confident when the borders re-open and the situation improves the BCX network will be stronger than ever.

June 2020 arrives and the Isle of Man is now in a really positive position in terms of being Covid-19 free, this results in a sharp increase in early stage enquiries into relocation to the island.

June is also the first month since March that we see the return of usual BCX work, although the bulk of work continues to be helping local business connect with mentors and answering Covid related funding questions and queries. Usual BCX work in this time includes:-

- Offering Investment assistance and Introductions
- Assisted local entrepreneurs with ideas and signposting
- Assisting newly relocated residents with employment options and introductions (unfortunately not many opportunities available)

Supporting Chamber with Sector Manifesto webinars throughout June and July has also been most useful to assist in further understanding of barriers to business and relocation to the island.

Increase has seen in BCX **????** requests to assist with recruitment connections, introductions and employment option ideas due to multiple redundancies and it is very positive that there is soon to be a Locate employment portal that should assist with local redeployment.

LOOKING AHEAD

I firmly believe BCX can grow and develop further. With the Pandemic of 2020 will come opportunities to benefit both new and existing businesses. We have seen an increase in first stage enquiries from individuals and businesses that have seen how well the island has coped with the pandemic and with the ever increasing threat of a second wave, these clients want to be operational in a jurisdiction that has the power to control and contain.

BCX has collaborated with Locate.im on the production of Digital guides for both individuals relocating to the Isle of Man and for Businesses moving their business to the island. I hope that by the end of 2020 these are over the line and ready to utilise.

The BCX service will now be recommended to all DfE Grant scheme applicants that require referrals for services they are obtaining Grants for.

There are many synergies and cross overs between BCX and BAS (Business Advisory Service) and I look forward to further in combining these services and creating more value added Chamber membership with the utilisation of both these services.

Q4 2020 and 2021 are set to be challenging but exciting times in terms of development and further transition. The Chamber/ BCX team are stronger than ever and well positioned to push forward and make 2021 a successful year.

Jessica Kitchin

Manager, Business Connex and Business Advisory Service

CONSTRUCTION SECTOR

2020 has been an eventful one for the Construction sector, the new Construction IOM board was formed in February; shortly after holding the first board meeting, we found the industry forced to shut down due to the COVID-19 Pandemic.

The coronavirus pandemic caused disruption across the construction industry, with most of the sector halting operations on 27th March and slowly remobilising following a return to work on 24th April.

The Construction IOM board worked extremely hard during the industry lockdown period to enable a safe return to work. Construction was the first industry to return to work and it was inspiring to see how much our sector rose to the challenge.

Over the last few months IOM Government has repeatedly reiterated that capital and minor works projects will be accelerated to assist with the economic recovery. The commencement of these schemes gives confidence to the industry and assists the private sector to invest in our island. The Construction IOM board met with members of Treasury in July to provide feedback of what work shortages the industry was experiencing as a result of COVID-19. Other areas of discussion were simplifying the tender process,

provided on island due to low numbers of applicants/costs associated with running courses. Construction IOM will work closely with UCM to continue to examine options of higher education and construction management training as a medium-term objective.

Common with other sectors, a continuing area of debate in the past 12 months has been skills availability. Increased workloads has led to many of the larger contractors reporting shortages in certain trades. Attracting and nurturing future generations of the island's workforce has perhaps never been more important.

The Construction Forum continues to meet monthly over the past year and will continue to engage speakers but in a more CPD based format.

Looking to the long-term, science is telling us that an accelerating rate of global warming is the world's next crisis and COVID-19 has enabled us to glimpse what the world might be like if buildings, transport and industry had less

PROMOTION OF THE CONSTRUCTION SECTOR HAS CONTINUED WITH THE DEDICATED TEAM BEHIND THE 'THINK CONSTRUCTION IOM' INITIATIVE

reducing tender time scales for projects of smaller values and increasing the quick quote threshold to £250k. All of which will help the industry recover.

The Construction IOM board has recently appointed Corelli Bentham as the new Chief Executive Officer. Corelli is the current Head of Construction at University College Isle of Man and will commence her new role with Construction IOM on 1st September.

Promotion of the construction sector has continued with the dedicated team behind the 'THINK Construction IOM' initiative continuing to post industry news, vacancies and careers promotion material to an ever-increasing band of followers on social media.

It is disappointing to hear that UCM's preferred higher education partner does not have a construction faculty, which means training of the Island's next generation of architects, engineer and quantity surveyors will continue to be a challenge, as historically these courses have not been

impact upon it. In January, Chief Minister Howard Quayle laid out action plans for 'immediate implementation' following Professor Curran's climate change report. Clearly, there is a huge requirement to upgrade existing buildings in order to come close to the target of net zero carbon emission by 2050, this is an area our industry can significantly contribute towards.

