Isle of Man Business Environment & Conditions Survey Report 2024

Isle of Man Government
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ISLE OF MAN BUSINESS ENVIRONMENT & CONDITIONS SURVEY 2024

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CONTENTS

Introduction

About the survey

THE Isle of Man Business Environment and Conditions Survey is a bi-annual survey that investigates the economic and operational environment in which businesses operate and seeks to provide an overview of some of the key concerns and expectations of local employers. Topics covered by this report include how employers think of the Isle of Man as a business environment, how their businesses are performing, what their short-term expectations are, and the extent of the challenges they face in several areas such as recruitment and the ability to meet debt obligations. In the long-term, the survey is intended to provide a time series of several key economic factors affecting businesses which will allow for a better understanding of both the performance of local businesses and the wider economic environment in which they operate.

This survey replaces the Isle of Man Business Confidence Survey, which was last published in October 2019. Both surveys are nevertheless very similar with much continuity between them. The main difference between the two is that the Business Environment Survey currently does not provide an overall index of business confidence, although this may be reinstated after a review of that statistic.

International Comparisons

The survey is similar in content and design to the Business Insights and Conditions Survey conducted by the Office for National Statistics in the United Kingdom. By necessity, the scope and regularity of the Isle of Man's survey is more limited than that conducted in the United Kingdom, which is run fortnightly. In principle, both surveys are however sufficiently similar to allow key results to be compared across the two jurisdictions. Such comparisons have been provided where possible, and work is being undertaken to identify if and in which areas comparability can be increased.

Methodology & Survey Response

Unlike many other business surveys conducted on the Isle of Man, the Isle of Man Business Environment and Conditions Survey is based on a random sample of 2,000 employers present on the Isle of Man. The use of a random sample is necessary in order to ensure that the results are statistically valid and amenable to analysis and extension to the general population of all employers.

The survey received 360 responses, giving a response rate of 18%. This is lower than the response rate for the United Kingdom's Business Insights and Conditions Survey for the same period, which was 26.5%.

Statistical weighting has not been applied to this year's survey results as it would be inappropriate to do so given that some of the subsamples involved are so small. For similar reasons, analysis of individual sectors of the economy has not been performed.

Periods Covered by the Survey

Businesses were surveyed during October 2024 and asked an array of questions mostly related to business performance over the previous six months and expectations for the next six months.

A version of the Business Environment Survey was conducted in July 2023, although technical problems accessing the data gathered by the survey at that time prevented timely publication of its analysis. For this reason, no report was published in 2023. Instead, figures from the 2023 have been stated alongside those for 2024 for comparative purposes.

Statistics Isle of Man is not yet in a position to provide comparisons with results from the Business Confidence Surveys that were conducted from 2017 until 2019. This is because these surveys followed a slightly different sample design and adopted statistical weighting that will need to be reviewed and taken into account before they can be used in the Business Environment and Conditions Survey reports. This work is intended for release in future publications.

About the Sample

In any sample survey whose response rate is much lower than 100%, it is useful to compare the composition of the sample with respect to known facts about the population in order to investigate the possibility of non-response bias.

With regards to size of companies by the number of employees, the sample is largely the same in composition as that available from administrative data. In absolute terms, the largest differences observed between the two are a slight under-representation of businesses with 0 to 9 employees and a slight over-representation of those with 10 to 49 employees.

Table 1. Comparison of the sample with all businesses with respect to number of employees

Number of Employees	Sample	Lower MoE[1]	Upper MoE	Population
0 to 9	83.3%	79.6%	87.0%	86.5%
10 to 49	14.2%	10.7%	17.6%	11.3%
50 to 99	1.7%	0.4%	2.9%	1.3%
100 to 149	0.6%	0.0%	1.3%	0.3%
150 and over	0.3%	0.0%	0.8%	0.7%

Of 21 business sectors represented in the sample, the difference between the sample and the population is no greater than 0.5% for nine sectors, less than 1.0% but greater than 0.5% for a further 5 sectors, and less than 2% but greater than 1.0% for another 5 sectors.

The biggest difference between the sample and the population in this respect is an overrepresentation of financial services companies by 6.0% and an underrepresentation of construction companies of 7.0%. This should be borne in mind when considering the results in the rest of this report.

Analysis, Notation & Terminology

This report makes use of standard statistical notation and terminology that may be unfamiliar to some readers.

Category headers or individual figures that are annotated with an asterisk * should generally be treated with caution as they are not reliable enough for most uses. Those annotated with a double asterisk ** should not be regarded as reliable for general use. This classification is based on the relative standard errors of the results—in particular, figures with a single asterisk have a relative standard error of 25% or over, but below 50%, while those with a double asterisk have one of 50% or over.

All survey statistics have a margin of error and for this reason it is necessary to determine whether an apparent difference between two statistics is likely to indicate that there is a genuine difference between the values that these statistics estimate. A standard procedure for these is a significance test, and we have conducted such tests and stated their results where necessary.

