



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

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# Isle of Man

## National Income

### 2018/19

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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), Gross National Product (GNP), and 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. GNP 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. GNI includes product taxes and excludes subsidies.

The accounts for 2018/19 show that there was an increase in growth for Island's economy by 1.9% compared to 2017/18. Key results from the report include:

- Total GDP increased from £5.26bn to £5.43bn ([Table 1](#)).
- Increase in GDP of 3.2%, or 1.9% in real terms (compared to a real term increase of 3.6% in 2017/18) ([Table 2](#)).
- Increase in GNP (as well as GNI) of 7.8%, or 6.4% in real terms (compared to 5.2% in 2017/18) ([Table 2](#)).
- Insurance and Other Finance and Business Services were the main reasons for the significant growth that was experienced during the year. The main drivers for both Insurance and Other Finance and Business Services were Company Income and Personal Income.
- Most sectors in the economy (17) have experienced growth, whilst the remaining 7 sectors have seen contractions ([Table 2](#)).
- The growth of the Insurance sector has meant that it overtook E-gaming to become the largest sector of the economy in 2018/19, accounting for 19.2% of the sector share. By comparison, E-gaming accounted for 21.1% of the sector share in 2017/18. The next three largest sectors of the economy in 2019/2018 were E-Gaming (17.6%), Other Finance and Business Services (9.4%), and ICT (6.9%) ([Figure 1](#)).
- Accounting for 64% of the Island's economy, company income continues to be the main driver of the Island's economy and has continued to grow as a proportion of the economy. Personal incomes continue to represent 29% of the Island's economy ([Table 4](#)).

It should be emphasised that the accounts contained within this report relate to the year 2018/19 and do not necessarily reflect the current position of the Island's economy.

**Table 1 - National Income by Economic Activity at Current Prices (£'000s)  
2017/18 to 2018/19**

<b>Income in Year at Factor Cost</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Change (%) 18/19- 17/18</b>	<b>Sector Share (%) 2018/19</b>
Agriculture, Forestry & Fishing	21,720	23,075	6%	0.4
Manufacturing: Engineering	40,058	39,996	0%	0.8
Food & Drink	28,557	29,704	4%	0.6
General	44,228	51,578	17%	1.0
Mining & Quarrying	3,371	3,666	9%	0.1
Construction	218,989	246,606	13%	4.7
Utilities	67,842	78,879	16%	1.5
Transport and Communications	137,801	175,726	28%	3.4
Wholesale Distribution	28,980	25,618	-12%	0.5
Retail Distribution	126,176	118,985	-6%	2.3
Banking	301,284	349,321	16%	6.7
Insurance	883,570	1,003,362	14%	19.2
Other Finance and Business Services	400,247	490,779	23%	9.4
Information and Communication Technology	457,470	359,564	-21%	6.9
Legal and Accountancy Services	89,331	89,915	1%	1.7
Corporate Service Providers	155,689	158,788	2%	3.0
Education	98,075	100,558	3%	1.9
Medical & Health Services	229,260	231,479	1%	4.4
Other Professional Services	245,809	265,586	8%	5.1
Tourist Accommodation	15,818	21,312	35%	0.4
Catering and Entertainment	36,588	36,112	-1%	0.7
Egaming	1,059,838	920,869	-13%	17.6
Miscellaneous Services	166,292	216,971	30%	4.2
Public Administration	175,734	185,688	6%	3.6
<b>Sub-total (Manx sourced income)</b>	<b>5,032,728</b>	<b>5,224,137</b>	<b>3.8%</b>	<b>100</b>
Imputed rent	163,490	148,263		
FISIM adjustment	-136,378	-158,122		
Government depreciation of fixed assets	117,405	133,728		
NPISH	42,954	41,678		
ESA10 Adjustment	40,504	39,302		
<b>Gross Domestic Product</b>	<b>5,260,704</b>	<b>5,428,986</b>	<b>3.2%</b>	
Income from Abroad	2,501,361	2,882,470		
Income to Abroad	-2,978,776	-3,167,320		
Net Income to Abroad	-477,415	-284,851		
Net FISIM adjustment	147,629	171,167		
<b>Gross National Product</b>	<b>4,930,918</b>	<b>5,315,303</b>	<b>7.8%</b>	
Subsidies on production	-9,306	-9,454		
Taxes on production	24,110	24,532		
<b>Gross National Income</b>	<b>4,945,723</b>	<b>5,330,381</b>	<b>7.8%</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)  
2017/18 to 2018/19**