The recent announcement that installation of air source heat pumps, solar panels, electric charging points and new conservatory roofs (all now designated as permitted developments) will not require planning permission from 3rd August has been welcomed by the industry. This change will now make it easier for installers to sell the benefits of green technologies and once they understand the cost-savings that can be generated over its lifetime, many more householders will go green.

Gary Crittenden

Construction 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 skills.

The Employment & Skills Committee has three sub-committees as follows:

- Skills
- Legislation
- Aging workforce

One of our primary areas of focus continues to be Skills. Our Skills Sub-Committee, chaired by Lorna Trevethan, is specifically tasked with exploring how we can support the development of skills on the Island whilst also considering if, and how, we can attract those with a specific skill to the island to increase the economically active population. The Committee have made good progress in this regard but the challenge of skills for many businesses on the Island continues to be vast. Covid-19 has added further complexity to this challenge, and as businesses had to adapt and change operations to deal with the Pandemic, skills became less of an immediate priority. Focus is now returning to skills and we are delighted to now be involved with the Isle of Man Government's Economic Recovery Programme through the "Our People Workstream" chaired by Julie Bradley.

The Our People Workstream has been tasked with developing and implementing training, education and work placement initiatives that reduce the risk of high levels of unemployment and to provide skills that our industries require both now and in the future. The Employment and Skills committee will be providing the workstream with important industry feedback and support.

Further activity supporting skills includes our representation on the Locate.im strategy team which is organised by the Department for Enterprise. This provides a valuable platform for feedback and collaboration. Again, a future event will be scheduled shortly when DfE launch their Locate Portal to Chamber members.

As previously reported, the Department of Education were exploring a University Tender Process to identify interest from experienced universities to provide and deliver higher education courses on the Isle of Man. We believe the decision was made to continue with Chester University.

Whilst disappointing that collaboration with DESC halted with regards to the University Tender Process, we are hopeful that the Our People Workstream will provide a valuable platform for a collaborative approach.

WE ARE DELIGHTED TO NOW BE INVOLVED WITH THE ISLE OF MAN GOVERNMENT'S ECONOMIC RECOVERY PROGRAMME

Our Legislation sub-committee, Chaired by Heidi Dalgleish covered a number of areas over the year, such as discussions with DfE on the benefits of Shared Parental Leave which is a collaboration with FUEL and more recently a submission to the Equal Pay consultation.

Heidi has now stepped down as Chair and will be succeeded by Gail Yeowell. Heidi continues to be a member of the Committee and we thank her for all her additional support during her time as sub-committee chair.

You may recall that our Aging Population subgroup, chaired by Rebecca Netten, made a submission to the Workplace Pension Consultation in August 2019. We believe the consultation 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. Treasury published their consultation response in March 2020 and we are hopeful that there will be an opportunity to discuss feedback in more detail in the near future.

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.

Finally, we continue to be cognisant that collaboration with wider Committees and members can improve to ensure we represent the voice of business in the most effective way.

As always, 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 & Skills Committee

STEM Committee

The STEM committee has a broader, cross-industry scope, wider than that of the previous Engineering and Manufacturing (E&M) committee. However, the membership remains biased towards E&M as this is where most engagement and traction has been achieved.

This update will be split into headings that reflect the strategy / main themes of the STEM committee.

PROACTIVELY GROW THE SECTOR

The scale of the IOM E&M sector remains an issue (lack of 'critical mass') which is why growth remains a primary goal. Government data indicates that E&M represents -3% of the economy (compared with our UK neighbours at -11%). With this metric, we are primarily measuring % of total IOM jobs, because measuring GDP for this 'export sector' may not truly reflect growth (e.g. most of the bigger IOM companies have operations in multiple countries and their structures and business models vary such that GDP growth is not a proxy for 'success').

THE SCOPE AND FOCUS OF ACE CONTINUES TO EVOLVE TO MAINTAIN MOMENTUM AND EFFECTIVENESS

CONTINUE TO TACKLE SKILLS SHORTAGES

Support the Awareness of Careers in Engineering (ACE) programme, promoting engineering and manufacturing as a career choice for people starting their careers and those wishing to change careers.

PDMS continue to facilitate this programme. The Business Agency Board meeting voted to continue to support this programme for 2020 based on a detailed business case. The scope and focus of ACE continues to evolve to maintain momentum and effectiveness. Events like STEMfest (October 2019 Villa Marina; 650 primary students) will continue to be a part of this programme, provided funding (and volunteer time) is available from companies and DfE/DESC. STEMfest was a great success.

Support the University College, IoM in developing the manufacturing apprenticeship scheme and the Advanced Manufacturing Training Centre (AMTC); and its other Engineering courses.

AMTC continues to be an essential resource for supporting the Engineering and Manufacturing Apprenticeships. Summer work placements are included within the scope of the AMTC and ACE collaboration; and many students gain employment with local engineering companies each year. AMTC continues to host many events involving students, companies, schools, parents, and teachers.

