



IoD ISLE OF MAN

Policy Voice Survey Results

July 2024



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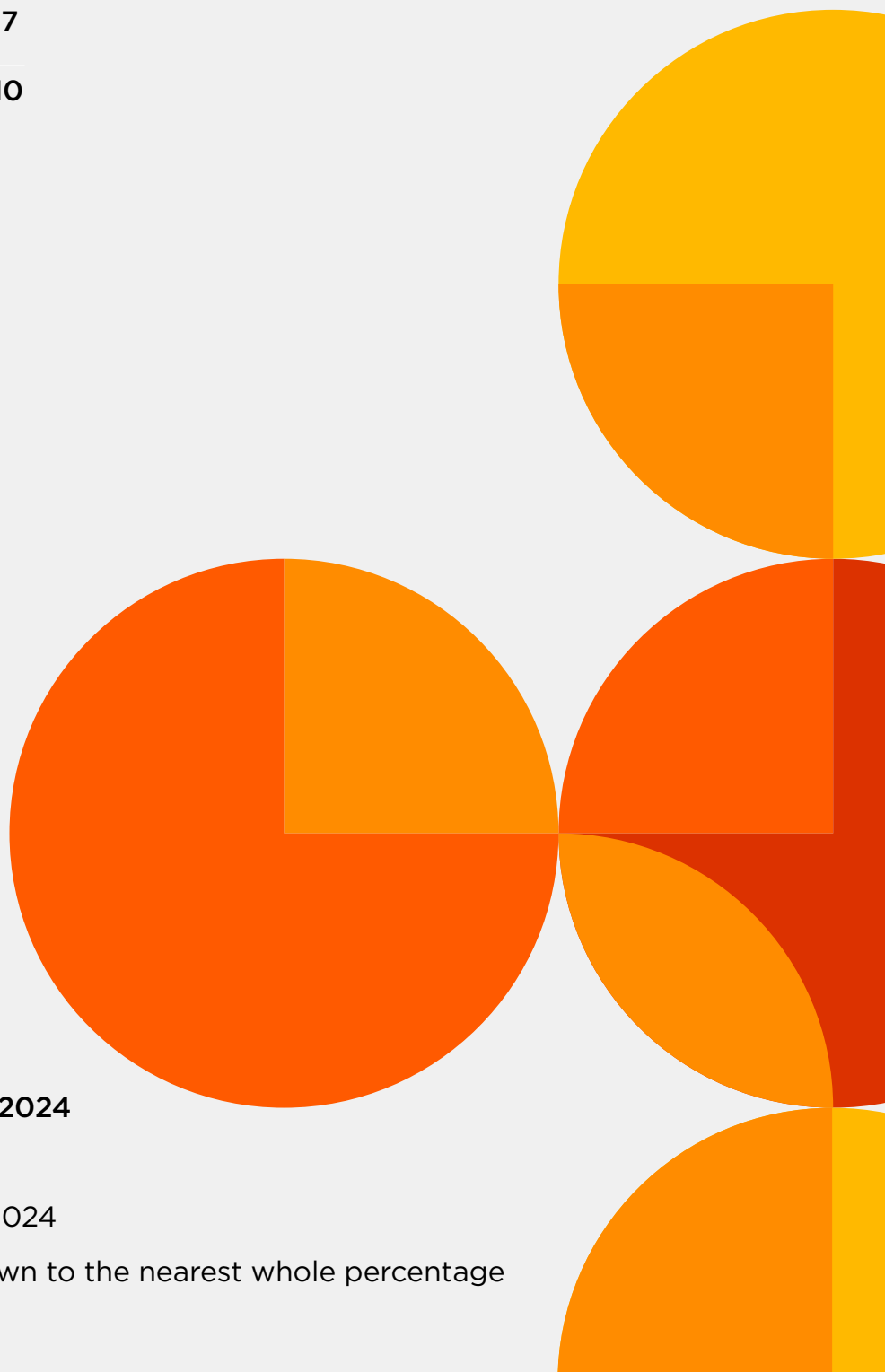
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Policy Voice survey results July 2024

Number of respondents: 48

Survey dates: 30 April - 21 May 2024

Survey results rounded up or down to the nearest whole percentage



Background

Policy Voice allows us to take periodic snapshots of members' views on current business issues of strategic importance to the Isle of Man. All IoD members will be invited to complete Policy Voice and share their views to influence how we talk to policymakers on these business critical issues - from taxation to transport, education and skills, to entrepreneurship and digital innovation, to the machinery of government.

