



**Isle of Man**  
**Government**

*Reiltys Ellan Vannin*



# Isle of Man National Income Accounts

## 2014/15

Economic Affairs

Cabinet Office

October 2016

## Contents

Key Results .....	2
Table 1 - National Income by Economic Activity at Current Prices 2013/14 to 2014/15.....	3
Table 2 - National Income by Economic Activity at Constant Prices 2013/14 to 2014/15.....	4
Table 3 - Growth in GDP and GNP at Constant Prices 1991/92 to 2014/15 .....	5
Figure 1 Sectoral Analysis of 2014/15 National Income.....	6
Figure 2 Percentage Change in GDP and GNP at Constant Prices 1991/92 to 2014/15 (%)..	7
Figure 3 Share of GDP by Source.....	8
Methodological Statement.....	9
Additional Publications.....	10

## 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 2014/15 was the thirty second successive year of growth for the Island's economy. Key results from the report include:

- Total GDP reaches £4.51bn
- Growth in GDP of 4.5%, or 5.0% in real terms (compared to 4.5% in 2013/14)
- Growth in GNP of 0.9%, or 1.4% in real terms (compared to 5.1% in 2013/14)
- Growth in e-Gaming and Insurance were the main drivers of growth during the year, growing by 22% and 7% respectively in real terms.
- e-Gaming remains the largest economic sector on the Isle of Man, with a 19.5% share of Manx-Sourced Income, followed by Insurance at 14.9%.
- A reduction in losses incurred by companies from the Tourist Accommodation sector has allowed it to strongly bounce back, with growth of 80% compared to 2013/14.

It should be emphasised that the accounts contained within this report relate to the year 2014/15 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/](http://www.gov.im/categories/tax,-vat-and-your-money/national-income/)

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**Table 1 - National Income by Economic Activity at Current Prices (£000s)  
2013/14 to 2014/15**

Income in Year at Factor Cost	2013/14	2014/15	Change (%)	Sector Share (%) 2014/15
Agriculture, Forestry & Fishing	26,718	20,898	-22%	0.5%
Manufacturing: Engineering	46,910	39,821	-15%	0.9%
Food & Drink	33,285	33,929	2%	0.8%
General	63,049	50,612	-20%	1.2%
Mining & Quarrying	10,802	4,878	-55%	0.1%
Construction	178,907	177,260	-1%	4.1%
Utilities	70,640	80,338	14%	1.9%
Transport and Communications	228,561	170,204	-26%	4.0%
Wholesale Distribution	31,042	33,992	10%	0.8%
Retail Distribution	129,259	122,455	-5%	2.8%
Banking	317,810	336,205	6%	7.8%
Insurance	602,404	642,476	7%	14.9%
Other Finance and Business Services	415,523	404,198	-3%	9.4%
Information and Communication Technology	345,884	376,708	9%	8.8%
Legal and Accountancy Services	86,791	94,980	9%	2.2%
Corporate Service Providers	135,246	142,141	5%	3.3%
Education	94,158	94,525	0%	2.2%
Medical & Health Services	203,616	198,128	-3%	4.6%
Other Professional Services	128,384	120,817	-6%	2.8%
Tourist Accommodation	9,632	17,281	79%	0.4%
Catering and Entertainment	27,616	32,246	17%	0.7%
e-Gaming	690,391	838,520	21%	19.5%
Miscellaneous Services	106,344	121,870	15%	2.8%
Public Administration	138,846	149,455	8%	3.5%
<b>Sub-total (Manx sourced income)</b>	<b>4,121,820</b>	<b>4,303,937</b>	<b>4.4%</b>	
Imputed rent	157,372	161,651		
FISIM adjustment	-157,616	-152,185		
Government depreciation of fixed assets	125,123	127,063		
NPISH <sup>1</sup>	40,457	40,333		
ESA10 Adjustments <sup>2</sup>	33,499	33,367		
<b>Gross Domestic Product</b>	<b>4,320,745</b>	<b>4,514,166</b>	<b>4.5%</b>	
Income from Abroad	2,168,190	2,190,864		
Income to Abroad	-2,039,718	-2,223,242		
Net Income From Abroad	128,472	-32,378		
Net FISIM <sup>3</sup> adjustment	155,727	164,740		
<b>Gross National Product</b>	<b>4,604,944</b>	<b>4,646,528</b>	<b>0.9%</b>	
Subsidies on production	-10,520	-10,340		
Taxes on production	12,519	16,093		
<b>Gross National Income</b>	<b>4,606,942</b>	<b>4,652,281</b>	<b>1.0%</b>	

<sup>1</sup> NPISH; Non-profit institution serving households.

