



Isle of Man
Government

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Isle of Man

National Income

2016/17

Economic Affairs

Cabinet Office

October 2018

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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 2016/17 was a return to growth for the Island's economy after a reduction in 2015/16. Key results from the report include:

- Total GDP increased to £4.88bn from £4.45bn.
- Increase in GDP of 9.8%, or 7.4% in real terms (compared to an increase of -0.9% in 2015/16).
- Increase in GNP of 1.1%, but a decline in real terms of -1.1% (compared to -3.4% in 2015/16).
- e-Gaming and Other Finance and Business Services were the main reasons for the significant growth that was experienced during the year, as a result of a significant increase in corporate profits. Information and Communication Technology was also a significant driver of growth during the year, again driven by a significant increase in corporate profits.
- The economy has generally performed well during 2016/17, with 16 of the 24 sectors within the economy growing in real terms during the year.
- The growth in eGaming during the year has meant that it is become the largest sector within the economy during 2016/17, with a sector share of 18.4%, followed by Insurance (16.2%), Other Financial and Business Services (10.9%) and ICT (10.0%).
- Total personal income increased by 4.4% during the year in real terms.

It should be emphasised that the accounts contained within this report relate to the year 2016/17 and do not necessarily reflect the current position of the Island's economy.

Economic Affairs,
Cabinet Office,
October 2018

**Table 1 - National Income by Economic Activity at Current Prices (£000s)
2015/16 to 2016/17**

Income in Year at Factor Cost	2015/16	2016/17	Change (%)	Sector Share (%)
Agriculture, Forestry & Fishing	21,903	29,922	37%	0.6
Manufacturing: Engineering	42,191	45,075	7%	1.0
Food & Drink	31,355	30,820	-2%	0.7
General	50,728	46,319	-9%	1.0
Mining and Quarrying	3,290	2,686	-18%	0.1
Construction	190,198	196,290	3%	4.2
Utilities	85,999	79,747	-7%	1.7
Transport and Communications	119,841	97,370	-18.8%	2.1
Wholesale Distribution	33,020	38,692	17%	0.8
Retail Distribution	119,420	123,601	4%	2.6
Banking	373,960	356,099	-4.8%	7.6
Insurance	745,168	761,113	2.1%	16.2
Other Finance and Business Services	381,313	510,046	34%	10.9
Information and Communication Technology	401,675	467,936	16%	10.0
Legal and Accountancy Services	93,902	88,217	-6%	1.9
Corporate Service Providers	130,681	137,651	5%	2.9
Education	93,076	98,363	6%	2.1
Medical and Health Services	197,500	217,254	10%	4.6
Other Professional Services	106,521	130,471	22%	2.8
Tourist Accommodation	14,174	19,193	35%	0.4
Catering and Entertainment	31,610	33,499	6%	0.7
e-Gaming	733,226	863,224	17.7%	18.4
Miscellaneous Services	111,395	135,959	22%	2.9
Public Administration	150,883	176,019	17%	3.8
Sub-total (Manx sourced income)	4,263,029	4,685,567	9.9%	100
Imputed rent	160,504	161,158		
FISIM adjustment	-169,275	-161,190		
Government depreciation of fixed assets	117,792	117,025		
NPISH	40,243	41,143		
ESA10 Adjustment	33,344	38,797		
Gross Domestic Product	4,445,637	4,882,500	9.8%	
Income from Abroad	1,998,853	2,190,864		
Income to Abroad	-2,167,925	-2,739,620		
Net Income From Abroad	-169,072	-548,757		
Net FISIM adjustment	183,240	174,489		
Gross National Product	4,459,805	4,508,232	1.1%	
Subsidies on production	-10,200	-8,475		
Taxes on production	18,644	22,147		
Gross National Income	4,468,249	4,521,904	1.2%	

