



Isle of Man
Government

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Isle of Man

National Income

2015/16

Economic Affairs

Cabinet Office

November 2017

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Key Results

National income estimates for the Isle of Man have been produced annually since 1969/70. The national income accounts provide a measure of the size and growth of the Manx economy. They highlight the changing importance of sectors within the economy and the emergence of new economic activity.

The main national accounting aggregates are Gross Domestic Product (GDP) and Gross National Product (GNP), now being referred to as Gross National Income (GNI). GDP represents the monetary value of all goods and services produced within the Island's economy over a one year period. It also provides a measure of both personal and corporate income derived from economic activity on the Island. GNI also takes account of net income received from abroad in the form of interest, rents, profits and dividends and represents the total income of all Manx residents and companies.

The accounts show that 2015/16 was first year of negative growth for the Island's economy in 32 years. Key results from the report include:

- Total GDP declined to £4.45bn from £4.51bn
- Decline in GDP of -1.5%, or -0.9% in real terms (compared to an increase of 4.5% in 2014/15)
- Decline in GNP of -4.0%, or -3.4% in real terms (compared to 0.9% in 2013/14)
- e-Gaming and Transport and Communication were the main reasons for the decline during the year, reducing in size by -12.6% and -29.6% respectively in real terms.
- Insurance is now the joint largest sector on the Isle of Man, slightly larger than the previous main sector, e-Gaming, which shrunk to 17.2% from 19.5%. Insurance increased to 17.5% from 14.9%.
- The Banking and Insurance sectors were the best performing for the year increasing 11.2% and 16.0% from 2014/15.

It should be emphasised that the accounts contained within this report relate to the year 2015/16 and do not necessarily reflect the current position of the Island's economy.

This report is available on the following web page www.gov.im/categories/tax,-vat-and-your-money/national-income/

Economic Affairs,

Cabinet Office,

October 2017

**Table 1 - National Income by Economic Activity at Current Prices (£000s)
2014/15 to 2015/16**

Income in Year at Factor Cost	2014/15	2015/16	Change (%)	Sector Share (%) 2015/16
Agriculture, Forestry & Fishing	20,898	21,903	5%	0.5
Manufacturing: Engineering	39,821	42,191	6%	1.0
Food & Drink	33,929	31,355	-8%	0.7
General	50,612	50,728	0%	1.2
Mining and Quarrying	4,878	3,290	-33%	0.1
Construction	177,260	190,198	7%	4.5
Utilities	80,338	85,999	7%	2.0
Transport and Communications	170,204	119,841	-30%	2.8
Wholesale Distribution	33,992	33,020	-3%	0.8
Retail Distribution	122,455	119,420	-2%	2.8
Banking	336,205	373,960	11%	8.8
Insurance	642,476	745,168	16%	17.5
Other Finance and Business Services	404,198	381,313	-6%	8.9
Information and Communication Technology	376,708	401,675	7%	9.4
Legal and Accountancy Services	94,980	93,902	-1%	2.2
Corporate Service Providers	142,141	130,681	-8%	3.1
Education	94,525	93,076	-2%	2.2
Medical and Health Services	198,128	197,500	0%	4.6
Other Professional Services	120,817	106,521	-12%	2.5
Tourist Accommodation	17,281	14,174	-18%	0.3
Catering and Entertainment	32,246	31,610	-2%	0.7
e-Gaming	838,520	733,226	-13%	17.2
Miscellaneous Services	121,870	111,395	-9%	2.6
Public Administration	149,455	150,883	1%	3.5
Sub-total (Manx sourced income)	4,303,937	4,263,029	-1.0%	
Imputed rent	161,651	160,504		
FISIM adjustment	-152,185	-169,275		
Government depreciation of fixed assets	127,063	117,792		
NPISH	40,333	40,243		
ESA10 Adjustment	33,367	33,344		
Gross Domestic Product	4,514,166	4,445,637	-1.5%	
Income from Abroad	2,190,864	1,998,853		
Income to Abroad	-2,223,242	-2,167,925		
Net Income From Abroad	-32,378	-169,072		
Net FISIM adjustment	164,740	183,240		
Gross National Product	4,646,528	4,459,805	-4.0%	
Subsidies on production	-10,340	-10,200		
Taxes on production	16,093	18,644		
Gross National Income	4,652,281	4,468,249	-4.0%	

¹ NPISH; Non-profit institution serving households.

² Details on what is included within the ESA10 adjustments can be found in the methodological note on page 9.