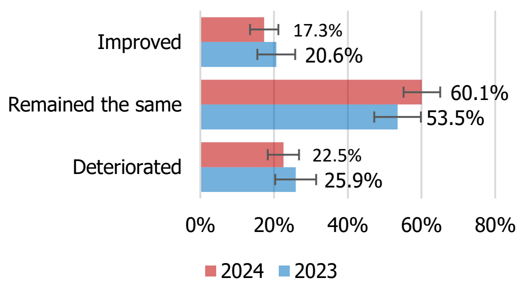
Where appropriate, we provide the margins of error, in the form of confidence intervals, on the estimates provided in the report. These provide a measure of the uncertainty surrounding the estimate and are stated using the following notation:

$$x \text{ (95\% CI [} y, z \text{])}$$

Under this notation, x is the estimate (i.e. the result found in the survey data) and y and z are respectively the lower and upper bounds of the confidence interval. The 95% is the confidence level of the interval and indicates that were the same survey to be repeated a sufficiently large number of times, 95% of the resulting confidence intervals would contain the *true* population value.

We represent the margin of error on charts by use of an error bar in the form of a capped line, as in the example below.

Figure 1. Example of error bars in use



These margins of error and the uncertainty they describe means that differences in the data may or may not be representative of differences in the population. We have therefore performed significance tests in order to identify where a difference in the survey data is likely to indicate the existence of the genuine difference in the population. Where this is the case, we say that a difference is 'statistically significant'. All significance tests in this report were calculated with a significance level of 5%.

The lack of statistical significance does not mean that there is no actual difference between the corresponding figures for the entire population; it means only that sufficient evidence could not be found, which is often the case with small sample sizes.

In addition to calculating confidence intervals and conducting significance tests, we have employed Cohen's h when comparing statistically significant differences between percentages. This statistic aims to provide an indication of the size or meaningfulness of

[1] Margin of error.

such differences by assigning a value between 0 and 1 to the difference identified. These values are then divided into three ranges: small, medium, and large.

It is often the case that the thresholds between the different categories for Cohen's *h* are tailored to the phenomenon or quality being investigated. This has not been possible in this case due to an absence of sufficient historical data. As such, we instead rely here on Cohen's 'rule of thumb' conventions for categorizing values of *h* as small, medium, or large:

- a value of at least 0.2 for Cohen's *h* but less than 0.5 is 'small';
- a value of at least 0.5 but less than 0.8 is 'medium'; and
- a value of 0.8 or more is 'large'.

The intention behind using Cohen's *h* in this way is to provide a consistent comparison of differences identified in the data in a way that has some degree of rigorous statistical foundation.

Executive Summary

Before providing a summary of the main findings of this report, it is worth providing some useful context by setting out the purpose of the survey. The primary aim of business surveys such as the Isle of Man Business Environment and Conditions Survey is to provide a comprehensive view of how the views, experiences, and expectations of businesses have developed over a relatively short period of time. In the case of this survey, this period is usually six months prior to the survey and six months into the future. Over successive instances of the survey, this forms a long-term overview of these topics, which in turn helps provide general insights into the workings of the Isle of Man's economy as well as identifying challenges that its businesses are facing and how they respond to these. As such, this survey should be regarded less as an absolute statement on the condition of the economy and more a relative one on how the economy has developed compared with recent times and how businesses anticipate this changing in the short-term.

This summary provides details of the principal results and major findings of the survey. Due to concerns about length and clarity, it is not however a comprehensive account of all that is to be found and even points that may be of interest might not be covered wholly in this section. A great deal of context and the evidence supporting the content of this section is also omitted here. For that reason, it is recommended that the reader supplement this summary with reading of any further sections that may be of interest.

Main points

When considering their **general situation**, approximately sixty percent of businesses report no change over the previous six months, while the remainder are more or less evenly split between those who have experienced a worsening of their situation and those who have witnessed an improvement. A limited degree of optimism may be inferred from the fact that a slightly higher percentage of businesses expect to see an improvement over the next six months than expect a worsening.

Comparing these results with expectations for the following six months shows a small, and potentially limited degree of optimism, with a slightly larger percentage of businesses anticipating an improvement in their overall business situation.

Demand for goods and services was found to have fallen for approximately nineteen per cent of businesses over the six months prior to the survey, while a slightly greater number of businesses, amounting to just under twenty six percent, reported an increase in demand.

A larger, though relatively modest difference can be seen in how businesses anticipate demand changing in the following six months. In this case, the distribution of responses is closer to thirty two percent of businesses anticipating a rise in demand compared with fourteen percent expecting a reduction.

This distribution of responses is similar to what was seen in the case of businesses' views of their overall business situation and may even partially explain it, given the strong connection between demand and business performance. Supporting this connection, the survey found that just over seventeen percent of respondents cited insufficient demand as one of the **main factors affecting their business**.

The most frequently cited factor affecting businesses was, however, financial constraints, which just over thirty percent of respondents reported as one of the main factors affecting their business. More detail on some of the forms this takes can be seen in the fact that over seventy five percent of businesses saw **turnover** remain the same or fall over the previous six months while approximately two thirds saw rises in **operating expenses** and a half saw a rise in **staffing costs**.

