

# Our Big Picture

**The strategy shaping our Island's economy**

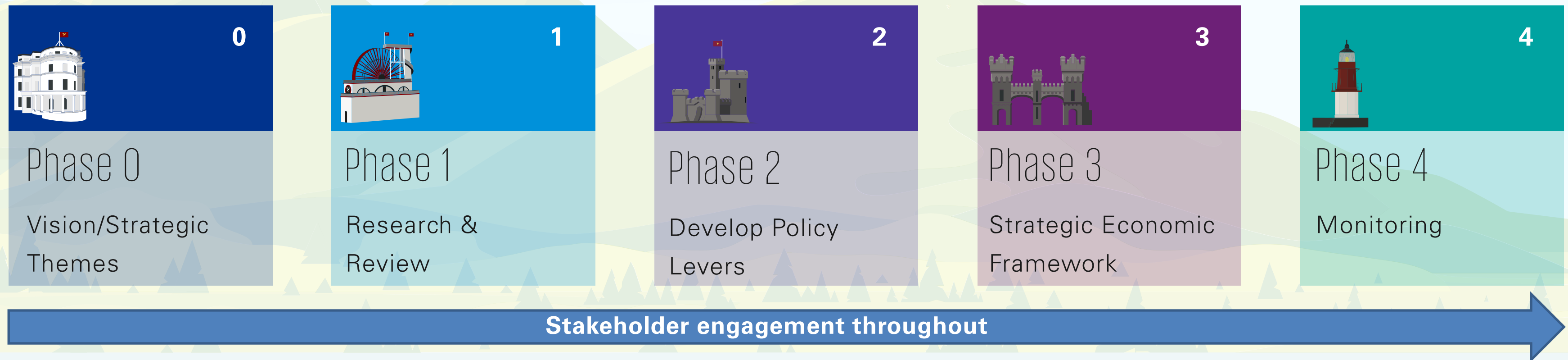
27 October 2022



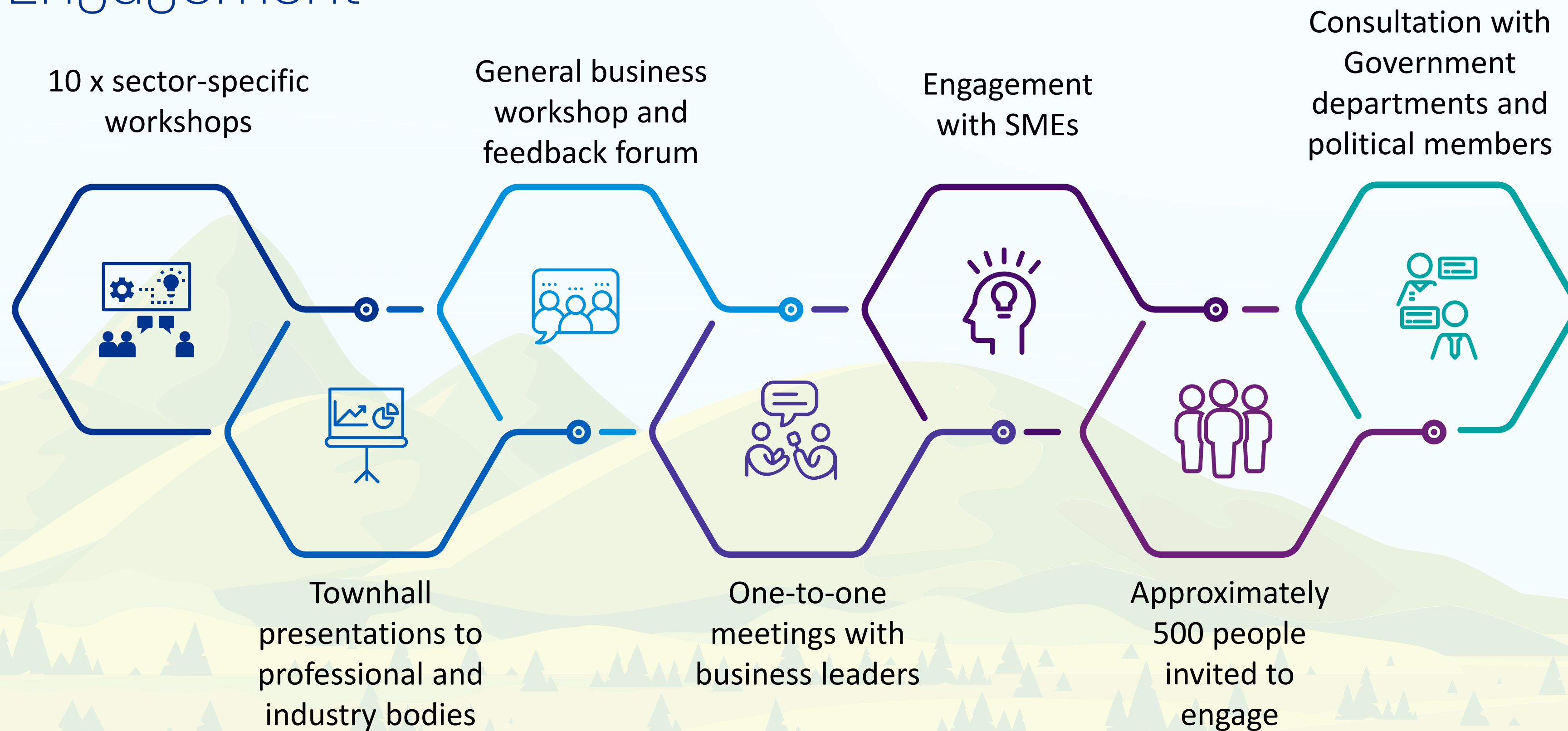
# Background

KPMG was appointed as strategic partner to support government in developing a five to ten year