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

<sup>3</sup> FISIM; Financial Intermediation Services Indirectly Measured

**Table 2 - National Income by Economic Activity at Constant Prices (£000s)  
2013/14 to 2014/15**

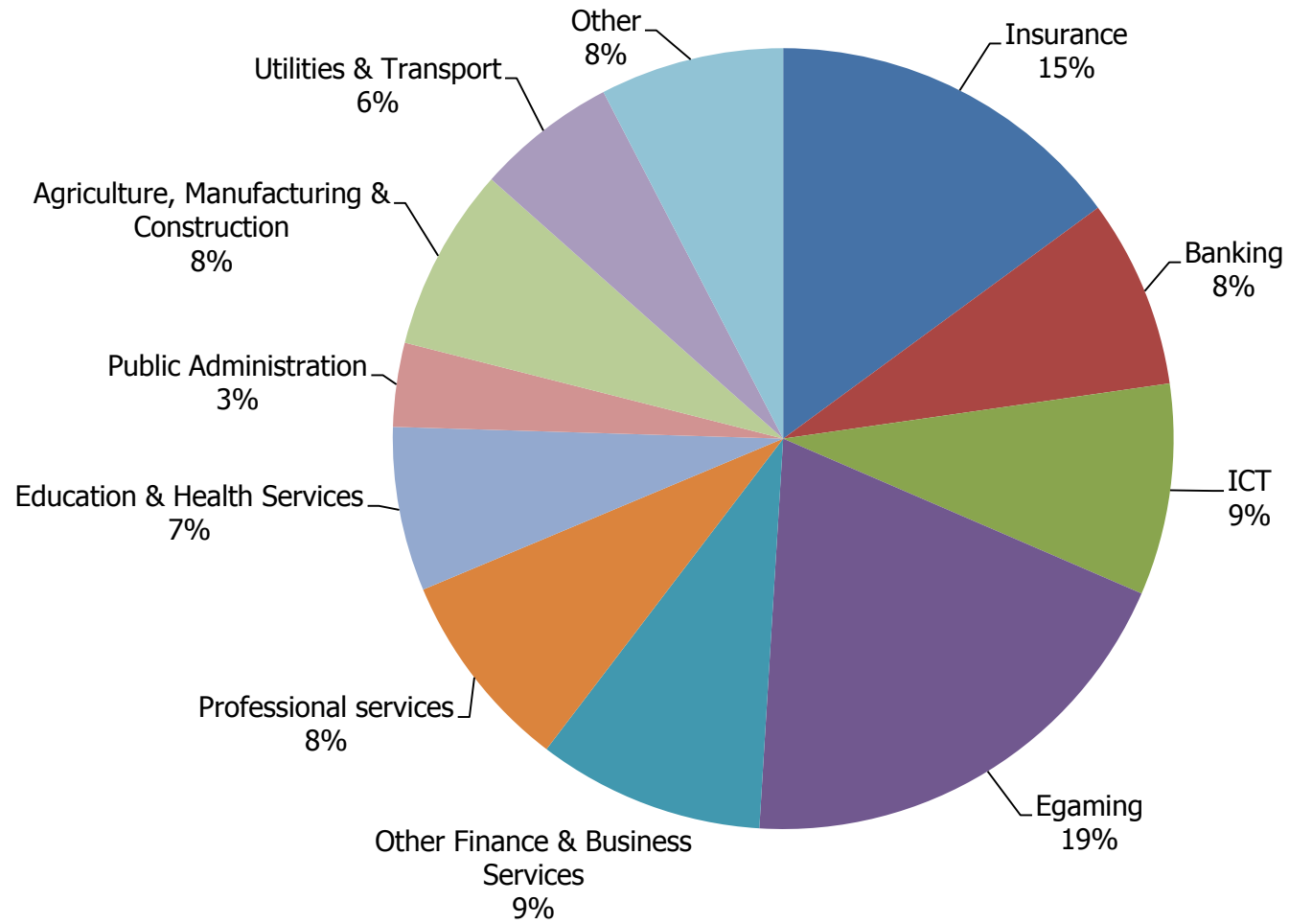
Income in Year at Factor Cost	2013/14	2014/15	Change (%)	Sector Share (%) 2014/15
Agriculture, Forestry & Fishing	26,577	20,902	-21%	0.5%
Manufacturing: Engineering	46,662	39,821	-15%	0.9%
Food & Drink	33,110	33,929	2%	0.8%
General	62,716	50,612	-19%	1.2%
Mining & Quarrying	10,745	4,878	-55%	0.1%
Construction	177,962	177,260	0%	4.1%
Utilities	70,267	80,338	14%	1.9%
Transport and Communications	227,355	170,204	-25%	4.0%
Wholesale Distribution	30,878	33,992	10%	0.8%
Retail Distribution	128,577	122,455	-5%	2.8%
Banking	316,312	336,205	6%	7.8%
Insurance	599,224	642,476	7%	14.9%
Other Finance and Business Services	413,329	404,198	-2%	9.4%
Information and Communication Technology	344,058	376,708	9%	8.8%
Legal and Accountancy Services	86,333	94,980	10%	2.2%
Corporate Service Providers	134,532	142,141	6%	3.3%
Education	93,661	94,525	1%	2.2%
Medical & Health Services	202,541	198,128	-2%	4.6%
Other Professional Services	127,707	120,817	-5%	2.8%
Tourist Accommodation	9,581	17,281	80%	0.4%
Catering and Entertainment	27,470	32,246	17%	0.7%
e-Gaming	686,746	838,520	22%	19.5%
Miscellaneous Services	105,782	121,870	15%	2.8%
Public Administration	138,113	149,455	8%	3.5%
<b>Sub-total (Manx sourced income)</b>	<b>4,100,057</b>	<b>4,303,937</b>	<b>5.0%</b>	
Imputed rent	156,541	161,651		
FISIM adjustment	-156,783	-152,185		
Government depreciation of fixed assets	124,462	127,063		
NPISH	40,333	40,333		
ESA 10 Adjustments	33,322	33,367		
<b>Gross Domestic Product</b>	<b>4,297,931</b>	<b>4,514,166</b>	<b>5.0%</b>	
Income from Abroad	2,156,742	2,190,864		
Income to Abroad	-2,028,948	-2,223,242		
Net Income From Abroad	127,793	-32,378		
Net FISIM adjustment	154,905	164,740		
<b>Gross National Product</b>	<b>4,580,630</b>	<b>4,646,528</b>	<b>1.4%</b>	
Subsidies on production	-10,465	-10,340		
Taxes on production	12,453	16,093		
<b>Gross National Income</b>	<b>4,582,618</b>	<b>4,652,281</b>	<b>1.5%</b>	

