



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

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# Isle of Man

## National Income

### 2017/18

Economic Affairs

Cabinet Office

October 2019

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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 for 2017/18 show that there was an increase in growth for Island's economy by 3.6% compared to 2016/17. Key results from the report include:

- Total GDP increased to £5.26bn from £4.88bn ([Table 1](#)).
- Increase in GDP of 7.7%, or 3.6% in real terms (compared to a real term increase of 7.4% in 2016/17) ([Table 2](#)).
- Increase in GNP of 9.4%, and 5.2% in real terms (compared to -1.1% in 2016/17) ([Table 2](#)).
- e-Gaming and Insurance were the main reasons for the significant growth that was experienced during the year, whereby the main drivers for E-gaming were Personal Income and Company Income and the main driver for Insurance were Corporate profits. Other professional services was also a significant driver of growth during the year, whereby the main reason for this increase were Company profits.
- There has been a mix of fortunes for different sectors of the economy, with the growth in the economy having been driven by 10 sectors, whilst the remaining sectors have seen contractions ([Table 2](#)).
- The growth in eGaming during the year has meant that it continues to be the largest sector within the economy during 2017/18, with a sector share of 21.1%, followed by Insurance (17.6%), ICT (9.1%) and Other Financial and Business Services (8%) ([Figure 1](#)).
- Company income continues to be the main driver of the Island's economy, responsible for 63% of the Island's economy, which has continued to increase. Personal incomes represent 29% of the Island's economy ([Table 4](#)).

It should be emphasised that the accounts contained within this report relate to the year 2017/18 and do not necessarily reflect the current position of the Island's economy.

**Table 1 - National Income by Economic Activity at Current Prices (£'000s)  
2016/17 to 2017/18**

<b>Income in Year at Factor Cost</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Change (%) 17/18-16/17</b>	<b>Sector Share (%) 2017/18</b>
Agriculture, Forestry & Fishing	29,922	21,720	-27%	0.4
Manufacturing: Engineering	45,075	40,058	-11%	0.8
Food & Drink	30,820	28,557	-7%	0.6
General	46,319	44,228	-5%	0.9
Mining & Quarrying	2,686	3,371	25%	0.1
Construction	196,290	218,989	12%	4.4
Utilities	79,747	67,842	-15%	1.3
Transport and Communications	97,370	137,801	42%	2.7
Wholesale Distribution	38,692	28,980	-25%	0.6
Retail Distribution	123,601	126,176	2%	2.5
Banking	356,099	301,284	-15%	6.0
Insurance	761,113	883,570	16%	17.6
Other Finance and Business Services	510,046	400,247	-22%	8.0
Information and Communication Technology	467,936	457,470	-2%	9.1
Legal and Accountancy Services	88,217	89,331	1%	1.8
Corporate Service Providers	137,651	155,689	13%	3.1
Education	98,363	98,075	0%	1.9
Medical & Health Services	217,254	229,260	6%	4.6
Other Professional Services	130,471	245,809	88%	4.9
Tourist Accommodation	19,193	15,818	-18%	0.3
Catering and Entertainment	33,499	36,588	9%	0.7
eGaming	863,224	1,059,838	23%	21.1
Miscellaneous Services	135,959	166,292	22%	3.3
Public Administration	176,019	175,734	0%	3.5
<b>Sub-total (Manx sourced income)</b>	<b>4,685,567</b>	<b>5,032,728</b>	<b>7.4%</b>	<b>100</b>
Imputed rent	161,158	163,490		
FISIM adjustment	-161,190	-136,378		
Government depreciation of fixed assets	117,025	117,405		
NPISH	41,143	42,954		
ESA10 Adjustment	38,797	40,504		
<b>Gross Domestic Product</b>	<b>4,882,500</b>	<b>5,260,704</b>	<b>7.7%</b>	
Income from Abroad	2,190,864	2,501,361		
Income to Abroad	-2,739,620	-2,978,776		
Net Income From Abroad	-548,757	-477,415		
Net FISIM adjustment	174,489	147,629		
<b>Gross National Product</b>	<b>4,508,232</b>	<b>4,930,918</b>	<b>9.4%</b>	
Subsidies on production	-8,475	-9,306		
Taxes on production	22,147	24,110		
<b>Gross National Income</b>	<b>4,521,904</b>	<b>4,945,723</b>	<b>9.4%</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)  
2016/17 to 2017/18**