economic strategy for the Island with five objectives:

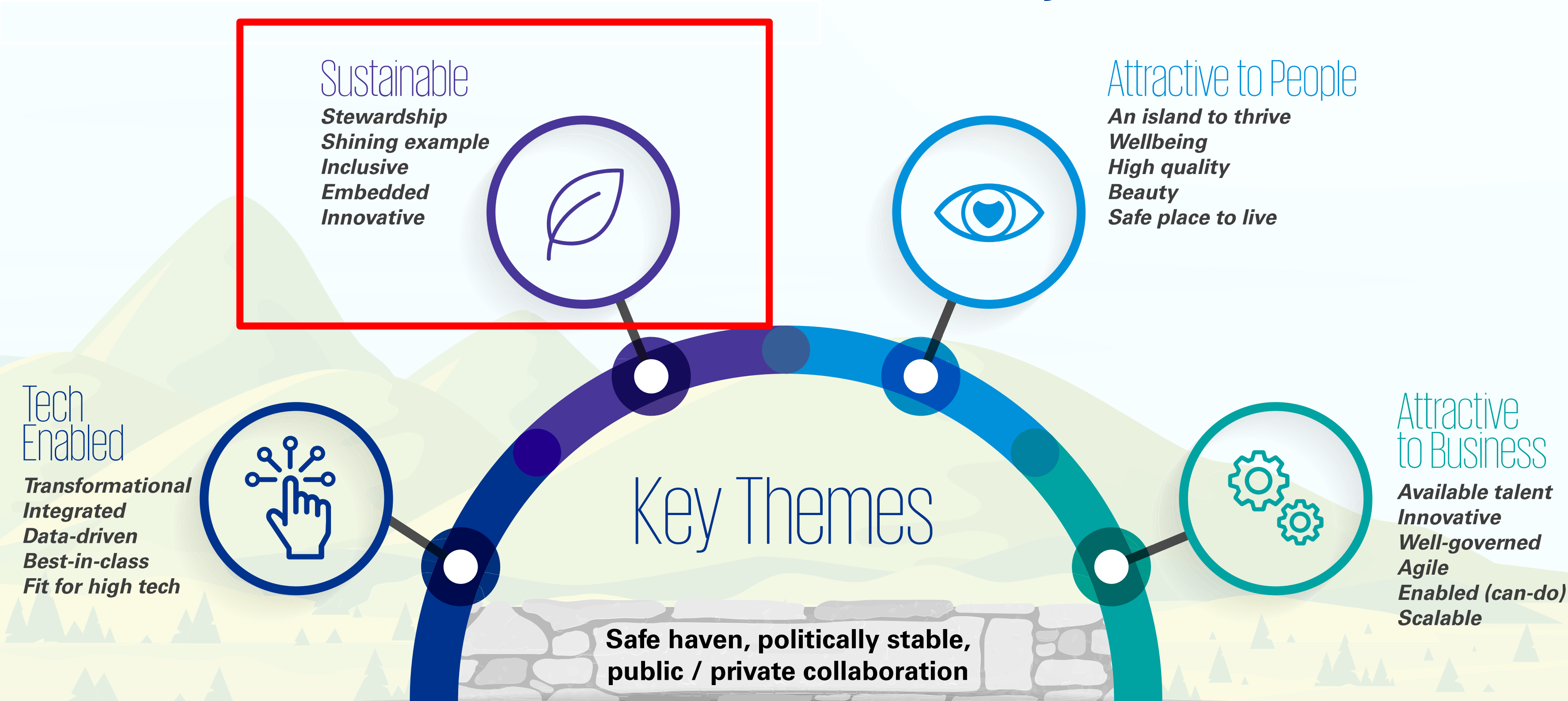
- Clarify the Island's economic vision
- Understand the Island's strengths and challenges
- Identify opportunities
- Develop policy levers
- Develop a Strategic Economic Framework