In addition to influencing the general situations in which businesses find themselves, these factors potentially go some way towards explaining the pattern seen in more quantitative areas such as the profitability of businesses and the prices they charge for their goods and services. Approximately thirty five percent of businesses reporting a drop in **profits** over the previous six months and just under forty one percent stating that they had increased the **prices of their goods or services** over the same period.

With regards to the prices charged by businesses, the **chief factors cited as influencing price rises** were, in descending order of frequency, labour costs, energy prices, and raw material prices. Although both 2024 and 2023's surveys show a similar percentage of businesses report labour costs (approximately 41% and 47% respectively), both energy and raw materials prices saw statistically significant drops in the percentages of businesses pointing to these as influencing rises in their prices. This in turn is likely part of the reason that between 2024 and 2023 we see modest but statistically significant reductions in the percentages of businesses whose state that their operating expenses have increased or that prices for their goods or services rose.

Considering the **general financial position of businesses**, there is little evidence of differences between the results for 2024 compared with 2023, and similarly not much indication of increased or decreased optimism when considering expectations for the next six months. Where such evidence occurs, it is largely confined to fewer businesses anticipating a drop in turnover over the next six months compared with those who experience such a drop during the previous two months, a reduction in the percentage of businesses experiencing a rise in operating costs compared with 2024, and a small reduction in the percentage of businesses reducing their capital expenditure.

While rising labour costs have previously been identified in this summary as a major influence on prices, and presumably also on operating expenses, **difficulties recruiting staff** has also been reported as a problem by a large number of businesses. In total, 43% of businesses on the Isle of Man, a higher percentage than is found in the corresponding figures for the United Kingdom (33.2%), state that they have encountered such difficulties, and nearly half of these businesses report that these difficulties are sufficient to have caused further operational issues. The most frequently reported issues caused by a difficulty recruiting were the need for current staff to work additional hours and an inability to meet demand. The most frequently reported reasons for difficulties recruited were a lack of suitably qualified applicants, and, for nearly fifteen percent of businesses, a lack of applications in general.

Although this summary has identified some indications for an improvement, if slight and potentially restricted, in some areas of business activity or conditions compared with six months prior to the survey, there is also evidence that those businesses who regard **the Isle of Man as a place in which it is easy to do business** are in a minority and that their numbers have reduced since 2023. In 2024 a slightly larger percentage of businesses expressed moderate to strong disagreement, potentially representing increasing concerns that the difficulty of doing business in the Isle of Man is increasing.

There are also considerable levels of **dissatisfaction with some of the amenities, services, and aspects of doing business on the Isle of Man**. Of these, the greatest levels of dissatisfaction were expressed for the planning system, which met with moderate or strong dissatisfaction from two thirds of businesses, and the quality and cost of transport links to and from the Isle of Man, towards which over seventy percent of businesses for whom the topic was relevant expressed dissatisfaction.

Set against this, **some amenities met with broad satisfaction**. A majority of businesses expressed broad satisfaction with both the cost and quality of utilities and hotels on the Isle of Man. Moreover, although opinion on whether the Isle of Man is a place in which it is easy to do business is divided, and possibly worsening, over **seventy-seven percent of businesses would recommend or somewhat recommend the Isle of Man as a business location**.

General Business Situation & Operating Environment

As at October 2024, a slight majority of businesses reported that their overall business situation had not changed compared with six months previously, while a similarly small majority expected no change in their situation over the coming six months. Of the remainder of businesses, largely equal numbers of businesses stated that their business situation had improved or worsened, while slightly more expected it to improve compared with those who expected it to worsen.

This pattern of responses is largely mirrored when change in demand for goods and services is under consideration. Just over half of businesses reported that demand has remained the same or that they expect demand to remain the same, while there is only a relatively modest differences between the percentage of businesses who report that demand has increased compared with those who state it has decreased. A larger difference was found to exist between the number of those who expect demand to increase compared with those who expect a decrease.

A comparison with the corresponding figures from 2023 shows no statistically significant difference in any of the responses given, suggesting that the general experience and expectations of the Isle of Man's business community as a whole may have remained static between the two years.

The single most commonly reported factor affecting businesses was financial constraints, which approximately 30% of businesses cited as a factor that was affecting them. Insufficient demand was found to be a factor that 17% of businesses were contending with. In both cases, no difference between 2023 and 2024 could be substantiated, which may indicate that much of the economic situation affecting businesses did not change during that period. Additionally, the percentage of businesses reporting that they were not affected by any such factors is slightly lower than that in the United Kingdom, raising the question of whether the business environment on the Isle of Man was slightly more challenging than that in the United Kingdom at the time of the survey. In such comparisons it should however be noted that the survey currently captures only the extent of such challenges across the range of businesses, and not the degree or severity of their effect.