BUILD A ROBUST INDUSTRIAL STRATEGY THAT POSITIONS THE ISLAND FOR SUCCESS

Support Isle of Man Aerospace Cluster (IOMAC) through the steering group, the quarterly events and the links to the North West Aerospace Alliance (NWAA).

NWAA membership was discontinued for 2020 following a Business Agency vote. The IOMAC brand was maintained (e.g. website) as Aerospace remains a key sub-set of the E&M sector and a PR opportunity for the IoM. The non-aerospace STEM companies have customers across many sectors, including oil, gas, chemical, renewable, medical, semiconductor and many other general industrial and specialist sectors. The reduction in focus on aerospace will allow more focus on these other growth areas. Covid-19 has also shown that a heavy dependence on one sector leaves less resilience than a multi-sector approach.

Align the EMC/STEM strategy and priorities with government's industrial strategy.

With reference to the 'challenges' listed below, the STEM committee continues to develop its strategy to align with the priorities of the DfE Business Agency and vice-versa. It is important that government has 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 Business Agency has focused on prioritizing 'high potential benefit' work streams. The biggest of these relates to medicinal cannabis, which has the potential to be of huge benefit to the IOM economy across sectors. Also, the ATG (airport technology park) is a step towards addressing one the shortage of high quality industrial zoned land to attract high-tech businesses. The increased focus on climate change may also lead to some crossover with the E&M sector; and the CleanTech group within DfE (currently

WE CONTINUE TO POSITIVELY ADDRESS DIVERSITY ISSUES TO ATTRACT GREATER PARTICIPATION FROM FEMALE ENGINEERS THROUGH CHANGES IN MANUFACTURING CULTURE

biased towards construction / facilities and energy / the MUA) will also be likely to cross over with E&M.

CHALLENGES - NEW AND OLD

Covid-19 has led to several job losses in the STEM sector companies. But there have also been success stories in terms of E&M companies supporting the medical industry as 'key workers'. The 2019 sector ambition 'to grow significantly' has been replaced with a more modest 'survival' goal for 2020. However, in the longer term, there is still ambition to grow the sector. To do so, the island's infrastructure may need to be enhanced (e.g. transportation - sea/road/air; industrial zones; housing, etc). This would bring increased incentive for the educational institutions to offer greater bias to STEM subjects to support growing employment opportunities in this sector. 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) but history shows this to be very difficult. We do have several current businesses continuing to grow and supporting these should remain a priority for DfE. We continue to positively address diversity issues to attract greater participation from female engineers through changes in manufacturing culture and progressively transforming perception, image, and reputation of the industry. And BREXIT - which challenges all UK / IOM companies who move goods and materials across borders - remains a concern.

David Hester
STEM Sector Lead and
DfE Business Agency rep. for the E&M sector

FINANCIAL & PROFESSIONAL SERVICES Committee

The Finance and Professional Services sector (FPS) continues 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 FPS 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 FPS Committee has maintained a broad focus on the Isle of Man financial services sector interacting closely with Treasury, the Department for Enterprise, along with other relevant authorities and regulators.

Many of the FPS 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. One area of strong collaboration is in respect of consultations impacting the FPS sector.

Like all other sectors the FPS sector was not immune to the challenges posed by Covid - 19. The big challenge which the sector rose to well was how to get a significant number of people effectively working from home. This was largely successful, and the sector did not have the immediate issues of many other sectors.

At the time of writing return to the office is still varied within the sector with a large proportion of firms now fully returned to the office, though some have circa 20 or 30% returned.

They always say that every challenge creates an opportunity, and we have seen some good progress in areas such as online ID&V, and the adoption of digital / technology.

Whilst a lot of the initial challenges have been overcome there are still a number of longer term challenges for the sector, with many believing the full impact of Covid-19 not being known for a further 12 -18 months. The economic outlook remains uncertain and there are many differing views as to likely long term impact. All on the Isle of Man need to pull together to ensure the economic viability of our Island moving forward.

Many businesses articulate the need to travel into the UK and further afield in order to support business development activities. Whilst the border restrictions were seen as an immediate challenge to some, there is a more widespread concern about the future of some of our airlinks, with reliable airlinks to London, Manchester and Ireland being highlighted as key to a flourishing FPS sector.

ANY CHANGES TO THE COMPETITIVE FINANCIAL LANDSCAPE WE OPERATE IN WILL NEED VERY CAREFUL CONSIDERATION

Skills will undoubtedly be a focus over the next 12 - 18 months, especially as the sector is likely to face similar pressures to the wider economy. Key will be to ensure there are strong retraining packages available to those who want them.

There is a degree of nervousness in some areas about how the Government will seek to raise funds to balance its books. Any changes to the competitive international financial landscape we operate in will need very careful consideration.

One area which is key to the success of the Finance industry is ongoing political and economic stability. Most believe that the Government has performed well over recent challenges, and certainly we are seeing new business enquiries from other jurisdictions. There have been reports of inflows from both Hong Kong & South Africa.