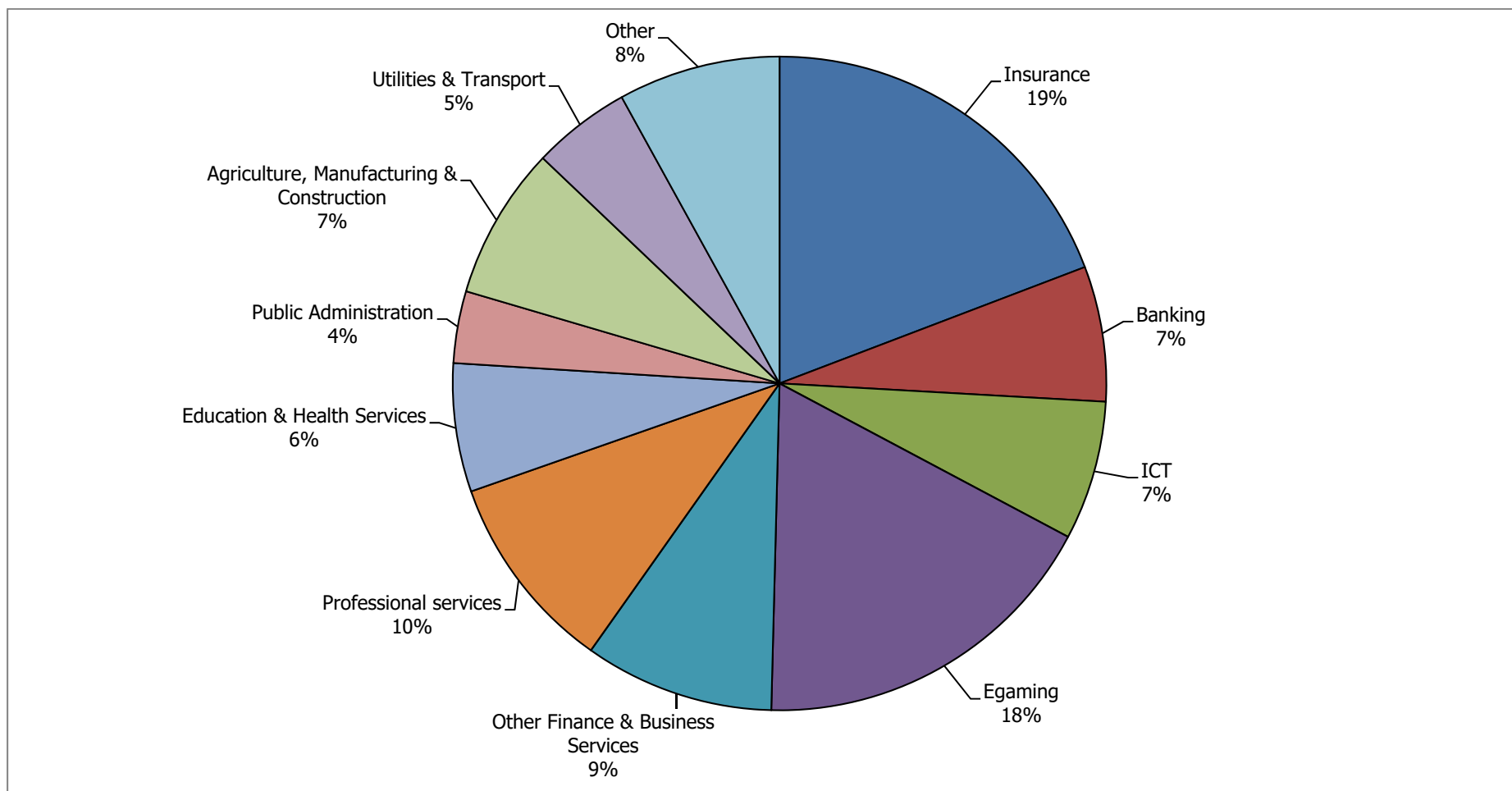
<b>Income in Year at Factor Cost</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Change (%) 18/19-17/18</b>	<b>Sector Share (%) 2018/19</b>
Agriculture, Forestry & Fishing	22,002	23,075	5%	0.4
Manufacturing: Engineering	40,579	39,996	-1%	0.8
Food & Drink	28,928	29,704	3%	0.6
General	44,803	51,578	15%	1.0
Mining & Quarrying	3,415	3,666	7%	0.1
Construction	221,836	246,606	11%	4.7
Utilities	68,724	78,879	15%	1.5
Transport and Communications	139,592	175,726	26%	3.4
Wholesale Distribution	29,357	25,618	-13%	0.5
Retail Distribution	127,816	118,985	-7%	2.3
Banking	305,201	349,321	14%	6.7
Insurance	895,056	1,003,362	12.1%	19.2
Other Finance and Business Services	405,450	490,779	21%	9.4
Information and Communication Technology	463,417	359,564	-22%	6.9
Legal and Accountancy Services	90,492	89,915	-1%	1.7
Corporate Service Providers	157,713	158,788	1%	3.0
Education	99,350	100,558	1%	1.9
Medical & Health Services	232,240	231,479	0%	4.4
Other Professional Services	249,005	265,586	7%	5.1
