



## Isle of Man Chamber of Commerce

### **Response to the Economic Policy Review Committee Inquiry | Structure and Effectiveness of the Department for Enterprise and its Executive Agencies**

#### **Introduction**

The Isle of Man Chamber of Commerce welcomes the opportunity to contribute to this important inquiry by the Economic Policy Review Committee into the structure and effectiveness of the Department for Enterprise (DfE) and its Executive Agencies. We believe this review is timely and necessary, and we hope our contribution will help drive continuous improvement in how the Island approaches economic development and inward investment.

This submission reflects feedback from Chamber's Board, sector forum leads, and individual members, incorporating both high-level strategic reflections and lived experience from within the current system.

#### **Context and Opportunity**

The DfE and its agencies - Digital, Business, Visit, and Finance - have played an important role in stabilising and supporting the economy over recent years. Their contributions during the COVID-19 recovery, support for SME resilience, and promotion of innovation initiatives such as Activate AI are acknowledged.

However, we are now entering a period where the Island must move beyond recovery and into a new era of economic transformation. This demands a shift in mindset, more agile structures, and performance measures that prioritise impact over activity.

There is broad agreement among our members that the current DfE structure is no longer delivering transformational change at the pace or ambition required. The existing model is:

- overly risk-averse and bureaucratic
- work is fragmented, with each agency operating in its own silo
- unclear in its return on investment, including how it is calculated, what the target is, and how the wider economy is impacted by business success
- insufficiently aligned with the needs of modern business and future skills



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- often staffed by officers who have less experience than the people they support, slowing progress
- agreed actions are not always carried through into implementation, creating delays and frustration for business

We acknowledge the strength of DfE's policy, licensing, and regulatory functions. But the blending of these responsibilities with delivery roles - such as product development, business support, and international marketing - creates internal tensions and inefficiencies. These functions require very different mindsets and skillsets.

### Structural Challenges and Gaps

#### **Disconnection from Business Realities**

Micro-businesses represent 85% of Island enterprises, yet fewer than 20% of agency members appear to have direct experience or understanding of operating in this space.

#### **Entrepreneurial Mindset and Innovation Culture**

Agencies are dominated by people working in corporates, professional-services and finance backgrounds. There is little experience in global product-based industries, high-growth startups, or creative sectors.

#### **Barriers to Business**

Chamber continues to hear from members about real barriers to business - over-regulation, slow processes, fragmented systems, and outdated approvals.

#### **Demographic and Participation Risks**

25% of the working-age population is not economically active, yet there is no comprehensive plan to activate this workforce or address the Island's ageing demographic.

#### **Inward Investment Fragmentation**

There is often overlap or duplication across Finance, Digital, and Locate Isle of Man, with each operating largely in its own silo. Better coordination or consolidation could improve effectiveness – Skills is a good example of this.

#### **Performance Measurement**

Current KPIs focus on activity (e.g. number of meetings or calls) rather than outcomes (e.g. GDP growth, jobs created, tax take, well-being, social equality).



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### **Lack of Knowledge Economy Strategy**

There is no clear policy expertise or leadership to develop emerging sectors like private education, healthcare, or skills - all increasingly vital to a resilient, future-facing economy.

### **AI adoption and growth**

AI is the key driver of Innovation and Business Development for the future of all sectors. It is not an “add on” that sits with one Agency, it will transform every business and organisation over next 5 years. This requires strategy across all sectors (including emerging), strong and knowledgeable leadership and the ability to influence, execute and transform using data, visionary thinking and strong collaborative skills. This approach is urgently needed for every sector.

## **Where the Focus Should Shift**

**Digital as an Enabler** - Digital transformation must be embedded and connected across all government services. Grant and licensing systems should be app-enabled and mobile-first and not held back by outdated central legacy system thinking.

**Unified Inward Investment Strategy** - Create a single team or framework to lead cross-sector investment promotion with shared targets for relocations, registrations, and job creation. Use (informal)IOM “ambassador” links throughout the world to unlock introductions and opportunity.

**Placemaking and Island Identity** - The Island’s identity is a strategic economic asset - but it has been diluted by fragmented structures, sector-led messaging, and missed opportunities.