IoD Isle of Man has introduced this important triannual survey to help understand and support our members and their organisations better and to identify trends in economic and business confidence on the Island. We will also seek members' views on the top challenges affecting local businesses.

As well as helping to inform our future member service planning, the Policy Voice survey responses will support us in better representing and reflecting your views in policy engagements with the Government and its related authorities. Over time we hope that the survey results will highlight the impact of local and international factors on Island businesses.

Organisations need meaningful data and information to make the best decisions and the information collected on members' views will provide meaningful feedback to Ministers and civil servants to help influence Tynwald policy by providing important context to what is already available.

As more surveys are completed, we will carry out ongoing analysis of the results to ensure we are responding to and reflecting the key policy issues for our members. IoD Isle of Man will use the results of the 2024 surveys for planning engagement and activities with members over the course of 2025. We want to think about how we use the information gathered to feed in your experiences and insights to policy and decision makers within the Government.

To provide a framework to canvassing our members, as well as continually addressing business confidence, we will seek feedback across five key areas:

- ✓ The machinery of government
- ✓ Skills for business (including digital)
- ✓ Industrial and fiscal strategy (including regulation)
- ✓ Transport and island connectivity
- ✓ Climate change/transition to net zero

Our members represent the broad base of the Island's industry sectors with 24 unique sectors responding to this first Policy Voice. The feedback that we have gathered is informative and useful when we work with other groups and when we meet with policymakers and other representatives. We wish to continue canvassing views and opinions from our members to build up a complete picture over time of the issues that affect you. They are an important source of insight to help us effect meaningful government policy that supports a vibrant Island economy and society.