**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 2014/15**

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

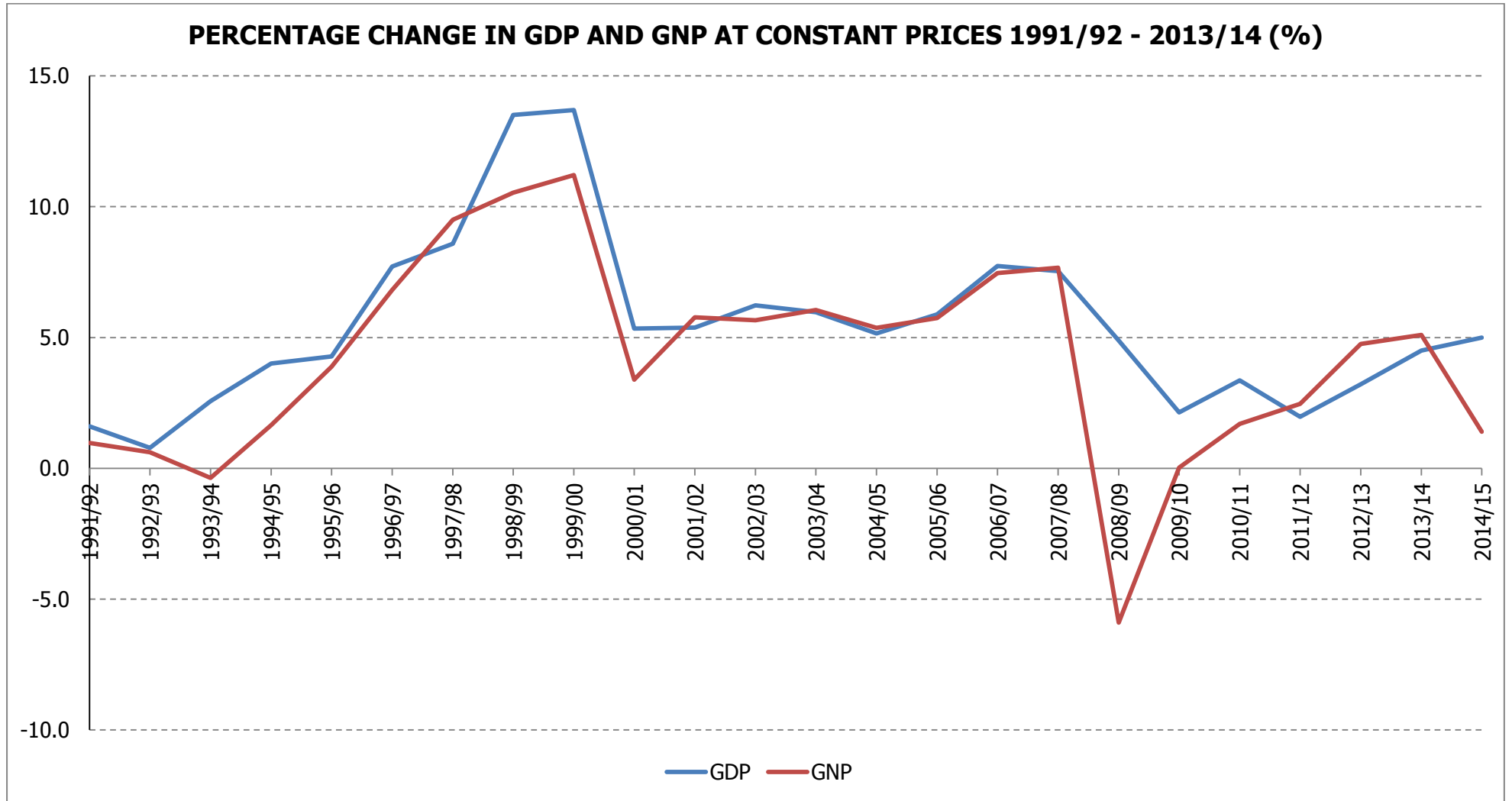
**Figure 1 Sectoral Analysis of 2014/15 National Income**