As a small island nation, the transportation of freight occupies a role in the Isle of Man's economy that is greater even that the role it plays in other, larger jurisdictions. For this reason, the Isle of Man Business Environment and Conditions Survey asks businesses to rate the impact that disruptions to freight transportation had on their operations. The survey found that disruption to the transportation of freight represents a serious issue for many businesses on the Isle of Man—half of all respondents reported that their businesses had been affected by disruption to the inward transportation of freight, and a third stated that the effect on them had been moderate, considerable, or extreme. Fewer said that they were affected by disruption to outward transportation of freight, and more severe impacts of disruption were less common. This may however be a consequence of fewer businesses on the Isle of Man being dependent on exportation than those relying on importation of goods.

As part of the general theme of the operating environment, the survey also asked businesses about their adoption or intention to adopt working from home policies. Such policies can and in some places have had a significant impact on the commercial real estate market as demand for office spaces drops in response to more people working from home.

A quarter of respondents reported that they were using or considering adopting such policies, while just under a half stated that they were not. In both cases, these are higher percentages than those seen in the United Kingdom, although that is likely because of a much lower percentage of businesses in the United Kingdom declaring that the matter is not applicable to them. This disparity may be a consequence of the Isle of Man having a relatively large concentration of finance, professional, and information technology businesses.

Trading Status of Businesses

Just under 99% of businesses on the Isle of Man are estimated as having been trading in some capacity or another at the time the survey was conducted. Of these, the majority (90.4% (95% CI [87.5%, 93.4%]) of businesses) were trading fully.

Table 2. Percentage of businesses by current trading status

Trading Status	Estimate	Lower MoE	Upper MoE
Fully trading	90.4%	87.5%	93.4%
Partially trading	8.1%	5.4%	10.9%
Paused trading; does not intend to restart in the next two weeks*	1.1%	0.1%	2.2%
Paused trading; intends to restart in the next two weeks**	0.3%	0.0%	0.8%

This is a higher percentage than was the case in the United Kingdom over the same period. No statistically significant difference between the percentage of businesses that were partially trading could be identified when comparing figures between the Isle of Man and the United Kingdom.

Table 3. Comparison with the United Kingdom (current trading status)

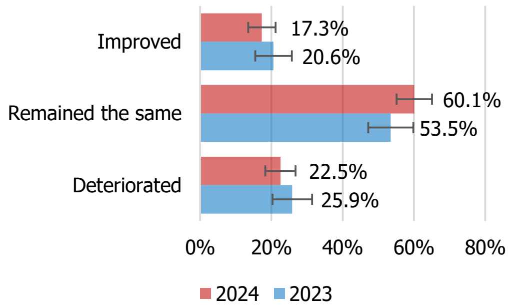
Jurisdiction	Currently trading	Partially trading
Isle of Man	90.4%	8.1%
United Kingdom	85.8%	9.0%

Overall Business Situation

A majority of businesses (60.1% (95% CI [55.1%, 61.1%])) reported that their overall business situation remained the same during the six months prior to October 2024. The remainder is more or less evenly split between businesses whose situation has worsened and those whose situation has improved—the data exhibited no statistically significant difference between the two.

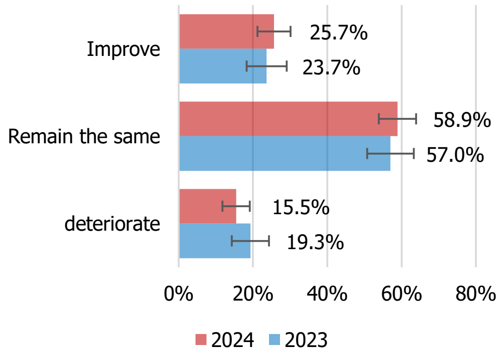
Figures for businesses responding to the survey in 2023 followed a similar pattern, inasmuch as no statistically significant difference could be found between the two years.

Figure 2. How has your overall business situation changed over the previous six months?



A similar picture is found in how businesses anticipate their situation changing over the next six months. The percentage of businesses in each category is sufficiently close that no statistically significant difference can be found.

Figure 3. How do you expect your overall business situation to change in the next six months?

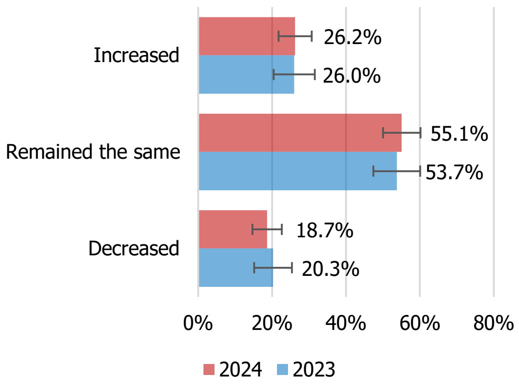


The data shows a small increase in the number of businesses who expect an improvement to their situation compared with those who experienced an improvement during the previous six months.

Demand for Goods and Services

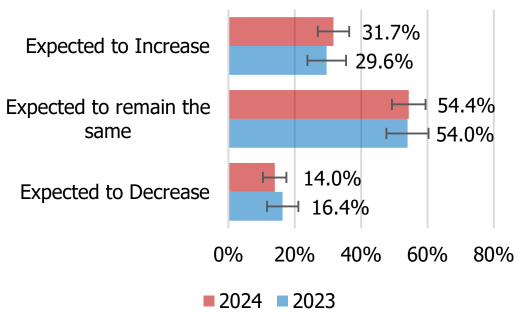
A slim majority of businesses report that demand for their goods and services had remained the same over the six months prior to completing the survey. Of the remainder, a slightly larger percentage of businesses experienced an increase in demand for their goods and services over the previous six months than experienced a decrease. This difference was found to be statistically significant, though just on the lower end of being categorized as small.