For the FPS sector we see the next 12 / 18 months being challenging, but with the right support / focus there is a strong belief that we can continue to be successful.

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
Financial and Professional Services
Sector Lead

DIGITAL Committee

It will come as no surprise that this year's Digital Committee report has a focus on the Covid-19 pandemic.

Many IOM-based companies were well placed to quickly switch to remote working whilst others struggled to implement a robust, secure environment. Post lockdown, companies are looking to technology to drive changes to process and to bring efficiencies and cost savings.

Remote working has proved very popular with many people recognising the improved work/life balance that remote working can provide. Many companies have introduced more flexible working patterns which, in many cases, will lead to property and other cost savings. Now that remote working has become part of 'the new norm', there is a great opportunity for the Isle of Man to attract employees who are looking for a great work/life balance whilst not necessarily bringing the associated employers to the Island.

Remote working however also represents a threat as companies increasingly implement remote management and communication strategies which could enable remote

into robotics. This represents a threat to the Island and it is likely that we will see jobs being increasingly replaced by automation/robots over the next few years. This highlights the importance of offering more upskilling and re-skilling opportunities supported by Government.

Implementing the necessary infrastructure to stay current in the latest technology will be essential for the Isle of Man to remain competitive in a post-Covid-19 world. Whilst the Island's broadband network performed reasonably well during the height of the pandemic, there were areas of poor broadband service which reduced remote working/remote studying effectiveness. The Island must accelerate the National Broadband Strategy to ensure high speed broadband services are available Island-wide.

The Committee was supportive of the recent 5G trials and the planning changes that were implemented. The ongoing delay to the approval of the Telecoms Bill is very

TECHNOLOGY PLAYED A CRUCIAL ROLE IN KEEPING OUR SOCIETY FUNCTIONAL DURING PERIODS OF LOCKDOWN AND QUARANTINE AND THESE TECHNOLOGICAL CHANGES WILL HAVE A LONG LASTING IMPACT

workers to be based in a different jurisdiction, potentially at a lower cost.

The pandemic has accelerated a number of key technology trends including digital payments, electronic signatures, telehealth and robotics. Technology played a crucial role in keeping our society functional during periods of lockdown and quarantine and these technological changes will have a long lasting impact.

Online shopping increased exponentially and whilst a few Manx retailers embraced the online market place, this trend needs to continue, with local retailers offering online products with local collection or delivery.

It was great to see 3D printing used locally to produce PPE, enabling different areas of our community to play a role in supporting the fight against Covid-19.

The pandemic has accelerated the use of, and research

disappointing and there is a real risk that this could start to impact investment decisions.

The Digital Committee will continue to work closely with the Digital Agency to progress digital opportunities on the Island with particular interest in Blockchain, eSports and Internet of Things initiatives.

Finally, I will be stepping down as Digital Committee Sector Lead after nearly 20 years in the role! I have really enjoyed my time as Chair and I have been delighted to have the opportunity to help to influence and shape the digital sector on the Island. I'm delighted that Alex Scott, CTO at ParagonEX, is taking over and I have every confidence that Alex will do a great job as Sector Lead. I would like to thank all of my colleagues on the Digital Committee who have supported me over the years.

Deb Byron
Digital Sector Lead

RETAIL Committee

The letter of the year is definitively a Big C. There have been lots of Big C's that have influenced our course this year.

This report is written by Andy Corrie (corrie with a little c by the way).

Where do I start?

The retail industry entered 2020 knowing there were challenging times ahead. An increased cost base, ever shrinking margins, the rise and rise of online shopping, previously solid anchor businesses struggling, in some cases failing. Added to this was the ongoing uncertainty of what Brexit would bring.

Locally the Douglas promenade works provided further headaches for Douglas Retailers. The usual issues of scarcity of labour and ever increasing wage bills hadn't gone away either.

Few in retail were optimistic at the start of 2020. With good reason.

Even fewer were really thinking about the impact of reports of a strange virus that seemed to have struck at a fish market in Wuhan, China towards the end of 2019.

I had taken on the Big C of the chair of the Retail Committee in late 2019 and promptly disappeared for 3 months to have a hip replacement. I recall upon my return in January speaking to Rebecca with a view to relinquishing the position as I had lots of other pressures on my time.

I ultimately reconsidered and stayed on. Meanwhile Committee stalwarts John and Peter Horsthuis, Stephen Bradley and Carol Glover who I had been on the committee with for 21 years all chose this moment to step back. Was it something I said?

By the way, I commend all of those named above for their services to retail through their time on the committee and also for the wisdom they have imparted upon me (mostly against my wishes) over the last 21 years. However, their shoes were ably filled by a new generation of committee members ready to take on the challenges ahead on behalf of our industry. Little did we all know the wild ride that we were about to embark upon.