# Engagement



# Key Themes for the Isle of Man Economy



# Global perspective



## Covid 19

- Hybrid working era / new way of working
- Customer and employee experience
- Innovation
- Biotech



## ESG

- Sustainability; Decarbonisation
- Governance & morality
- Society
- Diversity
- Employee, consumer & investor expectations



## Technology

- Automation & digitization
- Data driven society
- Digital transformation
- Reshoring or onshoring supply chains



## Skills gaps & shortage

- Technical skill sets, meta-skills and digitalisation
- Value offering at tertiary level in question



## Regulation and tax

- BEPs
- OECD - ITR



## Industry Headwinds



## Geopolitical

- Trade – arena for competition (US/China/EU)
- independence Campaigns

VIDEO - <https://www.youtube.com/watch?v=qdcmCsoYJdM>

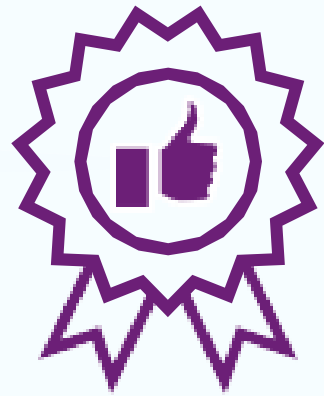
“ESG is everything you do”



# Why now? The rise of the ESG agenda for business



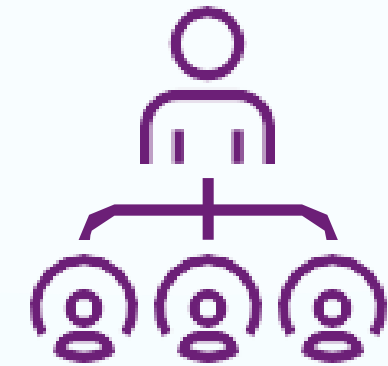
**Access to capital**



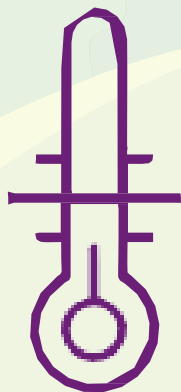
**Enhanced risk  
management and  
investment returns**



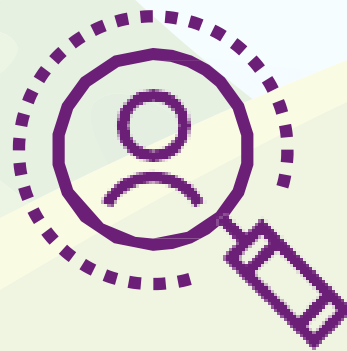
**Societal pressure**



**C-suite and  
board buy-in**



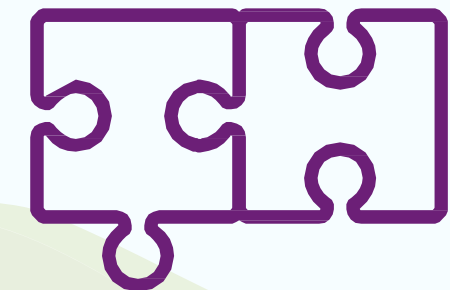
**Climate change**



**Workforce of the future**



**Regulatory developments**



**Reporting standards**

# Working with the third sector



**Corporate money seeking projects**



**CSR is changing**



**Skilled Volunteering**



**Workforce of the future**



# Draft Economic Strategy



# Remaining relevant and embracing new opportunities



## Skills

- Islands Campus
- Reskilling and redeployment of the workforce



## Financial Services

- Digitise existing life insurance products
- Innovate the existing life insurance product mix to suit the consumer of tomorrow
- Non-life insurance centre for emerging risks
- Alternative payments