Figure 4. Change in demand over the previous six months



Expectations of how demand for goods and services would change over the following six months exhibit a similar pattern in which slightly more than 50% of businesses expect no change. The main difference compared with what businesses actually experienced is that there is a larger gap between the percentage of businesses who expect demand to increase compared with those who expect it to decrease.

Figure 5. How do you expect demand to change over the next six months?

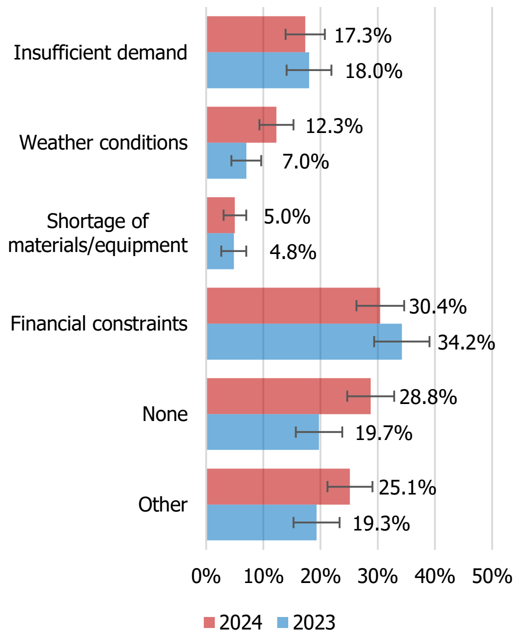


As with the figures concerning respondents' assessments of their general business situation, there is no statistically significant difference between the results for 2024 and 2023.

Main Factors Affecting Business

A majority of businesses report that their business was as at the time of the survey affected by one or more factors. Such businesses make up 72.2% (95% CI [67.1%, 75.3%]) of all businesses.

Figure 6. Main factors currently affecting businesses



Of these factors affecting the performance of businesses, 'financial constraints' was most frequently identified as one of the main factors currently affecting businesses, while almost one in five businesses reported that insufficient demand was a main factor affecting their operations.

Comparisons with 2023 shows a statistically significant, though small, increase in the percentage of businesses reporting no challenges affecting their business at the time of the survey.

The percentage of businesses in the Isle of Man in this category is however smaller than that in the United Kingdom, though the difference is relatively slight and may not carry a great degree of economic significance.

Figure 7. Percentage of Businesses reporting no current challenges.

Jurisdiction	% of Businesses
Isle of Man	28.8%
United Kingdom	36.0%

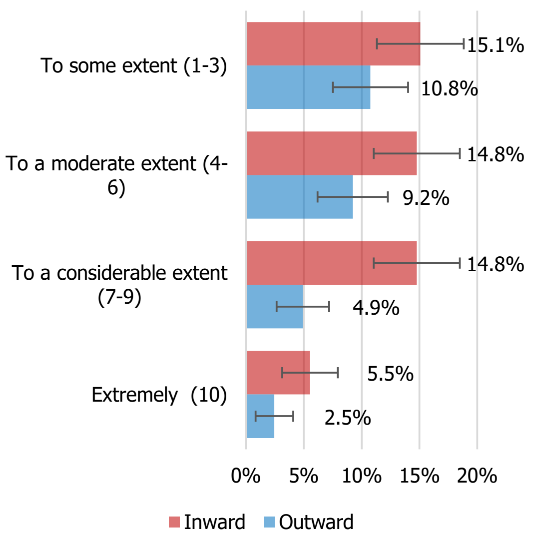
Effect on Businesses of Disruptions to Freight Transportation

50% of businesses (95% CI [44.6%, 55.1%]) reported that their business had not been impacted by disruption to inward freight over the previous six months, while 69.2% (95% CI [64.3%, 74.2%]) stated the same for outward. This may be because the amount of goods imported into the Isle of Man and the number of businesses that are reliant upon them is likely considerably larger than is the case for exports.

When asked to rate to what extent such disruption affected their business, largely equal numbers of businesses reported that disruptions to inward transportation of freight affected their business to some extent, to a moderate extent, or to a considerable extent. Each such response was reported by approximately 15% of businesses.

By contrast, most businesses who experienced an impact caused by disruptions to outward freight reported that this was only to some or, at most, a moderate extent.

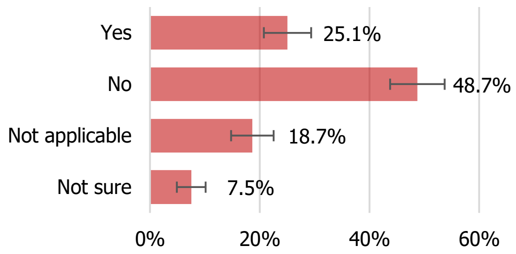
Figure 8. Extent of effect of freight disruption



Intention to Use or Expand Availability of Working from Home

The number of businesses currently using or intending to adopt working from home practices make up between approximately 20% and 30% of all businesses, while those that don't but could account for just under a half of all businesses at 48.7% (95% CI [43.8%, 53.6%]).