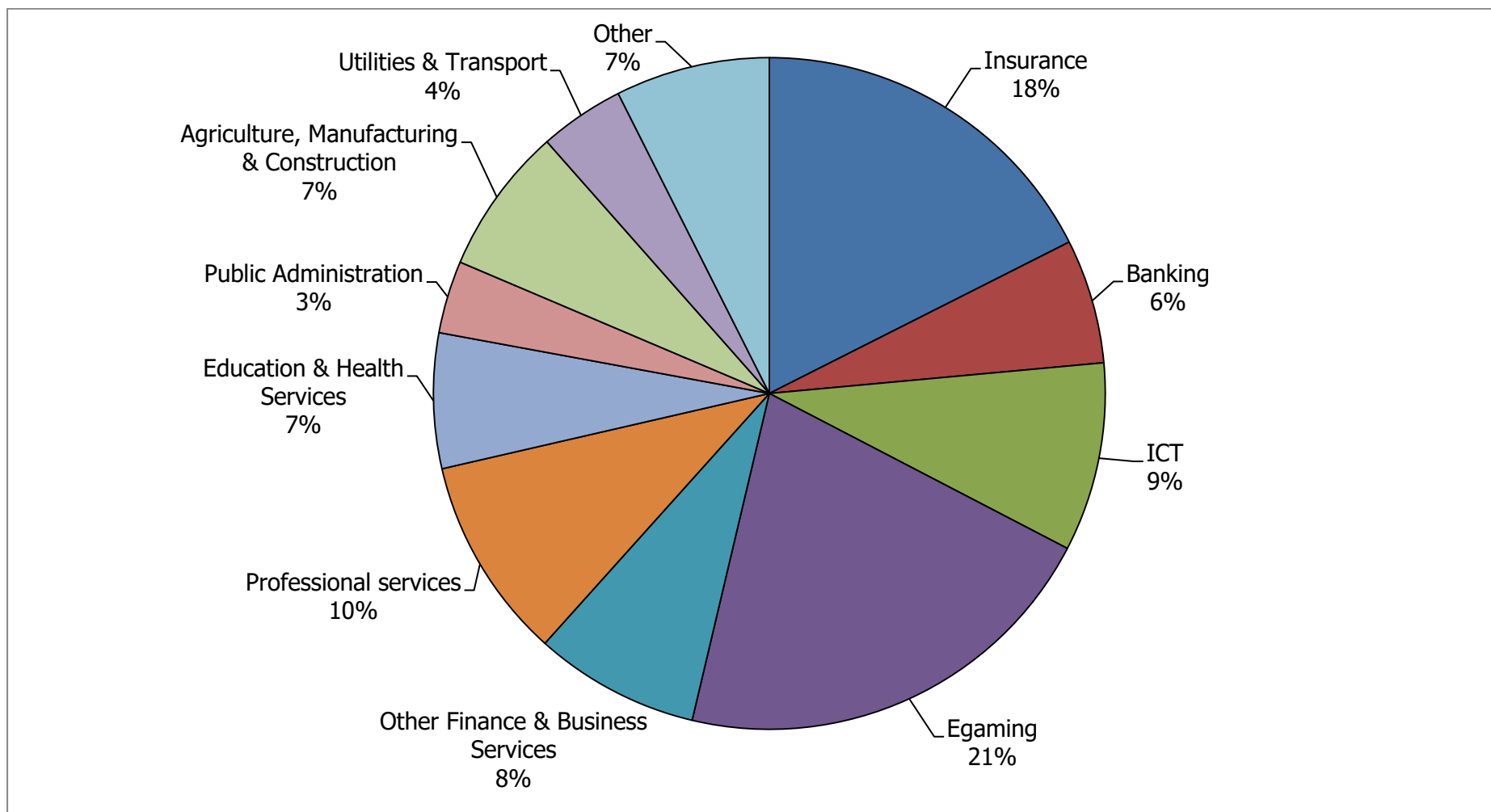
<b>Income in Year at Factor Cost</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Change (%) 17/18-16/17</b>	<b>Sector Share (%) 2017/18</b>
Agriculture, Forestry & Fishing	31,119	21,720	-30%	0.4
Manufacturing: Engineering	46,878	40,058	-15%	0.8
Food & Drink	32,053	28,557	-11%	0.6
General	48,171	44,228	-8%	0.9
Mining & Quarrying	2,794	3,371	21%	0.1
Construction	204,141	218,989	7%	4.4
Utilities	82,937	67,842	-18%	1.3
Transport and Communications	101,265	137,801	36%	2.7
Wholesale Distribution	40,240	28,980	-28%	0.6
Retail Distribution	128,545	126,176	-2%	2.5
Banking	370,343	301,284	-19%	6.0
Insurance	791,558	883,570	11.6%	17.6
Other Finance and Business Services	530,448	400,247	-25%	8.0
Information and Communication Technology	486,654	457,470	-6%	9.1
Legal and Accountancy Services	91,745	89,331	-3%	1.8
Corporate Service Providers	143,157	155,689	9%	3.1
Education	102,297	98,075	-4%	1.9
Medical & Health Services	225,944	229,260	1%	4.6
Other Professional Services	135,690	245,809	81%	4.9