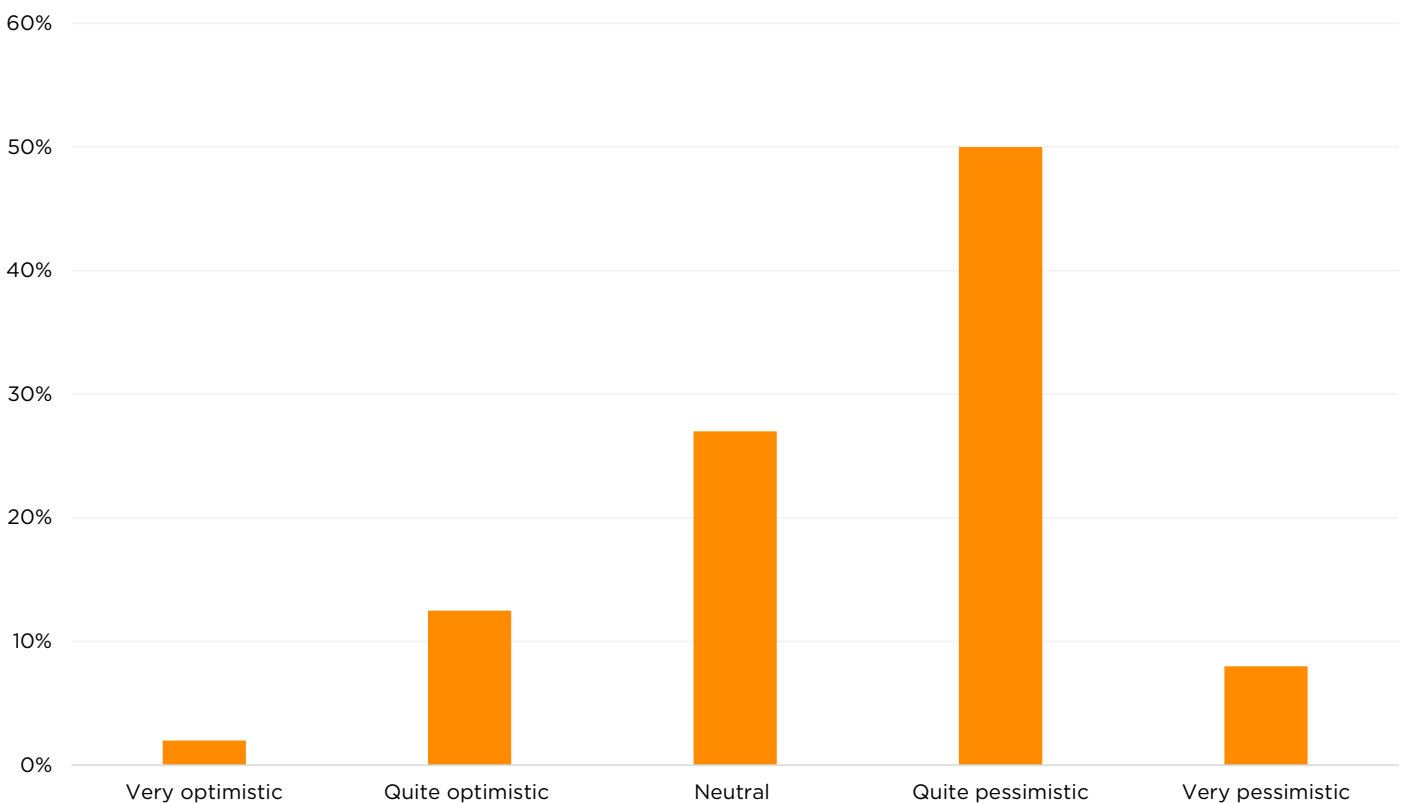
Our sincere thanks go to all those who took the time to complete the survey and share their thoughts with us. The next survey will be available in October 2024.



Economic monitoring: data

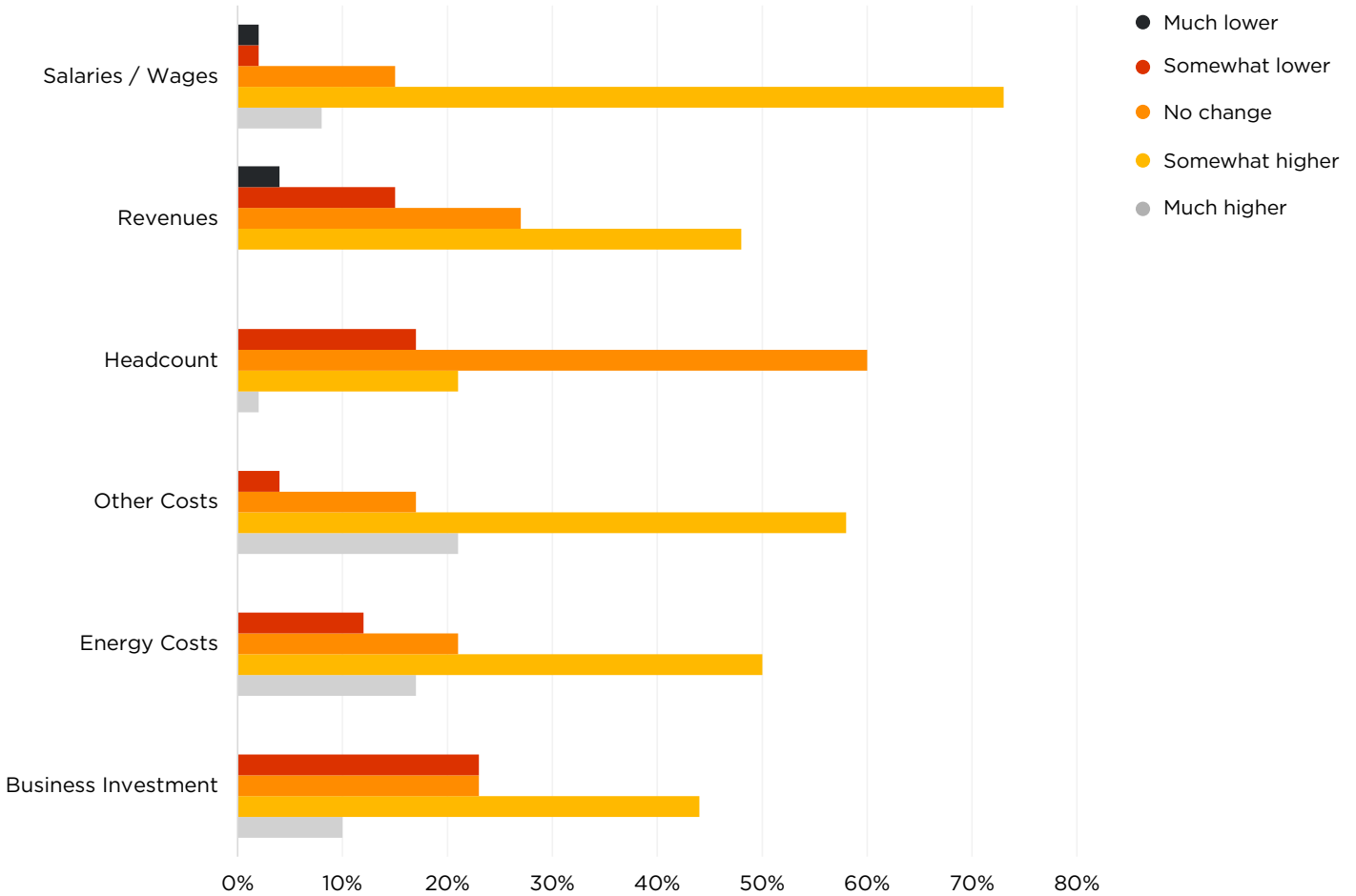
The following data contributed to our first Directors' Economic Confidence Index, which we will send directly into the heart of Isle of Man Government triennially.