³ FISIM; Financial Intermediation Services Indirectly Measured

**Table 2 - National Income by Economic Activity at Constant Prices (£000s)
2014/15 to 2015/16**

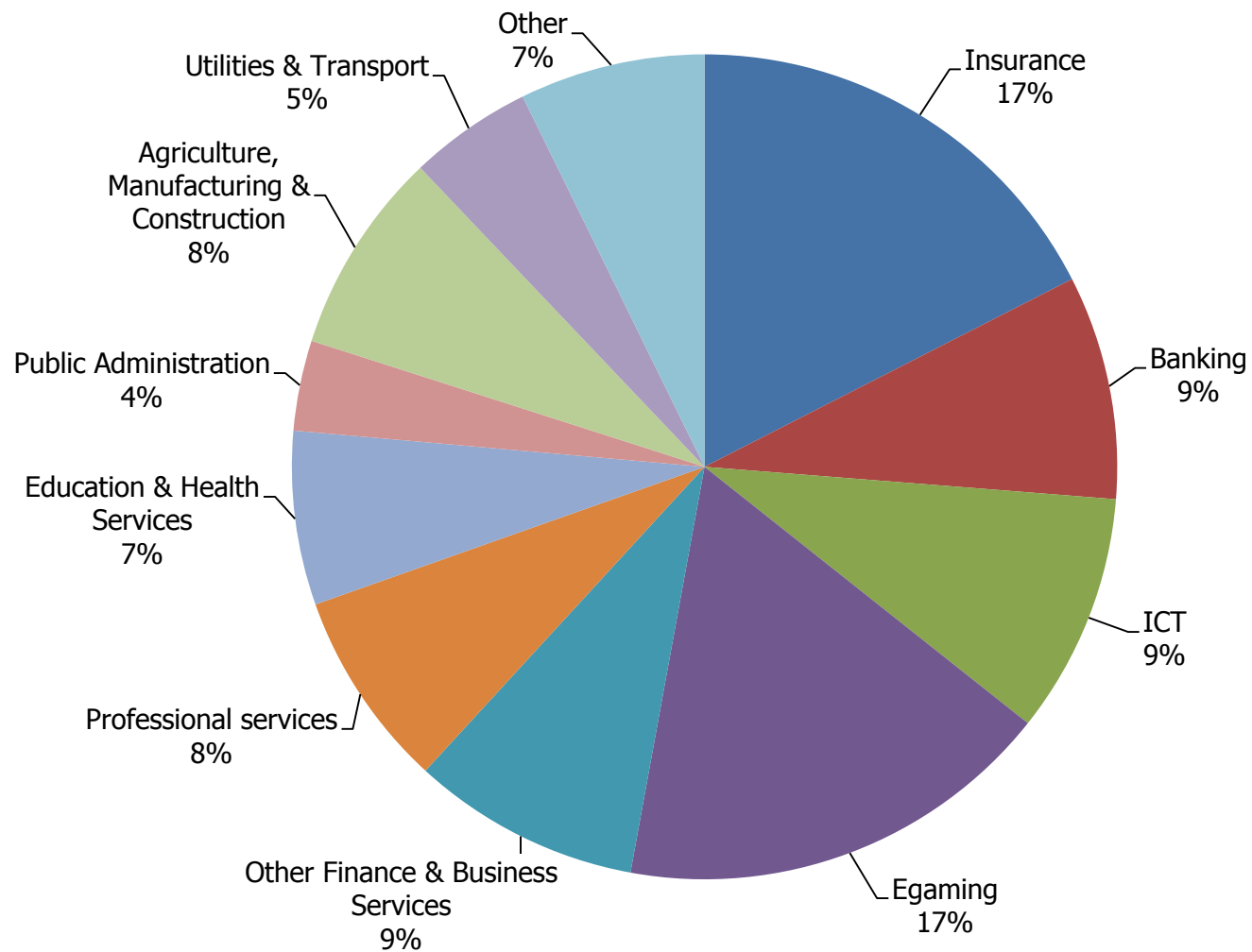
Income in Year at Factor Cost	2014/15	2015/16	Change (%)	Sector Share (%) 2015/16
Agriculture, Forestry & Fishing	20,768	21,903	5%	0.5
Manufacturing: Engineering	39,573	42,191	7%	1.0
Food & Drink	33,718	31,355	-7%	0.7
General	50,296	50,728	1%	1.2
Mining and Quarrying	4,848	3,290	-32%	0.1
Construction	176,155	190,198	8%	4.5
Utilities	79,837	85,999	8%	2.0
Transport and Communications	169,144	119,841	-29%	2.8
Wholesale Distribution	33,780	33,020	-2%	0.8
Retail Distribution	121,691	119,420	-2%	2.8
Banking	334,110	373,960	12%	8.8
Insurance	638,471	745,168	17%	17.5
Other Finance and Business Services	401,679	381,313	-5%	8.9
Information and Communication Technology	374,360	401,675	7%	9.4
Legal and Accountancy Services	94,388	93,902	-1%	2.2
Corporate Service Providers	141,255	130,681	-7%	3.1
Education	93,935	93,076	-1%	2.2
Medical and Health Services	196,893	197,500	0%	4.6
Other Professional Services	120,064	106,521	-11%	2.5
Tourist Accommodation	17,173	14,174	-17%	0.3
Catering and Entertainment	32,045	31,610	-1%	0.7
e-Gaming	833,294	733,226	-12%	17.2
Miscellaneous Services	121,110	111,395	-8%	2.6
Public Administration	148,524	150,883	2%	3.5
Sub-total (Manx sourced income)	4,277,113	4,263,029	-0.3%	100
Imputed rent	160,644	160,504		
FISIM adjustment	-151,237	-169,275		
Government depreciation of fixed assets	126,271	117,792		
NPISH	40,081	40,243		
ESA 10 Adjustments	33,160	33,344		
Gross Domestic Product	4,486,032	4,445,637	-0.9%	
Income from Abroad	2,177,209	1,998,853		
Income to Abroad	-2,209,386	-2,167,925		
Net Income From Abroad	-32,177	-169,072		
Net FISIM adjustment	163,714	183,240		
Gross National Product	4,617,569	4,459,805	-3.4%	
Subsidies on production	-10,455	-10,200		
Taxes on production	15,992	18,644		
Gross National Income	4,623,106	4,468,249	-3.4%	