## High Tech Industry

- Space Data Analytics
- Niche Technology Specialisation Hub (incl aerospace)
- Space Skills Academy



## Green Economy

- Offshore wind production for UK/Ireland
- Offshore wind production with hydrogen storage / supply
- Marine energy innovation and development
- Small island development
- Decarbonisation innovation accelerator



## Sustainable Finance

- International carbon credit trading exchange
- Sustainable Finance product suite, including green bonds
- Islamic Finance
- Crowdfunding
- ESG Corporate structuring



## Digital

- E-Residency (eGov)
- E-Identity (eGov)
- E-Immigration (eGov)
- Tokenised company foundation
- Digital Currency
- Pay-per-use enabled by blockchain
- Sandbox mindset
- Decriminalization of research to attract cutting edge research and data analytics
- Rethinking digital education
- The World's Data Bank
- Sustainable Data Centres
- Digital Wealth Management
- Digital Exchanges
- Simplification of Settlements



## Visitor Economy

- Enhancing access
- Targeting opportunity segments
- Supporting infrastructure
- Experience development
- A more sustainable destination
- A safe destination
- Targeting digital natives



## Life Sciences

- Medicinal cannabis export to UK
- Recreational cannabis tourism
- Bioinformatics Cluster
- Specialty Biologics Cluster
- Waste Management Testbed



## Gaming and eSports

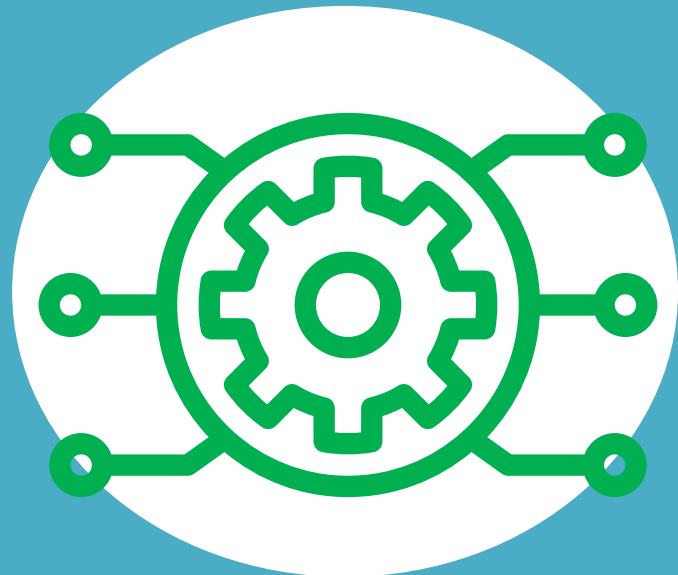
- ESG proposition (eGaming)
- Explore opportunities in less attractive jurisdictions (eGaming)

# Green Business Opportunities



## **Sustainable Finance**

The Island's existing finance sector has great opportunities to grow into new services that focus on financing sustainable projects, or reduce the negative impacts "traditional" financial products may have.



## **Green Technology**

Using the Island as a test bed for a range of technologies, from production in energy sector solutions to disposal in waste management tech, the Island is a perfect test scale for new technologies.



# Green Business Opportunities



## Carbon Credits

Businesses on and off Island are advancing rapidly towards 2025/2030/2035 goals for net zero, with no local source of carbon credits available. The creation, measurement and trading of these credits represent a business opportunity that could see the Isle of Man become a “carbon hub”.



## Sustainable Data Centres

With the majority of Isle of Man companies using outsourced data centres to some degree, there is scope for a provider with a focus on sustainability to increase their competitiveness, especially with companies with ambitious carbon commitments to meet.

# Green Business Opportunities



## **Sustainable Agriculture**

Various sources of emissions within agriculture make up many of the largest categories of emissions on the Isle of Man, creating an opportunity to help farmers reduce these, or to use a model farm on the Isle of Man to test technologies created to develop more sustainable agricultural techniques.