How optimistic are you about the Isle of Man's economy over the next 12 months?



Economic confidence of business leaders is weak with over half of respondents by some degree pessimistic.

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of:



Survey respondents have demonstrated that they face a number of business challenges through 2024, especially in respect of increasing cost pressures. Two thirds of respondents expect higher energy bills and four fifths see other non-employee and employee-related costs increasing.

However, against that backdrop there are shoots of positive confidence in business investment and revenues.

Just over 50% of respondents expect revenues to grow, a further quarter expect them to remain static with the backdrop of a similar percentage indicating higher levels of business investment, notwithstanding the environment of high base rates.

When asked to rate their optimism for the Isle of Man’s economy, only 14% of the respondents to the survey indicated a degree of optimism, but overall the net percentage (the sum of positive and negative responses) was -43.5% - a significantly low negative score.

The machinery of government

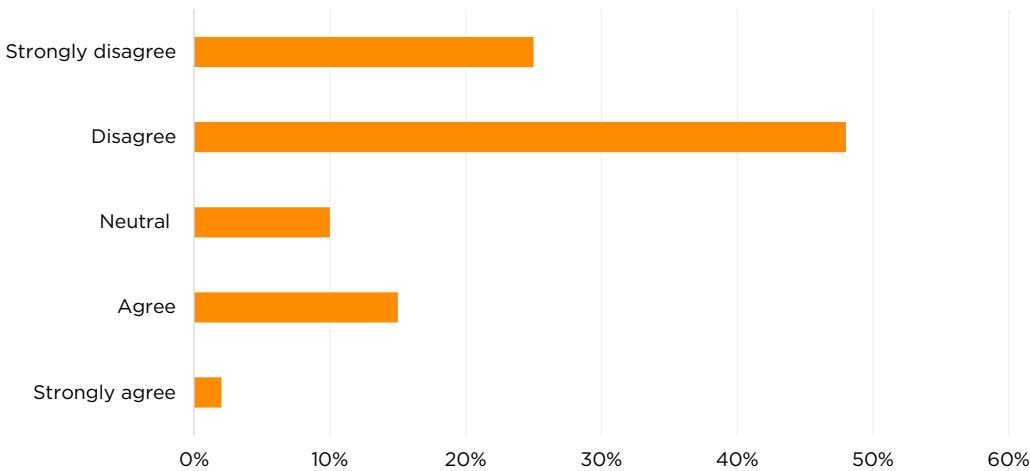
An open and constructive dialogue between industry and government is critical to ensure industrial and fiscal strategies are established in ways that support strong economic activity and growth.