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)
2015/16 to 2016/17**

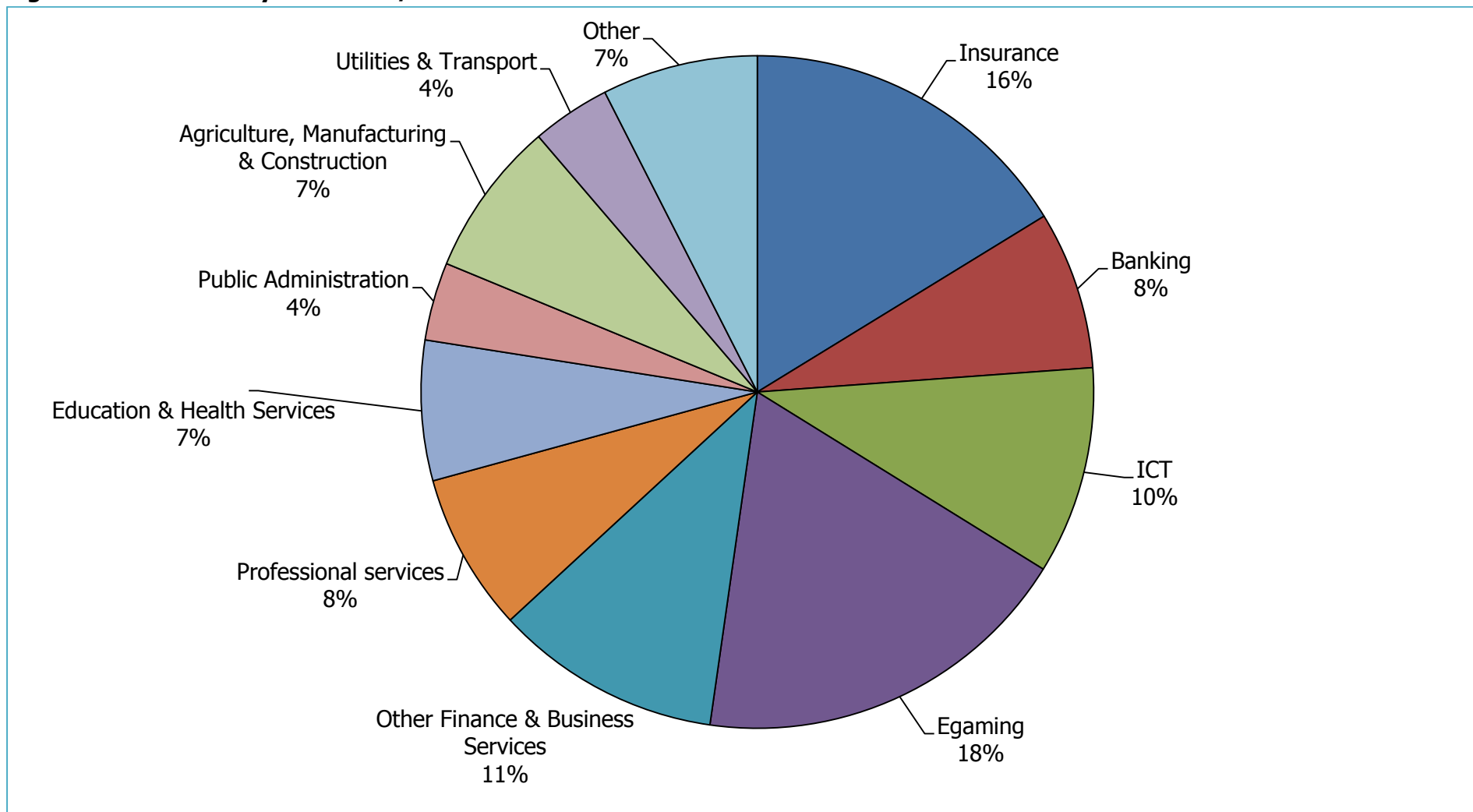
Income in Year at Factor Cost	2015/16	2016/17	Change (%)	Sector Share (%)
Agriculture, Forestry & Fishing	22,392	29,922	34%	0.6
Manufacturing: Engineering	43,134	45,075	4%	1.0
Food & Drink	32,056	30,820	-4%	0.7
General	51,862	46,319	-11%	1.0
Mining and Quarrying	3,364	2,686	-20%	0.1
Construction	194,452	196,290	1%	4.2
Utilities	87,922	79,747	-9%	1.7
Transport and Communications	122,522	97,370	-21%	2.1
Wholesale Distribution	33,759	38,692	15%	0.8
Retail Distribution	122,091	123,601	1%	2.6
Banking	382,324	356,099	-7%	7.6
Insurance	761,836	761,113	0%	16.2
Other Finance and Business Services	389,843	510,046	31%	10.9
Information and Communication Technology	410,660	467,936	14%	10.0
Legal and Accountancy Services	96,003	88,217	-8%	1.9
Corporate Service Providers	133,604	137,651	3%	2.9
Education	95,158	98,363	3%	2.1
Medical and Health Services	201,918	217,254	8%	4.6
Other Professional Services	108,904	130,471	20%	2.8
Tourist Accommodation	14,491	19,193	32%	0.4
Catering and Entertainment	32,317	33,499	4%	0.7
e-Gaming	749,627	863,224	15%	18.4
Miscellaneous Services	113,886	135,959	19%	2.9
Public Administration	154,258	176,019	14%	3.8
Sub-total (Manx sourced income)	4,358,385	4,685,567	7.5%	100
Imputed rent	164,094	161,158		
FISIM adjustment	-173,061	-161,190		
Government depreciation of fixed assets	120,427	117,025		
NPISH	41,143	41,143		
ESA 10 Adjustments	34,090	38,797		
Gross Domestic Product	4,545,077	4,882,500	7.4%	
Income from Abroad	2,043,564	2,190,864		
Income to Abroad	-2,216,418	-2,739,620		
Net Income From Abroad	-172,854	-548,757		
Net FISIM adjustment	187,339	174,489		
Gross National Product	4,559,562	4,508,232	-1.1%	
Subsidies on production	-10,428	-8,475		
Taxes on production	19,061	22,147		
Gross National Income	4,568,195	4,521,904	-1.0%	