The next Big C hit us in March when the virus caused the cancellation of TT which rapidly escalated into other cancelled events and the UK moved towards lockdown. Food retailers saw a massive spike in demand as people panic bought anything in tins, medicines, handwash and sanitisers and also toilet rolls in massive quantities. Spam sales had never been so good, bottoms had never been so well-wiped and everyone had suddenly remembered the importance of washing their hands- frequently - while singing happy birthday.

The end of March created a strange new categorisation of retailers where we were divided into "Essential" and "Non Essential". Nobody quite knew what fitted into each category but bike shops joined Grocery Stores in the "essential" category and almost everyone else was sent home as lockdown struck the Island.

Our merry band of food retailer representatives comprising myself Andy Corrie from Coop, Janna from Robinsons, Amanda from Shoprite, Des of Evf, Neil of Tesco and Ross & Kenny of M&S suddenly felt like we were left manning the walls at Rourke's Drift without a Michael Caine in sight to lead us. We became best of buddies via Whatsapp, Zoom and telephone. The virus was spreading, we'd all waved goodbye to our vulnerable colleagues not knowing when we would see them again and the remainder of our colleagues were proudly soldiering on despite being scared and under pressure from their families. We all realised how much we loved our teams and how proud we were of them and thankfully the general public reflected these feelings and made the essential food retail colleagues feel like

We all saw increasing sickness levels due to precautionary self isolations. Plans were drawn up to centralise food supplies in warehouses and introduce ration books. Thankfully these were not needed.

However, what was needed was social distancing measures, floor markings, sanitiser stations, protective screens, limited numbers in stores, queuing systems, bouncers on doors all brought in hastily and without any Guidance from Govt. we literally made it up as we went along. I think I "won" the protective screen race thanks to a bit of Sunday night

BIKE SHOPS JOINED GROCERY STORES IN THE "ESSENTIAL" CATEGORY AND ALMOST EVERYONE ELSE WAS SENT HOME AS LOCKDOWN STRUCK THE ISLAND



THE WORLD HAS CHANGED
AND WILL CONTINUE TO DO SO.
OUR RETAIL SECTOR BOTH ON ISLAND
AND IN THE UK MUST CONTINUE TO CHANGE
IN ORDER TO ADAPT AND SURVIVE

internet searching and the sterling mobilisation of Alan the Big C of SCS to get all 10 Coops done. Alan Clague still owes me about 10 pints for all of the referrals I sent his way to get the Corrie/Clague screen design rolled out island wide in numerous other retailers by the way.

What followed was a never before seen of collaboration and acting in the national interest by all food retail members. With constant support and sharing of ideas and generally acting in the national interest to keep the island fed. I am very proud of all of the food retailers of the Isle of Man, whether Chamber members, or not.

However, while essential retailers were getting to grips with the new ways of working and protecting colleagues and customers and in many cases adapting their businesses with home delivery, click and collect and working with volunteer groups to look after the vulnerable a whole other set of problems was unfolding for non essential retail.

Many of the retailers in the non-essential category were already struggling and the lockdown and loss of revenue further compounded the situation. There was massive confusion over the Government's MERA and Salary Support Schemes and the Business grants. However, another Big C (double C, in fact) Claire Christian emerged as a champion for small businesses, including many retailers and did an amazing job of helping those businesses navigate the minefield and gain the financial support they needed to survive and retain their staff. Claire worked closely with Chamber to ensure that not only were these businesses kept going but also that the best practices of the Food Retailers were shared with non essential retail to aid in their smooth and safe return to work. Claire was swiftly added to the Retail Committee, however, she had a very short tenure as due to her recent success in becoming MHK for Douglas South, which I congratulate her for, she has now stepped down from the Retail Committee. I am sure that an exciting future lies ahead for Claire.

The return to operation of non essential retail was heartening to see that the first to return were the small local independent shops, many of the UK multiples were slower to return due to their UK operations remaining furloughed. This highlights the importance of a local independent retail sector and we should support and cherish our retailers. The Manx Government are to be commended for the work they have done so far in protecting the Island from both the medical emergency and the economic emergency but as Bonjovi Said "We're half way there". The economic recovery funding is a positive step and used wisely will go a long way towards securing the future for our sector and indeed the economy as a whole. I also welcome to our Retail Committee several new members who have been recruited this year giving us a diverse voice which is representative of the sector as a whole.

Now that the Isle of Man has returned to some semblance of normality it is a time to both reflect and look to the future. The final Big C to speak of is Change. The world has changed and will continue to do so. Our retail sector both on island and in the UK must continue to change in order to adapt and survive. Those that cannot or will not adapt to change will sadly enter the history books, joining the likes of Woolworths and HMV. We will certainly see more UK based multiples flounder and fail in the months and years ahead.

However, those that embrace change, predict it, are part of it and see it for the opportunities it can provide will surely prosper. As Gandhi said "Be the Change you want to see in the World" and as Stephen Bradley said to me "The Future is not for Wimps".