Communication is a two-way process, requiring all parties to listen and understand each other's relative positions and viewpoints. Our members seek a system of government that encourages accountability, effective leadership and decisiveness in policy setting.

The starting point for a strong relationship with Government requires a sound understanding of the issues facing its stakeholders.

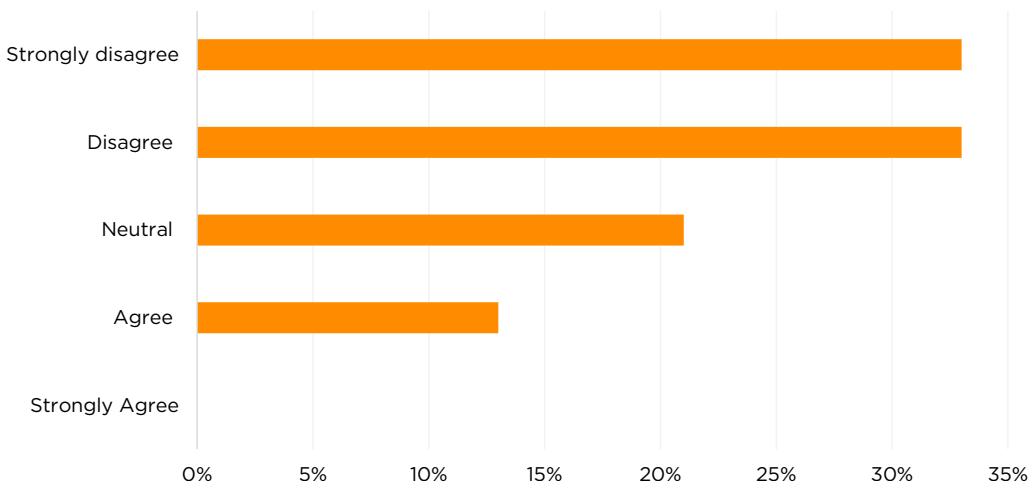
We wish to explore further the issues of our members perceiving the lack of understanding of both the business environment and more specifically the Island's industry sectors. That will allow us to better represent our members' views and seek appropriate policy and effective government.

The Isle of Man government understands the business environment in the Isle of Man.



The overwhelming majority, nearly 75%, of respondents did not agree with this statement. The response indicates that further insight should be gathered to better understand the specifics of members' views.

The Isle of Man government engages well with my sector if it is considering policies that would affect it.



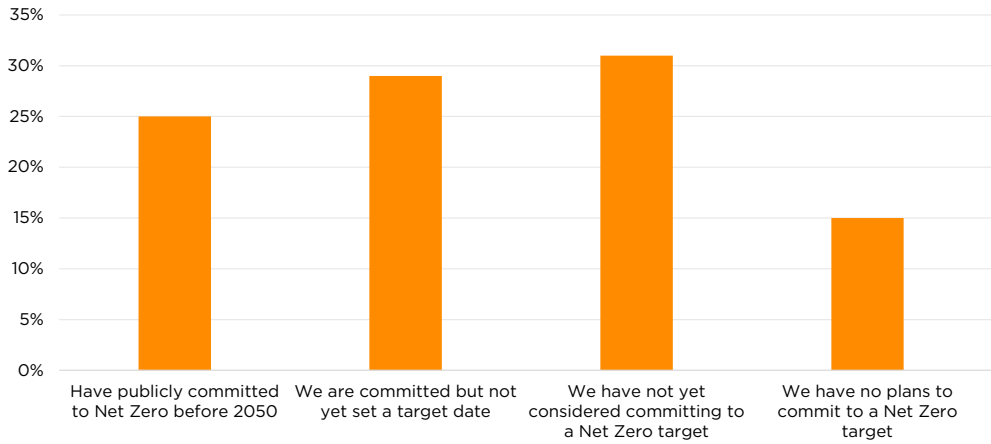
While over half of respondents felt that sectorial context in government policy was missing, just over 10% of respondents agreed Government engaged well. The question did not consider any interaction between members and relevant regulatory bodies which merits further consideration by members in future surveys.