Note: It is standard practice to present economic statistics in terms of "constant prices" (i.e. adjusted for the effects of inflation). This means that changes or growth, are not affected by changes in price. Prices have been adjusted by the Consumer Price Index (CPI) as published by Economic Affairs.

Table 3 - Growth in GDP and GNP at Constant Prices 1991/92 to 2015/16

	Change In Constant Price GDP (%)	Change In Constant Price GNP (%)
1991/92	1.6	1.0
1992/93	0.8	0.6
1993/94	2.6	-0.4
1994/95	4.0	1.7
1995/96	4.3	3.9
1996/97	7.7	6.8
1997/98	8.6	9.5
1998/99	13.5	10.5
1999/00	13.7	11.2
2000/01	5.3	3.4
2001/02	5.4	5.8
2002/03	6.2	5.7
2003/04	6.0	6.1
2004/05	5.2	5.4
2005/06	5.9	5.7
2006/07	7.7	7.5
2007/08	7.5	7.7
2008/09	4.9	-5.9
2009/10	2.1	0.0
2010/11	3.4	1.7
2011/12	2.0	2.5
2012/13	3.2	4.8
2013/14	4.5	5.1
2014/15	5.0	1.4
2015/16	-0.9	-3.4

Figure 1 Sectoral Analysis of 2015/16 National Income



Note: Professional Services includes Corporate Service Providers, Legal & Accountancy services and all other professional services.

Other includes Retail Distribution, Wholesale Distribution, Tourist Accommodation, Catering & Entertainment and Miscellaneous Services.

Figure 2 Percentage Change in GDP and GNP at Constant Prices 1991/92 - 2015/16 (%)