Andy Corrie
Retail Sector Lead

VISITOR ECONOMY Committee

Prior to Covid-19, some real progress was being made on several important fronts within our sector. A long-term strategy was in the early stages of development, enhanced improvement grants and loans were under consideration, and government had recognised the need to combine the minimum wage process with a more rounded review of the domestic economy. Unfortunately, the pandemic has relegated progress to the backburner but, as and when normality returns, both VEC and the Visit Agency will be looking to inject new impetus into these initiatives.

Naturally, Covid has been front and centre of our agenda since March. Two open meetings were held that month to gather as much sector feedback as possible, the second being attended by the Treasury Minister, the Minister for Enterprise and senior government executives. What they heard that day must have helped inform their thinking in the development of the 'Strategic Capacity Scheme', which has worked with the wider salary support measures to keep the accommodation sector intact over the summer.

Although government support to date has helped significantly, the toughest time for the sector lies ahead over the upcoming autumn and winter. In a normal year, revenues generated by the sector in quarters two and three (April to September) would exceed £25m, so the government support of around £10m has left the sector with little in the way of cash reserves and a good deal of deferred liabilities in the form of payment holidays and carried forward bookings. The most critical time will be the early months of 2021, when revenue from local customers will be low, forward cash from TT sales will be significantly reduced (due to the capacity constraint from the carry forward of 2020 bookings), and pressure will build for the settlement of deferred costs. We are working hard to get this message across to government and to the consultants they've appointed to review the sector's needs over the winter.

One initiative proposed by VEC that could change the dynamic is 'Covid sheltering', whereby UK visitors would be permitted to come to the Island for long-term stays over the winter provided they underwent testing and isolation before entering local society. This would afford the opportunity for homeworkers and retirees to come to a Covid-free environment, fill the serviced and non-serviced accommodation, reduce or eliminate the need for government support and inject new spending power into the local economy. Any such scheme would need carefully targeted marketing to attract the necessary level of interest, but the UK market is huge and we'd only need a few thousand visitors to make a go of it. As I write, the idea is being assessed by government and we hope to hear one way or the other over the coming few weeks.

It's hard to see beyond Covid right now, but the eventual return to normality could bring a boost to the Isle of Man as a tourist destination. The government's response to the public health crisis has enhanced the reputation of the Island and going forward, many tourists, particularly the older generation, will place more value on safety, space and

tranquility, the very attributes we have in spades. Add in the almost-forgotten issues of Brexit and sterling depreciation, and you have the perfect recipe for a growth in staycation holidays within the British Isles, with Isle of Man being a new and interesting option for many who will have already 'done' the mainland alternatives.

The key to fulfilling our post-Covid potential and converting opportunity into bookings is investment. It's no good simply stumbling out of the pandemic with a down at heel offering that doesn't compare well with competitor destinations. Our public realm and our hospitality offering has to improve, and in order to do this we need engagement from government both in terms of the enhanced visitor accommodation support schemes that were under discussion prior to Covid, and in terms of town centre and tourist attraction infrastructure. This in turn would give us the platform to create a virtuous cycle of investment, growth, profit and reinvestment.

One key message that could help us win the battle for investment support is how important the visitor sector is to the Island's economy. We currently struggle to get this point over because of the way the Island's GDP data is reported. If the global earnings of international sector businesses based here were shown separately (as GDP that doesn't circulate in the domestic economy) and the visitor spend was aggregated (rather than hidden away in several different categories) our sector's true value would become apparent. We would jump from the false perception of being less than 1% of headline GDP to the reality of being around 7% of the 'real' economy with the added value of underpinning events, attractions, bars, clubs, restaurants and shops that serve the local community year-round. It's not an easy sell, but the plan is to join forces with Visit Agency to run a combined 'hearts and minds' campaign to promote the point and ensure government's decision-makers have all the facts about our sector when considering the merits of improved investment support.

Finally, thank you to all the members of the Visitor Economy Committee for their participation and assistance over the last year. Although many of us are competitors on a day to day basis, the Committee has been truly effective at working in a collegiate manner and this has undoubtedly helped in the wider context of promoting the visitor sector as a whole.

Brett Martin ACA
Visitor Economy 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, it's 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 2019/20 year, Fuel have looked at a number of topical areas for either lively internal debate, consideration of the wider Chamber membership or consideration by the Isle of Man Government. We have considered topics ranging from climate change and the Greta Thunberg movement and how this could impact on our island to how we see the Isle of Man economy changing and the impact that this will

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 adapted to ensure that the island maintains an engaged and motivated working population.

2020 is definitely a year that will go down in history as I don't think many of us saw ourselves living and working through a global pandemic and as with many things, Covid-19 caused us to put many of our areas of research on hold whilst our Committee adapted to lockdown and working from home. This period has also given us time to pause and look at our Committee and how we see it moving forward within Chamber, how we continue to research and debate topical issues and also how we open ourselves to attracting new

AS THE REQUIRED SKILLS CHANGE, THE EDUCATION, TRAINING AND LIFE-LONG LEARNING OFFERED TO EMPLOYEES WILL HAVE TO BE CONSIDERED AND ADAPTED TO ENSURE THAT THE ISLAND MAINTAINS AN ENGAGED AND MOTIVATED WORKING POPULATION

have on the business sectors on the island and wider island society.