Tourist Accommodation	16,024	21,312	33%	0.4
Catering and Entertainment	37,064	36,112	-3%	0.7
Egaming	1,073,616	920,869	-14%	17.6
Miscellaneous Services	168,454	216,971	29%	4.2
Public Administration	178,019	185,688	4%	3.6
<b>Sub-total (Manx sourced income)</b>	<b>5,098,153</b>	<b>5,224,137</b>	<b>2.5%</b>	<b>100</b>
Imputed rent	165,615	148,263		
FISIM adjustment	-138,151	-158,122		
Government depreciation of fixed assets	118,931	133,728		
NPISH	43,512	41,678		
ESA10 Adjustment	41,031	39,302		
<b>Gross Domestic Product</b>	<b>5,329,093</b>	<b>5,428,986</b>	<b>1.9%</b>	
Income from Abroad	2,533,879	2,882,470		
Income to Abroad	-3,017,500	-3,167,320		
Net Income From Abroad	-483,621	-284,851		
Net FISIM adjustment	149,548	171,167		
<b>Gross National Product</b>	<b>4,995,020</b>	<b>5,315,303</b>	<b>6.4%</b>	
Subsidies on production	-9,427	-9,454		
Taxes on production	24,423	24,532		
<b>Gross National Income</b>	<b>5,010,017</b>	<b>5,330,381</b>	<b>6.4%</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 2018/19**