Figure 9. Is your business using or intending to use increased working from home.



The percentages of businesses who provided a response of yes or no are both lower than was the case in the figures for the United Kingdom. The differences are however small and may in both cases be explained, at least in part, by the greater percentage of businesses in the United Kingdom for whom home working practices are not applicable.

Table 4. Percentage of businesses in the Isle of Man and United Kingdom by adoption or intention to adopt working from home practices

Jurisdiction	No	Yes	Not sure	N/A
Isle of Man	25.1%	48.7%	7.5%	18.7%
United Kingdom	21.1%	47.0%	8.1%	28.8%

Those businesses who do or intend to adopt working from home practices report a diverse range of reasons for doing so, touching upon matters of cost, recruitment, and staff welfare. Clear (and statistically significant) majorities of businesses reported that they were doing so in order to achieve reduced overheads and with a view to improving the well-being of their staff.

It may be of note that nearly 18% (17.8% (95% CI [10.2%, 25.4%])) of businesses in this category have adopted or intend to adopt working from home practices in order to have the ability to recruit from a wider international pool. This may be in order to overcome some of the challenges. covered later in this report, concerning recruitment that businesses have encountered.

35.6% (95% CI [26.0%, 45.1%]) of businesses who use or intend to adopt working from home practices believe that doing so results or will result in increased productivity. In absolute terms, the number of businesses expressing this belief is almost identical to the number of businesses who have not adopted such practices because they believe that working from home results in reduced productivity.

Figure 10. Reasons businesses are using or considering using working from Home

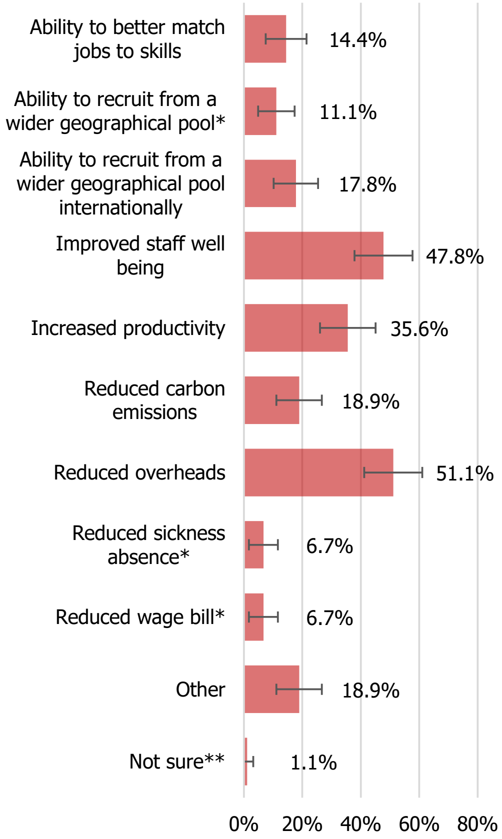
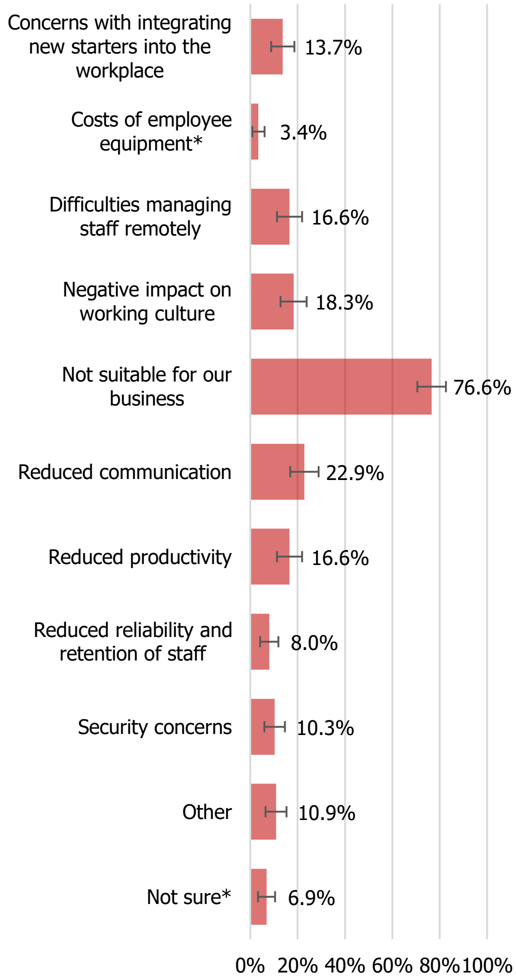


Figure 11. Reasons businesses are not using or considering using working from home



Of those businesses that have not adopted and are not considering adopting working from home practices, the vast majority stated that this was simply because they are not suitable for their business. Aside from this, concerns about managing staff remotely, integrating new starters, and the effect of working from home on the working culture and communication in the workplace all feature as major reasons influencing businesses' decision on this matter.