There is no cohesive narrative about what the Isle of Man stands for as a place to live, work, visit, or invest. Within Government marketing is fragmented across multiple teams, in the case of DfE this applies within, with inconsistent strategy, messaging, competitive advantages and limited focus on culture, creativity, or soft power assets.



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The UNESCO Biosphere, for example, is under-leveraged as a symbol of values and sustainability. Likewise, arts, food, heritage, and community stories remain disconnected from our economic narrative.

Chamber believes the Island needs a unified, emotionally resonant place brand for 2030 - one that reflects our values and strengths, and is backed by empowered leadership by:

- Create a dedicated Placemaking Unit responsible for developing and promoting a consistent Isle of Man narrative across government, the private sector, and the community—ensuring a clear, unified message at home and abroad.
- Embedding culture, creativity, and lived experience into how we present ourselves to the world
- Ensuring the function of marketing is treated as strategic, not transactional - with continuity, vision, and community ownership
- Using public-private co-creation to develop a new place brand that is distinctive, honest, and enduring

**Shift marketing leadership to the private sector** – Businesses, not government agencies, should lead the promotion of the Island’s identity. They are the real storytellers and ambassadors. Government’s role should be to enable and support a collaborative marketing ecosystem—not to control or silo the message.

**Knowledge Economy** - Support for private higher education, lifelong learning models, online diploma and degree-awarding institutions, and private healthcare innovation should become central to economic strategy.

**Sustainability and Regenerative Growth** - Fragmented “biosphere” projects must give way to an integrated regenerative economic approach linking climate, skills, local food and technology.

## Strategic Recommendations

### 1. Create an Economic Development Agency Outside Government



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- Jointly governed by the **public and private sectors** to ensure alignment, accountability, and credibility
- Led by a globally experienced Chair and Board with a track record in innovation and delivery
- Tasked with driving **high-quality job creation**, inward investment, and sustainable GDP growth
- Freed from rigid government processes and constraints to operate at pace

### 2. Separate Strategy from Delivery

- DfE should lead on regulation, policy, and oversight
- Delivery (grants, marketing, business support) should sit with industry-led or independent structures (in Luxembourg the Chamber of Commerce has this responsibility)

### 3. Introduce a Barrier-Busting Task Force

- Cut red tape and automate common business processes
- Reduce startup and licensing times by 50% within 12 months

### 4. Future-Proof the Workforce

- Invest in AI, STEM, Trades, vocational and green economy skills
- Integrate online learning as a key aspect of how learning and upskilling is delivered and develop as a new sector in the economy
- Upskilling and reskilling needs clear focus within into national policy
- Refocus UCM onto vocational with a Polytechnic style format and delivery, in partnership with business
- Vocational training and human skills development to be fundamental to post 15 education
- Work with **DESC** to **review the current curriculum** and benchmark it against international best practice in preparing a future-ready workforce

### 5. Reform KPIs and Governance

- Establish a central performance dashboard across all agencies
- Use independent reviews and publish annual reports with clear metrics focussed on impact and outcomes, not activity
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### **6. Change the Culture**

- Promote an agile mindset of co-creation, enabling, and yes-by-default, decision-making
- Support regulatory entrepreneurship to test and scale new ideas safely

### **Conclusion**

The Isle of Man Chamber of Commerce believes the time is right for a bold appraisal of how we create an ecosystem where economic development is easier and faster, enabled by positive policy and interactions and is driven by creating opportunity and possibilities for private sector to grasp.

Incremental improvements will not deliver the outcomes our economy needs. The Island's economy needs agile, globally aware, industry-aligned systems capable of delivering outcomes in an increasingly competitive world.

Strong, and "real" competitive advantages, backed by clear and consistent messaging across everyone about our Island and its advantages is increasingly fundamental, as many of our previous advantages are being eroded by external influences and what is reported as "over regulation" here.

The Isle of Man must become a credible, investable jurisdiction for long-term capital. Government should use its unique strengths, legislative agility, offshore flexibility, and global reach. to actively attract institutional investment and innovation-led growth.