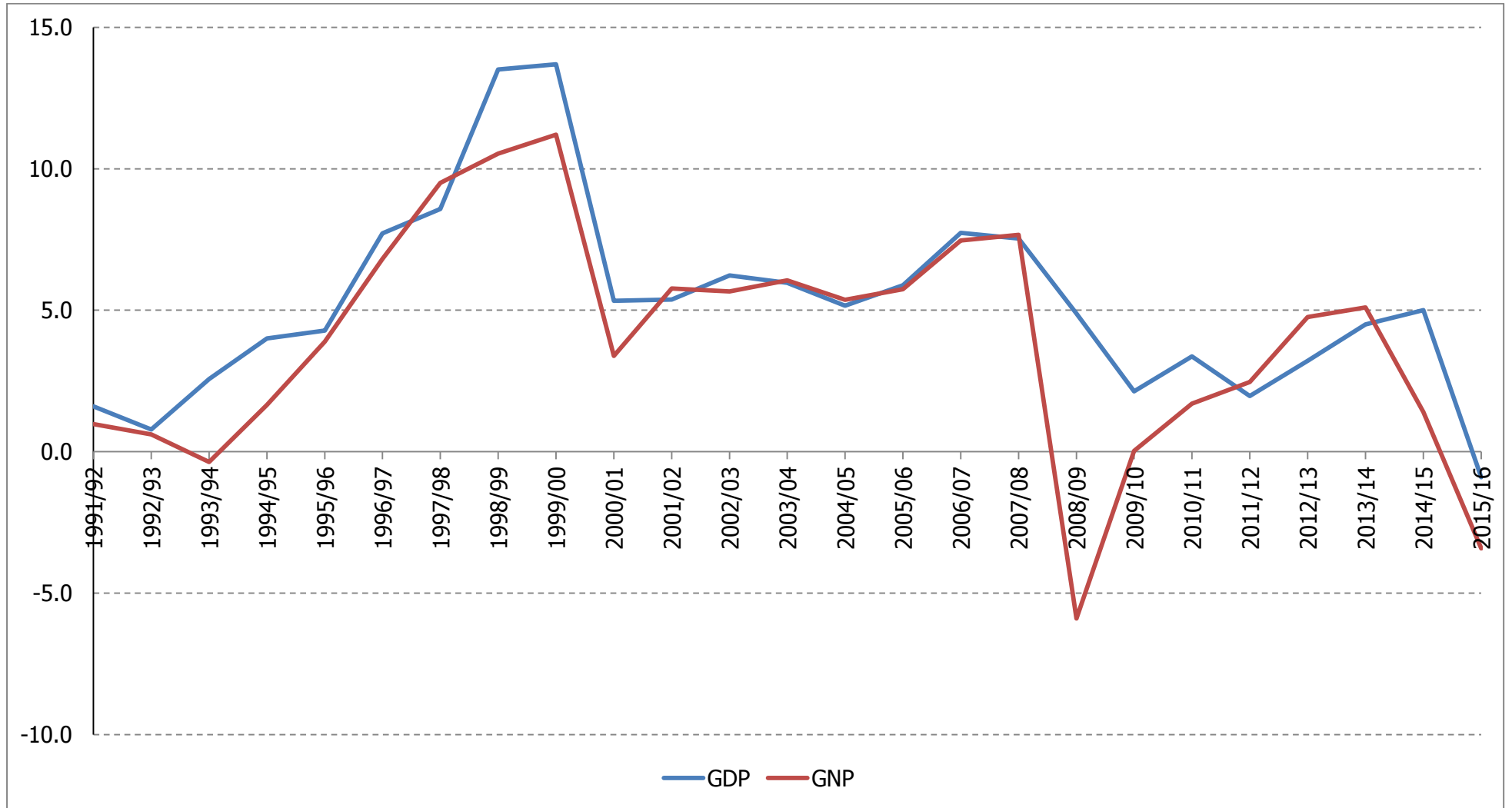


Figure 3 Share of GDP by Source

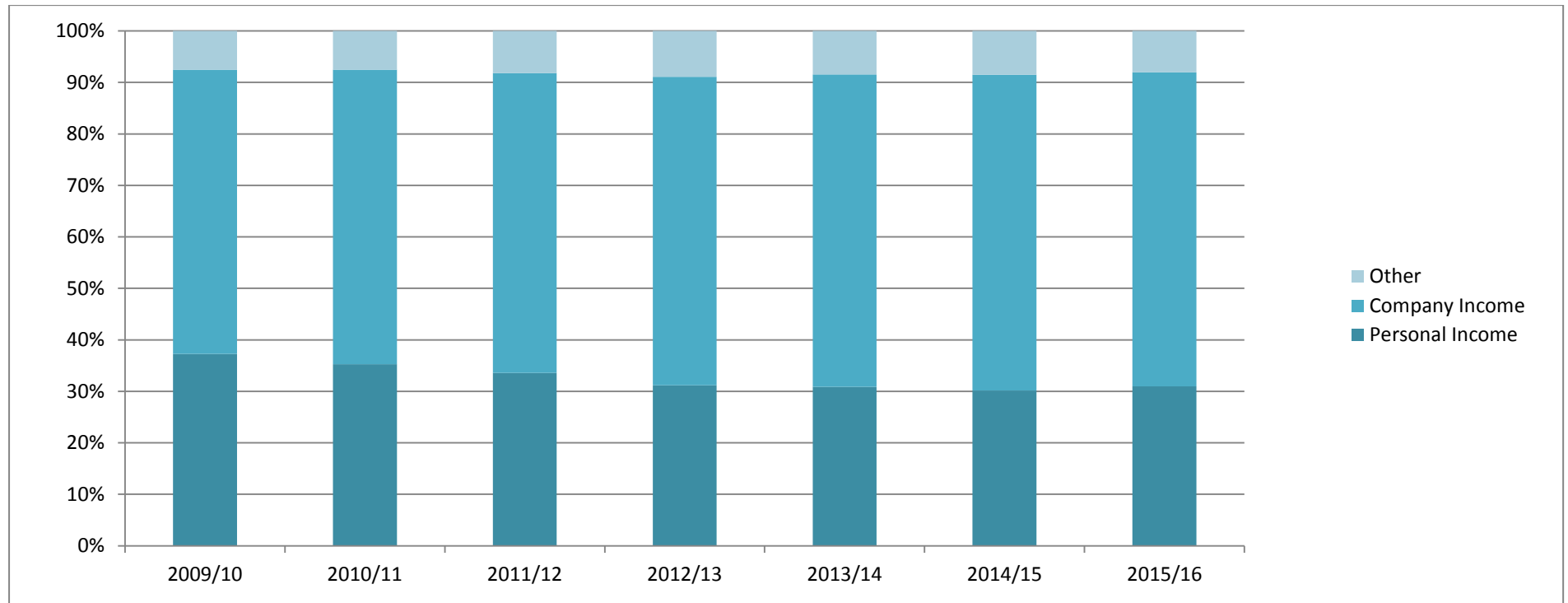


Figure 4 Share of GDP by Source at constant prices (£000s)

Share of GDP by Source	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Personal Income	1,382,952	1,326,035	1,316,404	1,274,320	1,318,922	1,351,485	1,377,411
Company Income	2,049,162	2,153,548	2,285,658	2,451,770	2,592,338	2,753,007	2,710,727
Other	279,762	282,362	320,982	364,340	359,891	381,540	357,499
GDP	3,711,877	3,761,946	3,923,044	4,090,430	4,271,151	4,486,032	4,445,637

Methodological Statement

The Isle of Man National Income Accounts have been updated to reflect changes in the methodology for calculating Gross Domestic Product and Gross National Product. The changes have been made in line with the new National Accounts Framework (European System of Accounts 2010 or ESA10), and incorporate a number of changes to how certain elements within National Income accounts are calculated and the inclusion of some new types of income or expenditure.

Detailed below are the changes and new items that have been included within the accounts:

- The inclusion of illegal drugs within the National Income accounts (Illegal Activities).
- A change in how full funded defined benefit pension schemes are accounted for within employment income, from being based upon the contributions paid by the employer to the actuarial cost of the scheme.
- Expenditure on Research & Development is now capitalised rather than being shown as a cost to businesses.
- A change from using the LIBOR rate to using a reference rate for the calculation of FISIM.

Within the United Kingdom's National Accounts there are also additional changes relating to ESA10 such as the inclusion of the costs of Weapons and Decommissioning Costs, however these additional items have not been deemed relevant for the purposes of the Isle of Man National Income Accounts.