## **Eco-Tourism**

The Isle of Man, as a UNESCO Biosphere with immense natural beauty and infrastructure in place for tourism, could position itself as an eco-tourism destination for tourists in the UK and Ireland, or further afield, if suitably low-carbon transport to the Island can be achieved.

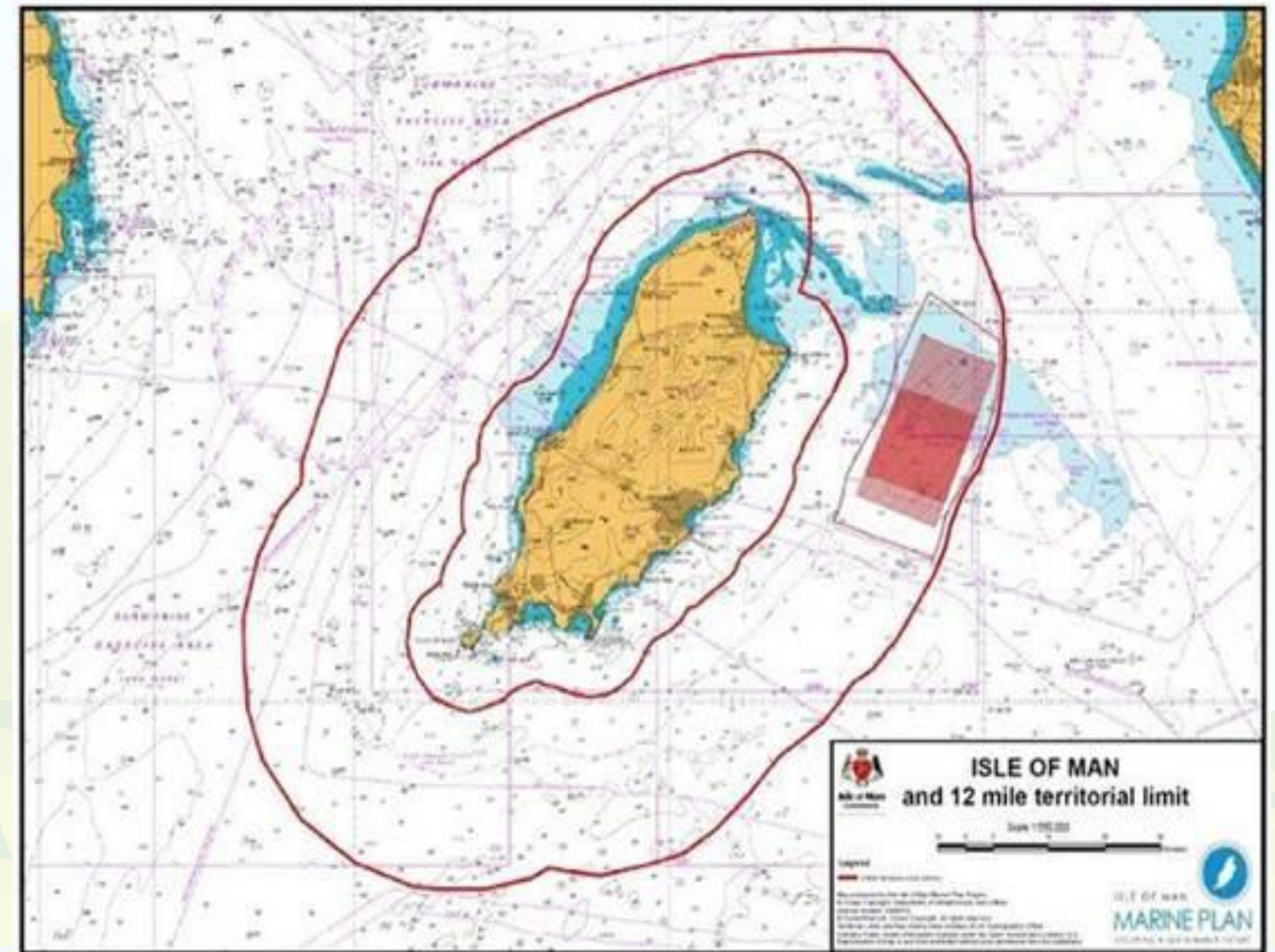
# Green Business Opportunities

However, none of this can be achieved without credibility and....