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

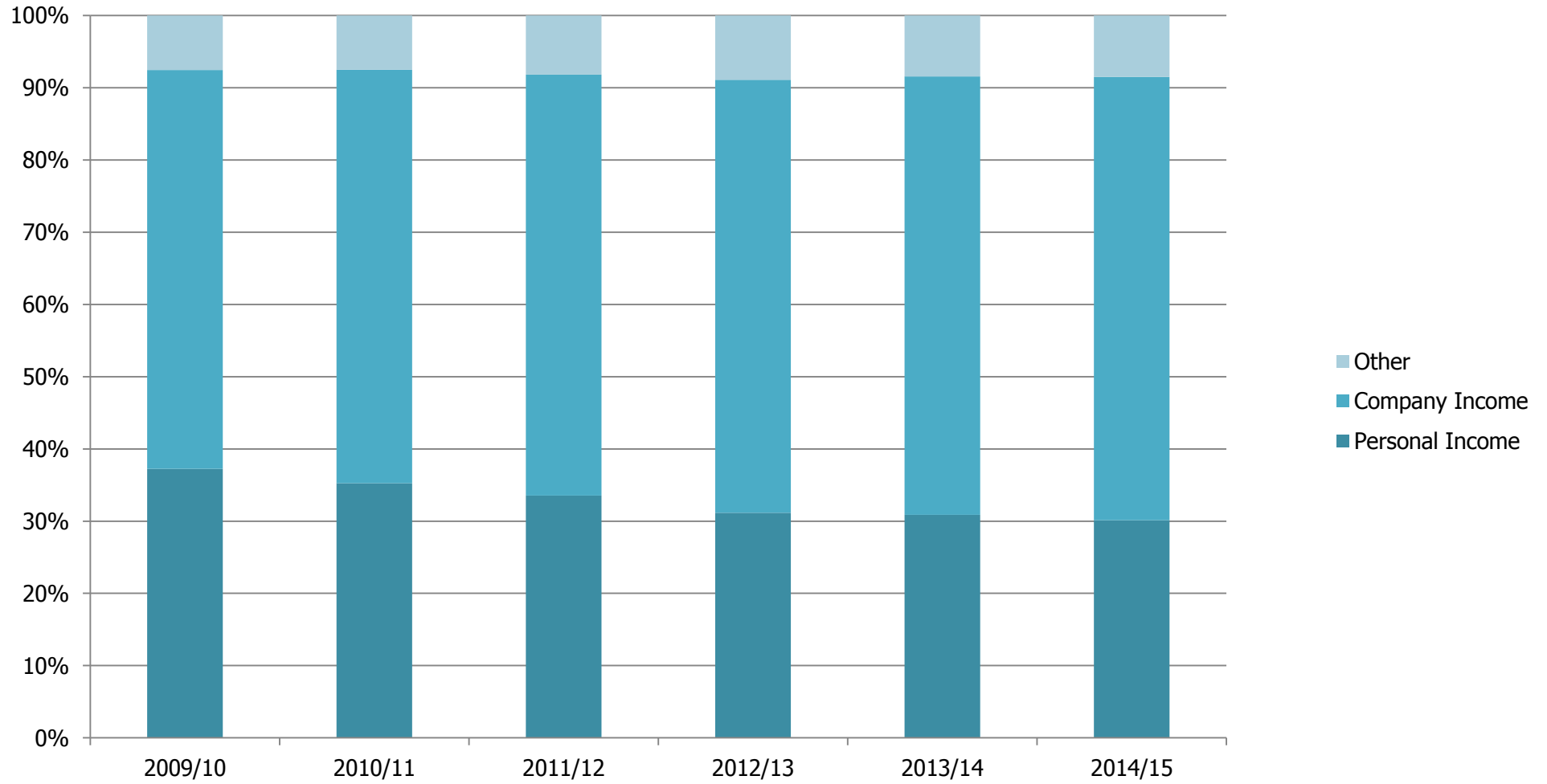
Other includes Retail Distribution, Wholesale Distribution, Tourist Accommodation, Catering & Entertainment and Miscellaneous Services.