Tourist Accommodation	19,961	15,818	-21%	0.3
Catering and Entertainment	34,839	36,588	5%	0.7
eGaming	897,753	1,059,838	18%	21.1
Miscellaneous Services	141,397	166,292	18%	3.3
Public Administration	183,060	175,734	-4%	3.5
<b>Sub-total (Manx sourced income)</b>	<b>4,872,990</b>	<b>5,032,728</b>	<b>3.3%</b>	<b>100</b>
Imputed rent	167,604	163,490		
FISIM adjustment	-167,638	-136,378		
Government depreciation of fixed assets	121,706	117,405		
NPISH	42,789	42,954		
ESA10 Adjustment	40,349	40,504		
<b>Gross Domestic Product</b>	<b>5,077,800</b>	<b>5,260,704</b>	<b>3.6%</b>	
Income from Abroad	2,278,498	2,501,361		
Income to Abroad	-2,849,205	-2,978,776		
Net Income From Abroad	-570,707	-477,415		
Net FISIM adjustment	181,468	147,629		
<b>Gross National Product</b>	<b>4,688,561</b>	<b>4,930,918</b>	<b>5.2%</b>	
Subsidies on production	-8,814	-9,306		
Taxes on production	23,033	24,110		
<b>Gross National Income</b>	<b>4,702,780</b>	<b>4,945,723</b>	<b>5.2%</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) to March 2018, as published by Economic Affairs.