## Energy

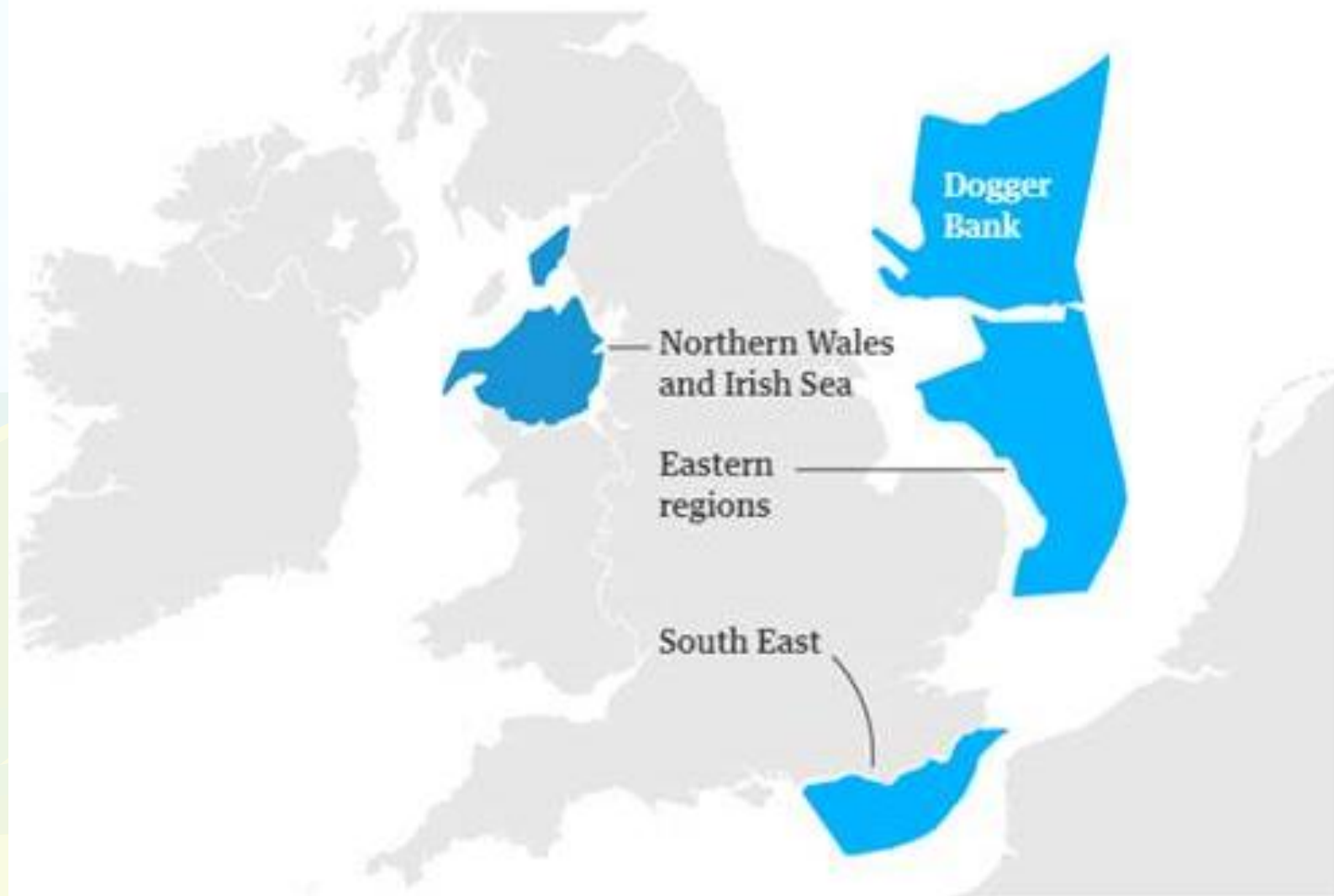
With a huge number of companies making net zero commitments and the Isle of Man's wider net zero ambitions, companies able to plan, design, construct and maintain energy technologies will increase in demand on the Island.





# Green Business Opportunities

**The Crown Estate plans to offer new leases for windfarms in four seabed regions**



Guardian graphic. Source: The Crown Estate



## Green Economy

- Offshore wind production for UK/Ireland
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- Marine energy innovation and development
- Small island development
- Decarbonisation innovation accelerator



# Questions



[home.kpmg/cds](https://home.kpmg/cds)



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