Net zero and climate change

The challenge remains for organisations to manage the associated risks from climate change and in the adoption of policies and actions that address the impact of their activities on climate change. The need to act is irrefutable, but knowing which tools to use, what to do, and the nature of the short and long term financial implications, continue to raise issues for boards to address.

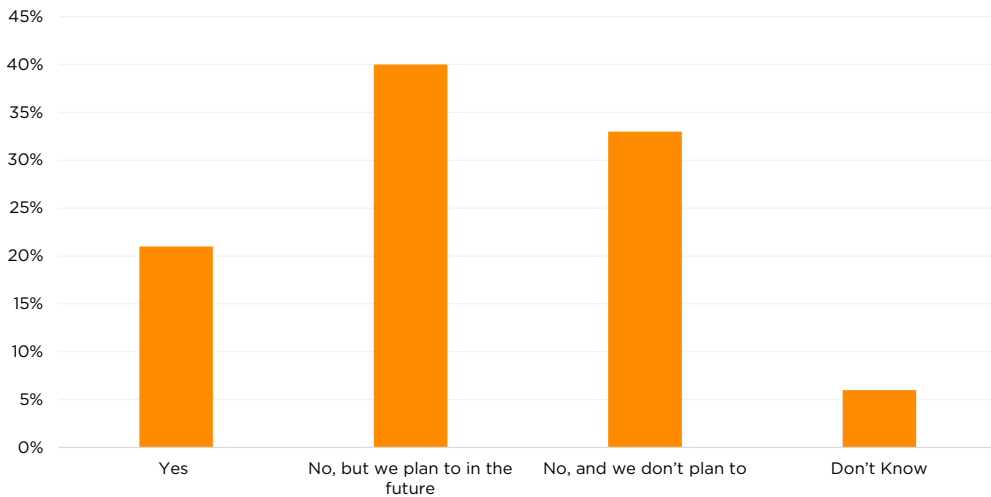
Notwithstanding the focus on ESG emerging as a mainstream business priority for corporations, organisations have a wide variety of stakeholders' interests to balance including their role in the Island's decarbonisation process. There needs to be a phased programme established through an agreed framework that allows businesses to adjust to a net zero economy in an orderly way.

With regards to net zero, has your organisation committed to becoming 'Net Zero' by 2050?