Financial Position

COMMON financial indicators that are considered in this section are prices businesses levied for goods and services, turnover, operating expenses, levels of capital expenditure, and profitability. The most notable characteristic of the results pertaining to the experience of businesses is that, typically, slightly more or less than half of businesses report that there has been no change over the previous six months. The most notable exception to this rule concerns operating expenses, which had increased for just over two thirds of businesses.

Of the remainder, most businesses had increased their prices, approximately even numbers reported declining or increasing turnover, more businesses reported an increase in capital expenditure than did a reduction, and over a third of businesses said that their profitability had declined. On the matter of prices, responses from businesses point to price increases being caused by several factors, with labour and energy costs being chief among these, despite the effect of the latter reportedly lessening compared with 2023.

In most cases, comparisons with the results from the 2023 survey show little statistically significant difference. Where differences could be identified, these indicate small drops in the percentage of businesses who had raised prices for their goods and services, the percentage of businesses whose operating expenses had increased, and the percentage of businesses who had reduced their capital spending. These may suggest a slight and potentially restricted improvement in the financial position and trading conditions on the Isle of Man compared with a year ago, though the significance of this is moderated by low numbers of businesses reporting increases in profitability, wide-ranging increases to operating expenses, and a large percentage of businesses who have had to increase prices for their goods and services.

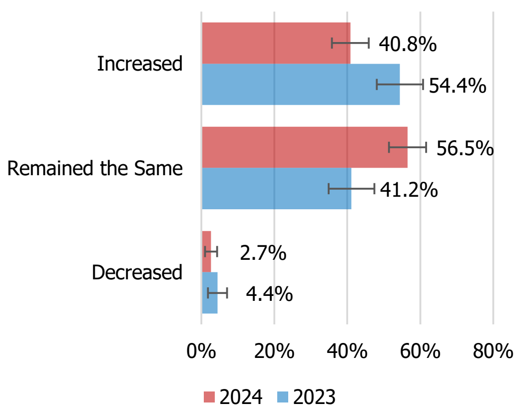
Around two thirds of businesses that declared they had current debt obligations expressed high confidence in their ability to meet them, while approximately twelve per cent stated that they had low to no confidence. Set against this, just over eighty six percent of businesses stated that there was a low or no risk of insolvency.

Looking toward the following six months, the expectations of businesses are distributed in much the same as in the case of their experiences over the previous six months. The only notable differences are that a smaller percentage of businesses expected a drop in turnover or profit compared with those who experienced on previously. All else being equal, this could point towards limited expectations of a slight improvement in financial position and business climate, set against a broader expectation of business conditions remaining largely the same in the short term.

Prices for Goods & Services

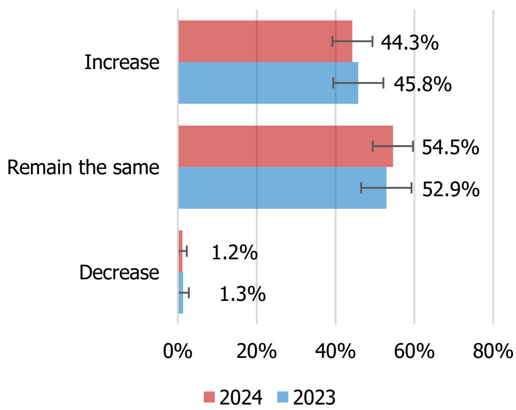
The percentage of businesses reporting rises in prices for the goods and services they offer over the previous six months represents a significant share of the Isle of Man's economy at 40.8% (95% CI [35.8%, 45.9%]) of businesses. This is however a small to moderate drop compared with 2023.

Figure 12. How have prices for your goods changed over the previous six months



Businesses were largely evenly divided between those who expect their prices to rise over the next six months and those who expect them to remain the same, with the latter group having only a very small majority. The percentage of businesses who anticipate a decrease in their prices is negligible.

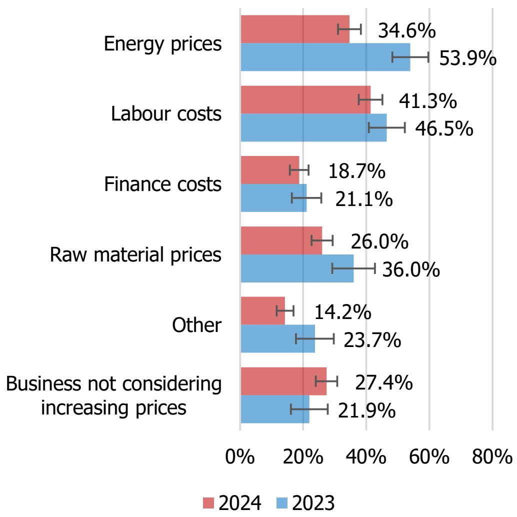
Figure 13 How do you expect prices for your goods to change over the next six months?