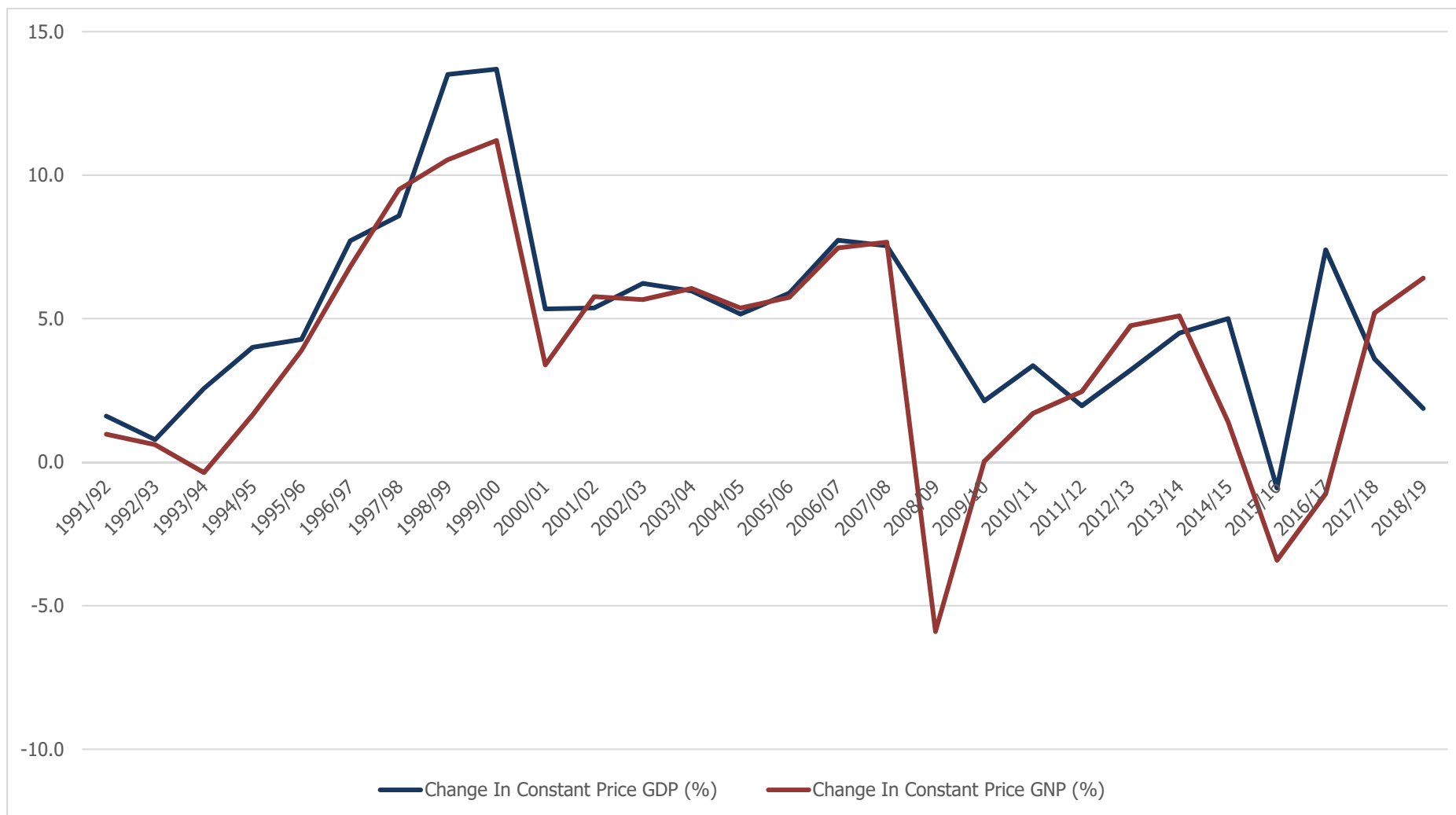
	<b>Change In Constant Price GDP (%)</b>	<b>Change In Constant Price GNP (%)</b>
1991/92	1.6	1.0
1992/93	0.8	0.6
1993/94	2.6	-0.4
1994/95	4.0	1.7
1995/96	4.3	3.9
1996/97	7.7	6.8
1997/98	8.6	9.5
1998/99	13.5	10.5
1999/00	13.7	11.2
2000/01	5.3	3.4
2001/02	5.4	5.8
2002/03	6.2	5.7
2003/04	6.0	6.1
2004/05	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
2018/19	1.9	6.4