**Table 3 - Growth in GDP and GNP at Constant Prices 1991/92 to 2017/18**

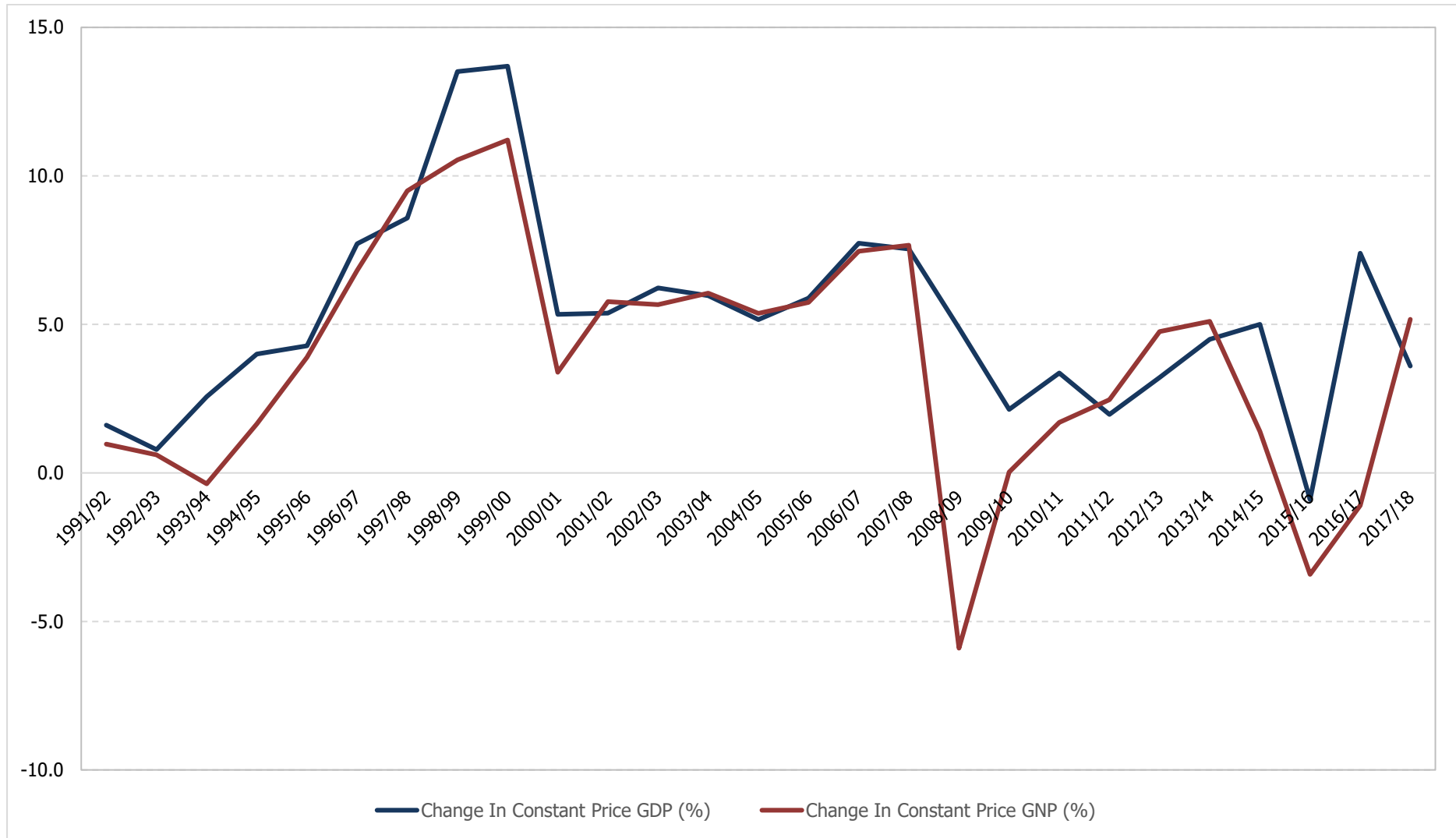
	<b>Change In Constant Price GDP (%)</b>	<b>Change In Constant Price GNP (%)</b>
1991/92	1.6	1.0
1992/93	0.8	0.6
1993/94	2.6	-0.4
1994/95	4.0	1.7
1995/96	4.3	3.9
1996/97	7.7	6.8
1997/98	8.6	9.5
1998/99	13.5	10.5
1999/00	13.7	11.2
2000/01	5.3	3.4
2001/02	5.4	5.8
2002/03	6.2	5.7
2003/04	6.0	6.1
2004/05	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
2017/18	3.6	5.2