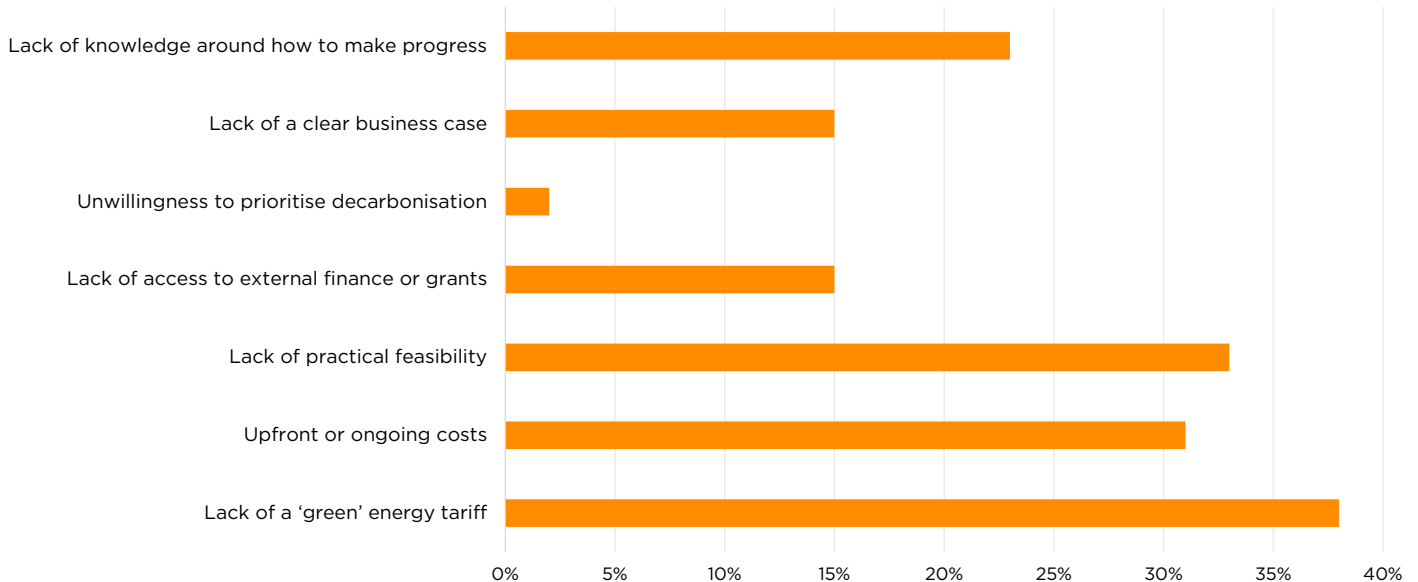
One quarter of respondents have publicly committed to Net Zero before or by 2050, but nearly one half of them have no plans yet to commit to a Net Zero target.

Does your organisation measure either its carbon emissions or carbon footprint?