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) to March 2016, 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
2016/17	7.4	-1.1

Figure 1 Sectoral Analysis of 2016/17 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 - 2016/17 (%)

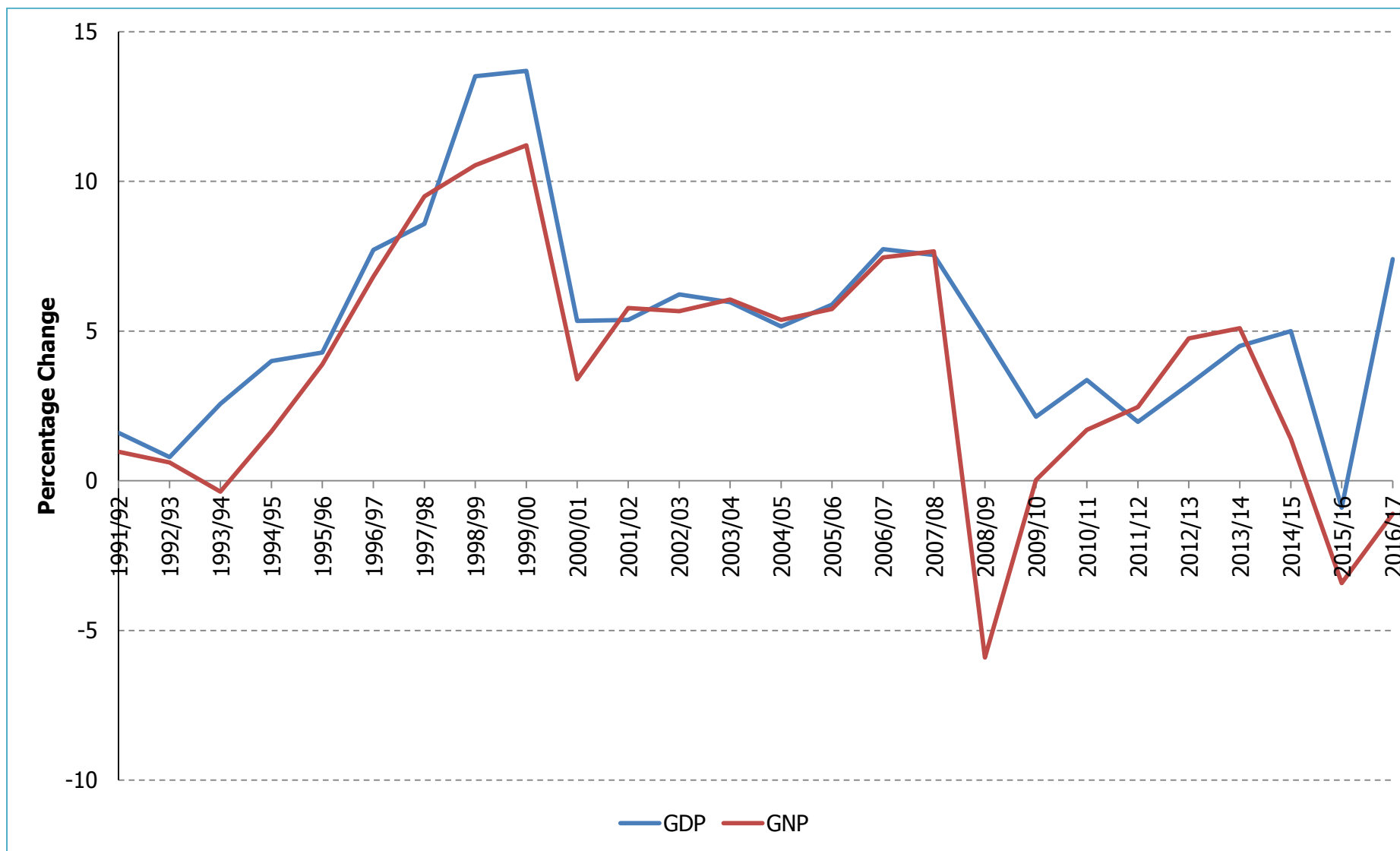


Figure 3 Share of GDP by Source

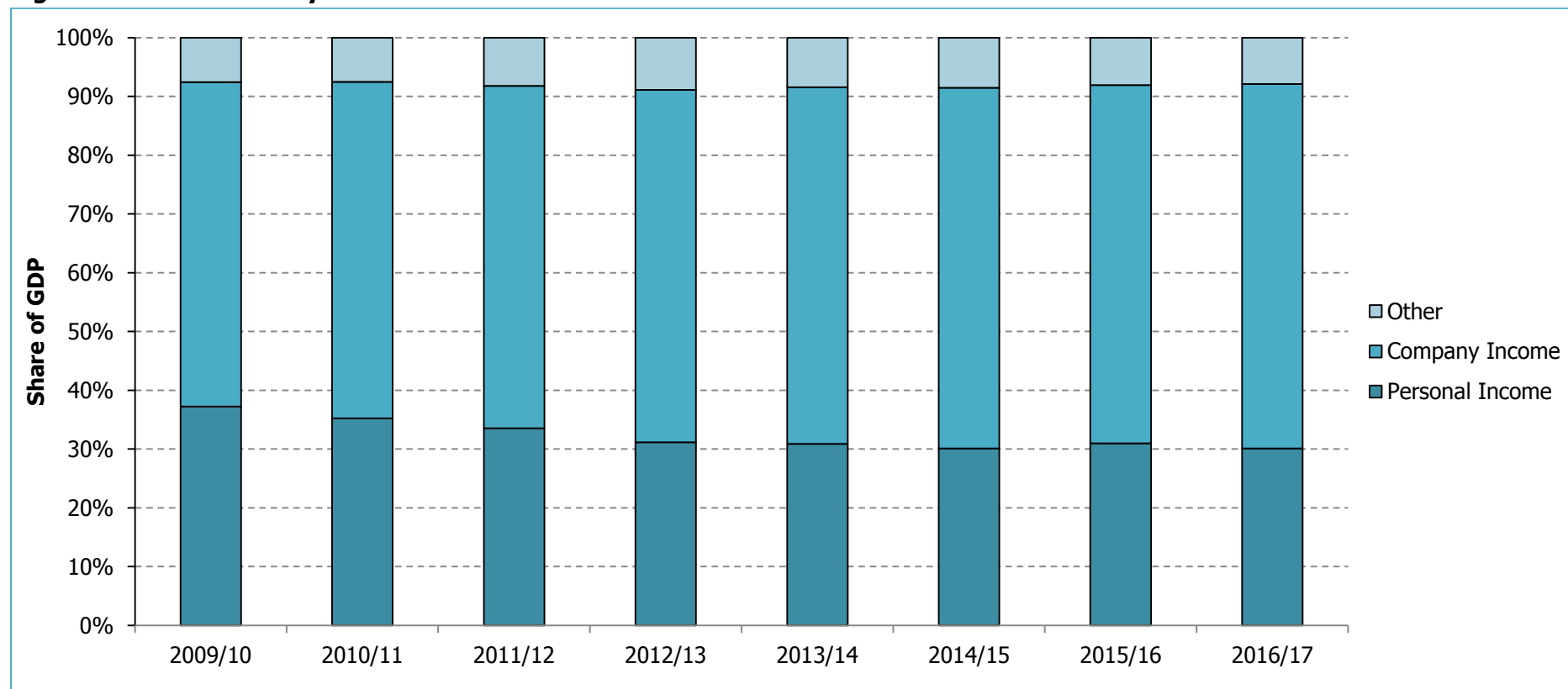


Table 4 Share of GDP by Source at constant prices (£000s)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Personal Income	1,413,886	1,355,696	1,345,849	1,302,824	1,348,424	1,381,715	1,408,221	1,470,448
Company Income	2,094,998	2,201,719	2,336,784	2,506,611	2,650,324	2,814,587	2,771,360	3,027,782
Other	286,020	288,678	328,161	372,489	367,941	390,074	365,496	384,270
GDP	3,794,904	3,846,093	4,010,795	4,181,925	4,366,689	4,586,376	4,545,077	4,882,500

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 2016

Isle of Man Earnings Survey 2017

Isle of Man Housing Market Report 2017

Isle of Man Social Attitudes Survey 2017

Isle of Man Business Confidence Survey

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/

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