**Figure 1 Sectoral Analysis of 2017/18 National Income**



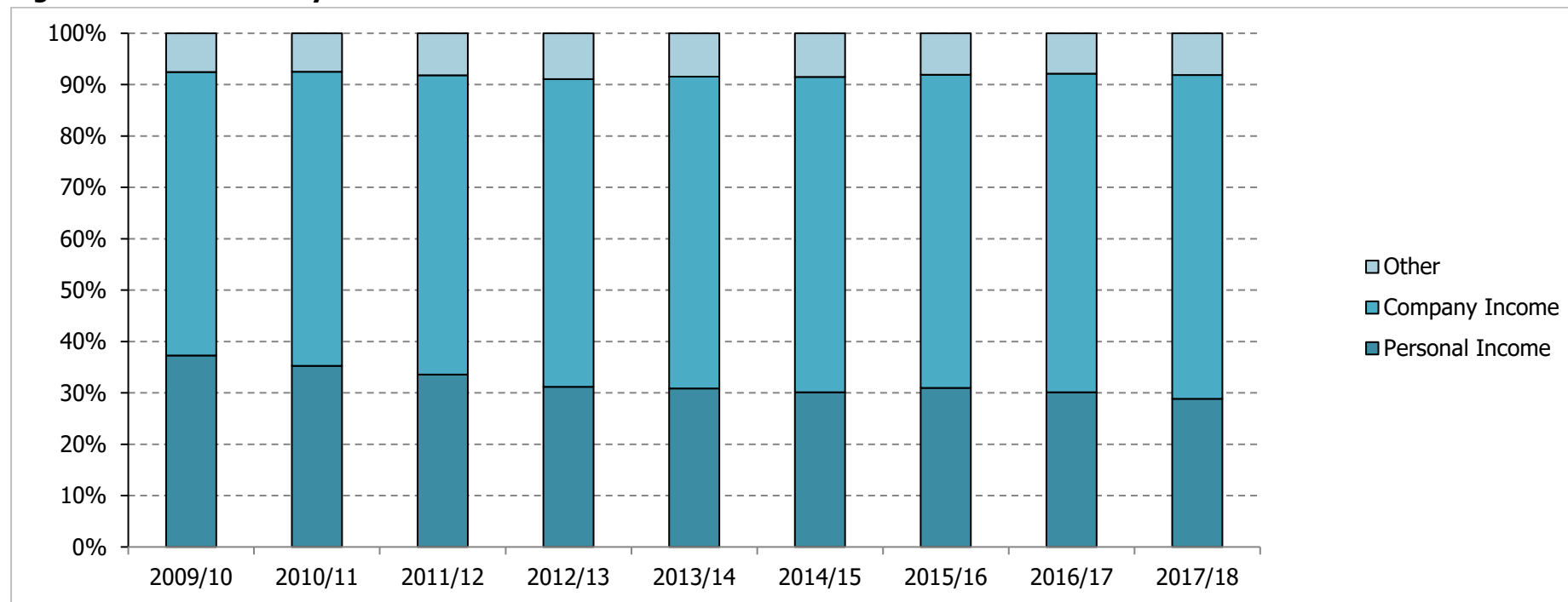
**Note:** Professional Services includes Corporate Service Providers, Legal & Accountancy services and all other professional services. Other includes Retail Distribution, Wholesale Distribution, Tourist Accommodation, Catering & Entertainment and Miscellaneous Services.

**Figure 2 Percentage Change in GDP and GNP at Constant Prices 1991/92 - 2017/18 (%)**





**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	2017/18
<b>Personal Income</b>	1,476,149	1,415,396	1,405,116	1,360,196	1,407,804	1,442,561	1,470,234	1,535,201	1,518,175
<b>Company Income</b>	2,187,255	2,298,676	2,439,688	2,616,994	2,767,036	2,938,532	2,893,402	3,161,116	3,314,650
<b>Other</b>	298,615	301,391	342,613	388,892	384,144	407,252	381,591	401,192	427,879
<b>GDP</b>	<b>3,962,019</b>	<b>4,015,462</b>	<b>4,187,417</b>	<b>4,366,083</b>	<b>4,558,983</b>	<b>4,788,344</b>	<b>4,745,227</b>	<b>5,097,510</b>	<b>5,260,704</b>

## 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 FISIM 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 2019 (Formerly the Isle of Man Digest of Social & Economic Statistics)

Isle of Man Passenger Survey Annual Report 2018

Isle of Man Census Report 2016

Isle of Man Earnings Survey 2018

Isle of Man Housing Market Report 2018

Isle of Man Social Attitudes Survey 2018

Isle of Man Business Confidence Survey (bi-annual)

Isle of Man Inflation report (monthly report)

Isle of Man Labour Market Statistics (monthly report)

Isle of Man Quarterly Economic and Statistical Update to the Council of Ministers (quarterly report)

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