Figure 2 Percentage Change in GDP and GNP at Constant Prices 1991/92 - 2014/15 (%)





**Figure 3 Share of GDP by Source**



## 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 Domestic 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 2016 (Formerly the Isle of Man Digest of Social & Economic Statistics)

Isle of Man Passenger Survey Annual Report 2015

Isle of Man Census Report 2011

Isle of Man Earnings Survey 2015

Isle of Man Inflation report (monthly report)

Isle of Man Labour Market Statistics (monthly 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/](http://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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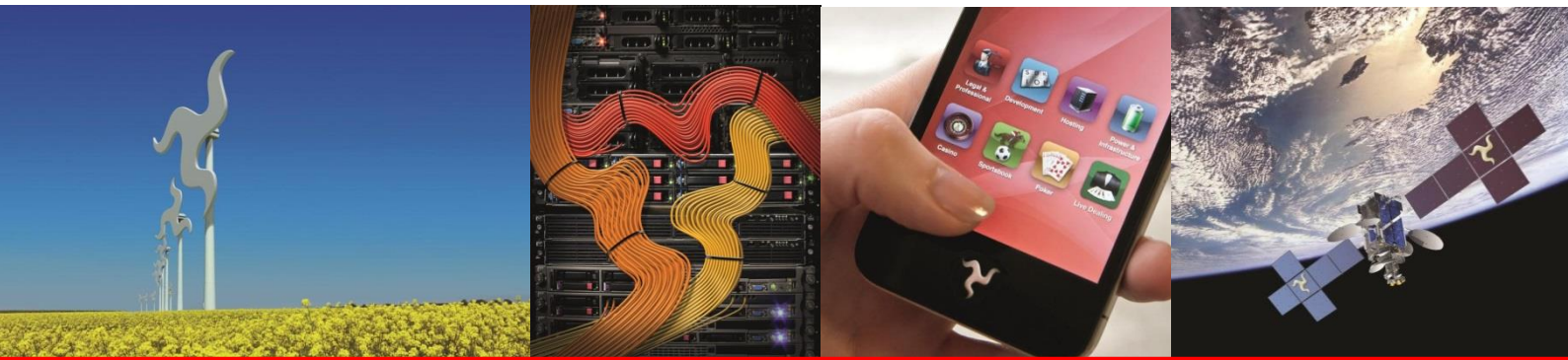
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