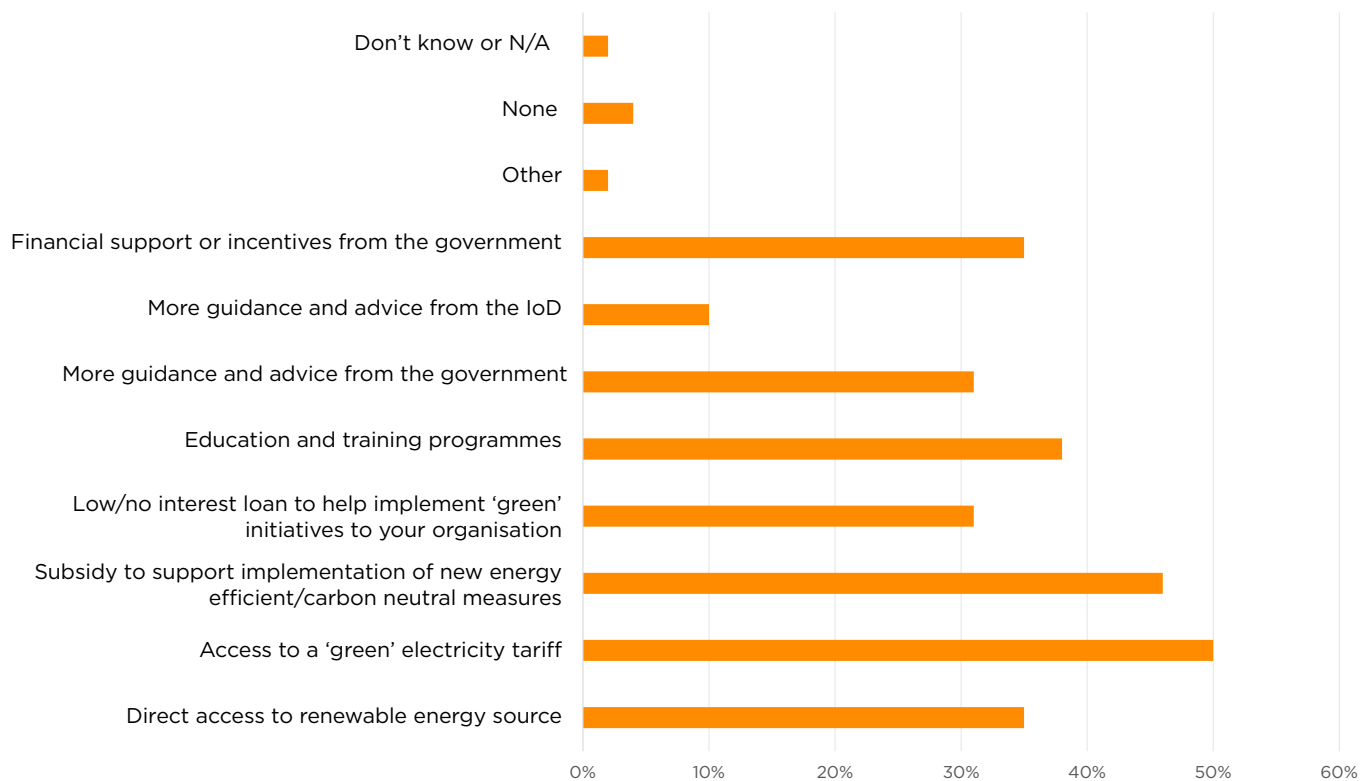


In relation to organisations measuring their carbon emissions or footprint, there's an interesting difference from those committing to Net Zero plans, with only one third with no plans to measure their output.

What are the biggest obstacles faced by your organisation in reducing its carbon footprint?



What factors do you feel would support your organisation in moving towards net zero?



Respondents indicated in equal shares that the lack of a green tariff, lack of practical feasibility and higher costs but interestingly there is already a green tariff offered by the MUA for Isle of Man organisations.

It's possible that, amongst organisations, there is both a lack of awareness of what's the true cost of deployment and what's available in support. There is no doubt that this is a case of Rumsfeld's "unknown unknowns" since only one quarter of respondents felt they had a lack of knowledge on how to proceed.

Other comments we received were:

- There is a lack of government investment in alternative "green" energy alternative.
- There has been a lack of decision by the Isle of Man government on low carbon alternative fuel sources for large and specialist vehicles.
- The biggest carbon generator is off-Island business travel - how do we reduce this when client face-to-face meetings in the UK, Europe, South Africa and US are a prerequisite?



Transport

Our transport infrastructure and connectivity is critical to our members' business needs, to our Island's economy, and as a place to live and work. Issues such as reliability, schedules that support day returns to key business centres, and competitive pricing are key elements of a comprehensive transport proposition.

Island living brings challenges, not least in terms of the impact of weather (itself a climate change related matter). But it's a valid expectation for government policy and commercial arrangements to be established in ways that support a strong broad economy and society.

IoD Isle of Man will support its members in discussions with the Isle of Man Government on all transport-related matters to secure future connectivity that meets the Island's needs.

The “Open Skies” policy means the Island has a free market in air services and there is no obligation for any airline to maintain a minimum service.

Should the Isle of Man continue with its current ‘Open Skies’ approach?



No	48%
Yes	38%
Not sure	14%

Have the challenges surrounding our air and sea travel links over the past year impacted you or your organisation?



Yes, but not to a significant degree	56%
Yes, to a significant degree	38%
No	6%

Although there is no strong view from respondents, 48% vs 38% considered Open Skies should not be continued with.

It is indisputable from the respondents that the last year was one of travel disruption of some degree.



Our Royal Charter sets out a clear purpose. We have a clear vision – The Institute of Directors is the professional institute for responsible directors and leaders.

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The objects of the Institute are:

To promote for the public benefit high levels of skill, knowledge, professional competence and integrity on the part of directors, and equivalent office holders however described, of companies and other organisations.

To promote the study, research and development of the law and practice of Corporate Governance, and to publish, disseminate or otherwise make available the useful results of such study or research. To represent the interests of members and of the business community to government and in the public arena, and to encourage and foster a climate favourable to entrepreneurial activity and wealth creation. To advance the interests of members of the Institute, and to provide facilities, services and benefits for them.

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