We have taken a deep dive into how the Isle of Man supports working families, how this compares with other jurisdictions and how this could impact on attracting a younger workforce to relocate to the island. This has opened new avenues for Fuel to work more closely with other Chamber Committees to debate our ideas and look at how we can provide collaborative approaches to working on topical subjects.

We have received excellent guest speakers from both the Isle of Man Government and from the private sector who have discussed their current areas of work and also areas of personal interest. This has led to much discussion on the changing skills and demographics required in the sectors

members. We see the 2020/21 year as a very exciting year for Fuel as we look to recruit new members and inspire them to research and actively debate matters that they feel are important to the Isle of Man, it's society and it's business community.

We would also like to open our meetings to any Chamber members that would be interested in coming to speak to us about topics that inspire them or they think would benefit from consideration and debate by Fuel.

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

ROAD, SEA & AIR Committee

This year has been particularly challenging for all businesses due to the Covid 19 virus and the associated lockdown but the Island has weathered the storm better than most places, what the future will bring is another story.

ROAD

This past year saw the introduction of Operators licencing for owners of Heavy Goods Vehicles. The reasoning behind this is to improve the roadworthiness of the largest vehicles on our roads and make them safer for all road users. This is being achieved by the addition of vehicle plating and annual testing for artic trailers that will hopefully remove older, unsafe equipment from our roads. The regime also includes a requirement for regular testing and accurate record keeping and for the first time the Road Traffic Commissioners will have the ability to challenge Operators that do not comply and if necessary issue penalties or even revocation of the Operators licence in the worst cases. The lockdown has delayed the deadlines for compliance but eventually all HGV equipment will be annually tested. For some Operators there are additional costs in plating and test fees but these are lower than the adjacent jurisdiction and have been accepted.

The lockdown saw a serious reduction in incoming freight during April which was primarily due to the building trade ceasing entirely along with non essential retail businesses. Some transport businesses saw a reduction of 50% or more in traffic volumes and the Steam Packet reduced sailing to once daily. Following the lifting of restrictions in May and the resumption of business for most firms, daily volumes have returned to normal or in some cases above normal levels and are expected to remain so in the near future.

SEA

January 2020 saw the introduction of the IMO (International Maritime Organisation) Fuel Directive for shipping. This directive covers the exhaust emissions of vessels operating worldwide and sets targets that must be met. There are several ways to reduce emissions, one is to fit exhaust gas scrubbers which is not practical to retro fit to an older vessel and the other is to use a low sulphur higher grade fuel - MGO - Marine Gas Oil which is the route taken by the Isle of Man Steam Packet. This fuel being more refined is more expensive than the lower grade fuel and this is being passed on to freight users by way of an increased fuel surcharge.

The Government takeover of the Steam Packet Company has not produced any changes to the operation of the Company and it is pleasing to see that as promised, Government are allowing the business to operate at arms length. What has come about is the recent announcement of a new vessel to take over the main Douglas to Heysham route with the Ben my Chree being retained as a back up vessel. The fine details of the new vessel are still being planned but it is understood that it will be of a hybrid design utilising battery electric propulsion as well as diesel. More and improved passenger accommodation is planned as well as increased freight capacity.

The new vessel will be expected to last for at least 25 years and will be built to the maximum size that can be accommodated in Douglas Harbour. However, the harbour is restricted in its access for larger vessels and it is the only port on the island that can meet the requirements for passengers and freight. Steps do need to be taken to produce designs for a new deep water berth to future proof the needs of the Island.

AIR

The Island has not been particularly lucky with the air carriers that serve us with airlines folding on a regular basis, the latest casualty being FlyBe and their demise coincided with the lockdown. The loss of FlyBe has perhaps not been felt yet due to the reduction of air travel and when normality returns it could be found that certain routes will no longer be available as they were previously.

There have been some opinions that the Isle of Man should invest in its own airline in the same way that the State of Guernsey has invested in Aurigny. Although Aurigny is subsidised by the Guernsey Government to the tune of many millions, the argument is that the regular service provided to important UK airports and the benefits to existing and prospective new businesses far outweighs the expenditure.

Whilst a decision for the IOM Government to 'acquire an airline' would be a major cost and one that may be unrealistic at this time it can be argued that events have demonstrated that the current policy of unfettered 'open skies' does not serve us well.