Separately to the changes made due to ESA10, the calculation of NPISH has also been altered to reflect that the Isle of Man Accounts had become out of date with international standards. The Isle of Man Accounts have historically only included the surplus on charities as NPISH. They were therefore not compliant with any international standard. The change to NPISH involved looking at charities total costs, and discounting those who earned more than 50% of income from sales (as these are defined as trading companies).

The ESA10 adjustment figures included within the National Income Accounts shown in this report include the following adjustments:

- Illegal Activities
- Expenditure on Research & Development

The changes in relation to pension costs for fully funded defined benefit schemes, NPISH and the interest rate used for calculating FISM have been allocated to employment income (which forms part of Manx Sourced Income), NPISH and to the FISIM adjustment respectively.

Additional Publications

The Isle of Man National Income Accounts is one of a series of publications compiled by Economic Affairs, the Cabinet Office. Other publications available include the following:

Isle of Man in Numbers 2017 (Formerly the Isle of Man Digest of Social & Economic Statistics)

Isle of Man Passenger Survey Annual Report 2016

Isle of Man Census Report 2011

Isle of Man Census Report 2016

Isle of Man Earnings Survey 2016

Isle of Man Housing Market Report 2016

Isle of Man Social Attitudes Survey 2017

Isle of Man Inflation report (monthly report)

Isle of Man Labour Market Statistics (monthly report)

Isle of Man Quarterly Economic Report to Council of Ministers (quarterly report)

A number of publications plus selected monthly economic statistics are available on the Economic Affairs web page:

www.gov.im/about-the-government/offices/cabinet-office/economic-affairs-division/

All publications and additional information may be obtained by contacting:

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