**Figure 1 Sectoral Analysis of 2018/19 National Income**



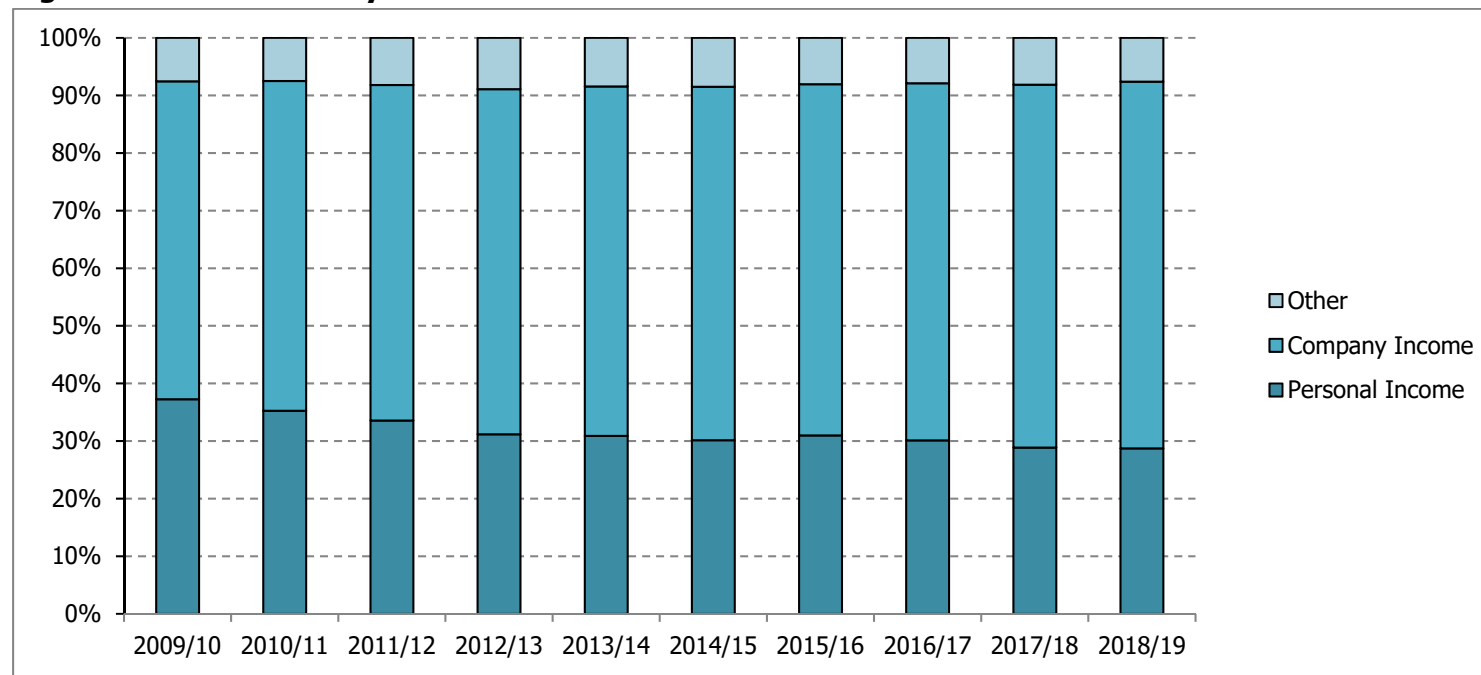
**Note:** Professional Services includes Corporate Service Providers, Legal & Accountancy services and all other professional services. Other includes Retail Distribution, Wholesale Distribution, Tourist Accommodation, Catering & Entertainment and Miscellaneous Services.

**Figure 2 Percentage Change in GDP and GNP at Constant Prices 1991/92 - 2018/19 (%)**





**Figure 3 Share of GDP by Source**



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

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Personal Income	1,495,212	1,433,675	1,423,262	1,377,762	1,425,985	1,461,191	1,489,221	1,535,201	1,518,175	1,559,350
Company Income	2,215,502	2,328,361	2,471,195	2,650,790	2,802,770	2,976,481	2,930,768	3,161,116	3,314,650	3,456,539
Other	302,472	305,283	347,037	393,915	389,105	412,511	386,519	401,192	427,879	413,097
<b>GDP</b>	<b>4,013,186</b>	<b>4,067,319</b>	<b>4,241,495</b>	<b>4,422,467</b>	<b>4,617,859</b>	<b>4,850,182</b>	<b>4,806,508</b>	<b>5,097,510</b>	<b>5,260,704</b>	<b>5,428,986</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 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 2020 (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 2020

Isle of Man Housing Market Report 2018

Isle of Man Social Attitudes Survey 2019

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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