If Government is not to invest in a 'National Airline' serious consideration and a 'Business Case' developed for either:

- a. Some form of 'Golden Share' arrangement with a Private Operator, OR
- b. A Light Touch Regulatory Framework which provides:
 - i. A contractual commitment on behalf of the operator to provide an agreed 'service level' sufficient to protect the interests of our Island
 - ii. A reasonable level of protection to the operator set against the commitment they would be making

As previously stated the current 'Open Skies' has for over a decade demonstrably created a 'boom and bust' [with more Bust than Boom] environment and unacceptable / undesirable characteristics where passengers [and others] believed they were being served by an airline - only to find this was not the case after something had seriously gone wrong

We believe that with the inevitable [but yet to be quantified] changes in patterns to air travel [and freight] from our Island, both 'Domestic' and feeding into Long Haul there is a greater need to move away from carriers 'cherry picking' their routes and varying service levels often at short notice.

John Quayle
Road, Sea & Air Sector Lead

CHARITY FORUM

The Chamber of Commerce Charity Forum was established in January 2020 with the purpose of helping Chamber member charities get better access to the business community. Working in partnership with the Council of Voluntary Organisations (CVO) and Isle of Man Government the aims of the forum are:

- To link charities to the business community;
- To look for opportunities to share and collaborate;
- To host specific events to promote Corporate Social Responsibility (CSR) and volunteering.

The people of the Island are very generous to charities but they are always looking for new ways to seek support. Ideas have been shared with our charity members in helping them approach businesses for help financially and in seeking volunteers through CSR programmes. As an example, a charity member required help with using their new accounting software, a request was put out to the wider membership and a volunteer was found to assist them with training.

The Covid-19 pandemic has seen immense pressure placed on the third sector not least in terms of the additional requirement for the provision of their services. There has also been added pressure on them financially as their ability to generate income through fund raising activities has been severely curtailed. Many of the local charities are businesses in their own right and the sector was disappointed at the lack of support that they received through the Financial Assistance Scheme during the crisis.

Charity membership of the Chamber has grown this year and the aim is to continue that upward trend in 2020 / 21.

Future plans include:

- Encouraging more charities to become Chamber members;
- Helping them to raise their profile to businesses;
- Coaching in how to approach businesses in a structured way;
- Sharing ideas with fellow charity members.

The pandemic has meant that we have not been able to meet in person since March, but we have kept in touch using the Zoom platform. Hopefully the island will remain safe and we can start holding face to face meetings again in the near future.

Richard MacNee
Chair, Charity Forum

**THE PEOPLE OF THE ISLAND
ARE VERY GENEROUS TO CHARITIES
BUT THEY ARE ALWAYS LOOKING FOR
NEW WAYS TO SEEK SUPPORT**

A Year at THE CHAMBER

TOTAL MEMBERSHIP AS AT 31 MARCH 2020

450 businesses representing circa 20,000 employees

STAFF:

Rebecca George, Chief Executive
Julie Stephens, Office Manager
Jessica Kitchin, Business Connex Manager

COMMITTEE VOLUNTEERS: 180

EXPORT DOCUMENTS

137 Certificates of Origin were issued between April 2019 and March 2020.

We have had a quieter year than normal with export documents and numbers were 75 down on 2018/19 and 231 down on 2017/18. We believe the downturn comes from the uncertainty around Brexit.

CHAMBER EVENTS

903 members attended 22 Chamber lunches, workshops and seminars between April 2019 and March 2020.

EVENTS 2019/2020

21/03/19	Disruptive Influences
28/03/19	Immigration Update
20/05/19	Developing Ecosystem
21/05/19	Whistleblowing
28/05/19	GDPS 1 Year on
20/06/19	Be the Blockchain
02/07/19	Demystifying Economic Substance
18/07/19	Customs Procedures
20/09/19	AGM and Gala Dinner
07/10/19	Are you ready for Brexit?
23/10/19	CyberIsle
19/11/19	Public Sector Pensions
28/11/19	Demystifying mental health
11/12/19	Responding to changes to the AML/CFT

12/12/19	Members Christmas Lunch
16/01/20	The Stress Bucket
23/01/20	How to make a start with marketing your business
06/02/20DPO	Forum - SARS
13/02/20	The Benefits of Business Protection
24/02/20	How to spend less time on social media & get better results
26/02/20	Co-Lab event Intellectual Property
10/03/20	Stock Exchanges, Listing, Capital Markets

RETIRING COUNCIL MEMBERS & COMMITTEE CHAIRS

This year Ron Berry retire from his position on Council. Deb Byron has also stepped down as Chair of the Digital Committee after being in the role for over 16 years. A big thank you from all of us for the many years of service you have given to Chamber.

SECTOR LEADS

The following have been appointed as Sector Leads:

Finance & Professional Services	Stuart Nelson
Digital	Alex Scott
STEM	Dave Hester
Construction (part of IoM Construction forum)	Gary Crittenden
Retail	Andrew Corrie
Employment & Skills	Karen Corran
Visitor Economy	Brett Martin
Road, Sea & Air	Steve Walton
FUEL	Claire Watterson
Charity	Richard McNee

THANKS

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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.

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