



Isle of Man Chamber of Commerce

Monday 8th December 2025

Minimum wage increase: Urgent action needed NOW to avoid a national crisis

Dear Members of Tynwald

The impact of the 9.9% minimum wage increase from next April is likely to have a devastating impact on business and the economy. The message is clear:

+9.9% = more job losses + more business closures

Aligning the increase with the IOM Inflation rate (Consumer Price Index) would be more viable & sustainable for the vast majority of businesses

At a time when many firms are struggling a 9.9% rise, combined with other rising costs and difficult trading conditions for many, is likely to push many over edge. Based on the wealth of feedback we have received since the 9.9% increase was approved by Tynwald, an increase in line with the IOM inflation rate as it stands in April next year would be in the best interests of businesses and the economy.

While employers support measures to raise incomes for low paid employees, a much better approach would be to reduce the tax burden and other financial pressures they face.

Urgent action needed by Government

Chamber, along with our members and supporters from a broad cross-section of the business community, are calling for the following immediate actions:

1. Pause and review

Chamber urges Government to pause the introduction of the proposed 9.9% increase and reassess the economic, fiscal, and employment impacts. Based on the situation right now, an interim rise in line with the IOM Inflation Rate (Consumer Price Index) in April 2026 would be far more sustainable for employers, employees, and the wider economy.



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2. Reinstate close engagement with the Minimum Wage Committee

Chamber calls on Government to return to the established practice of meaningful engagement with the Minimum Wage Committee and to fully consider its most recent work. It is vital that all parties operate on the basis of accurate information and a shared understanding.

3. Review the Praxis Report and related Government analysis

Chamber asks Government to revisit the [Pragmatix report](#) and associated departmental work to ensure that all modelling reflects current post-Covid realities, including sectoral weakening, reduced productivity, and elevated business costs.

4. Adopt a clearer long-term methodology

Chamber recommends reviewing the Island's approach to calculating minimum and living wage rates, including consideration of aligning more closely with the UK methodology, which is more stable and predictable.

5. Reinstate youth brackets

The removal of youth age brackets has adversely affected early-career job opportunities. Chamber believes reinstating these brackets would protect younger workers and help restore entry-level employment.

6. Support for SMEs

If Government decides to proceed with the 9.9% increase, the Department for Enterprise must ensure that robust support mechanisms are in place well ahead of April 1st 2026 when the new rate is due to come into effect. Any support must be fast, simple to access, and sufficient to protect SME viability.

END.

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