The dominant factors reported by businesses as contributing to their price rises are the costs of labour, energy prices, and raw material prices. Of these, the cost of labour was cited by the greatest percentage of businesses (41.3% (95% CI [37.6%, 45.1%])) as a factor influencing their prices.

Compared with 2023, the percentage of businesses citing the cost of labour as a factor in increasing prices shows no statistically significant difference. There has been a small reduction in the percentage of businesses stating that the cost of raw materials is a factor and a larger fall in those citing energy prices as a factor.

Figure 14. Factors contributing to price rises



Of all businesses that expect to increase prices for goods and services, just under half (45.3% (95% CI [40.7%, 45.3%])) report that their decision to do so was influenced by two or more of the factors listed above, suggesting that, in a lot of cases, pressure on prices is a result of multiple factors.

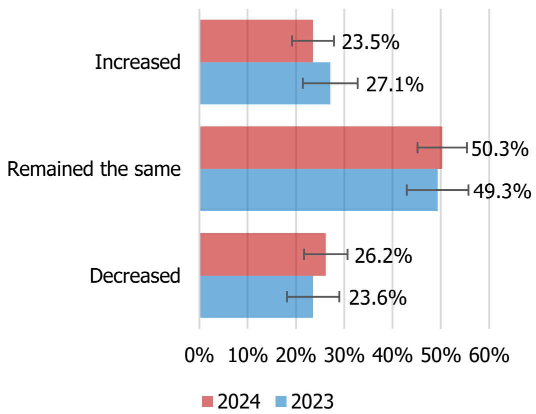
Figure 15. Percentage of businesses by number of factors influencing price rises

	% of businesses affected	Lower MoE	Upper MoE
1	54.7%	50.1%	59.3%
2	22.2%	18.4%	26.0%
3	15.5%	12.2%	18.8%
4	7.0%	4.6%	9.3%
5**	0.6%	0.0%	1.3%

Turnover

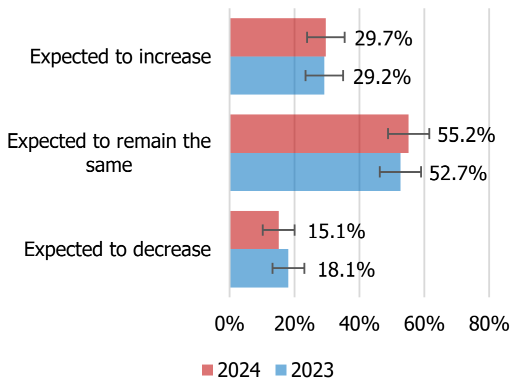
Despite the increase in prices among many businesses, half report that their turnover has remained the same over the past six months. The remainder are split almost equally between those businesses which have seen an increase and those which have seen a decrease. This may be a consequence of falling demand identified in the previous section.

Figure 16. How has your turnover changed over the past six months?



Although the expectations of businesses with regards to future turnover are similar to experience, fewer businesses expect a decrease in the following six months than experienced one in the previous six months.

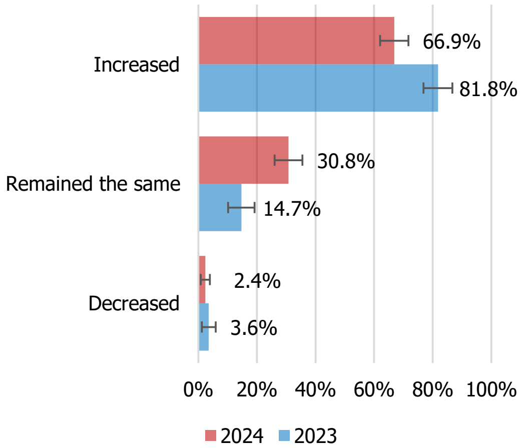
Figure 17. How do you expect your turnover to change over the next six months?



Operating Expenses

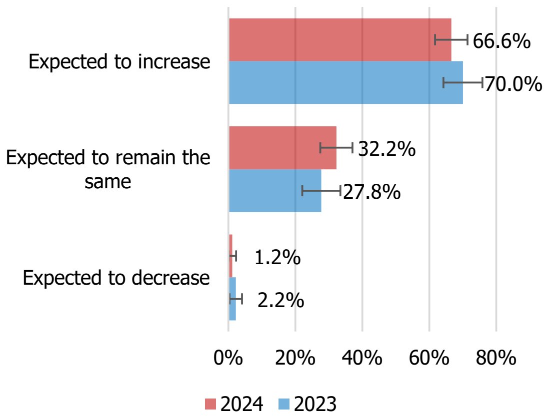
Approximately two thirds of businesses report that their operating expenses had increased over the previous six months. Although representing a majority of businesses, this is a small to moderate fall compared with 2023, in which over eighty percent of businesses reported such an increase.

Figure 18. How have your operating expenses changed over the previous six months?



The percentage of businesses who had experienced an increase in operating expenses is almost identical to the percentage of those who anticipate them to increase, suggesting that at least some businesses expect further increases on top of those they have already undergone.

Figure 19. How do you expect your operating expenses to change over the next six months



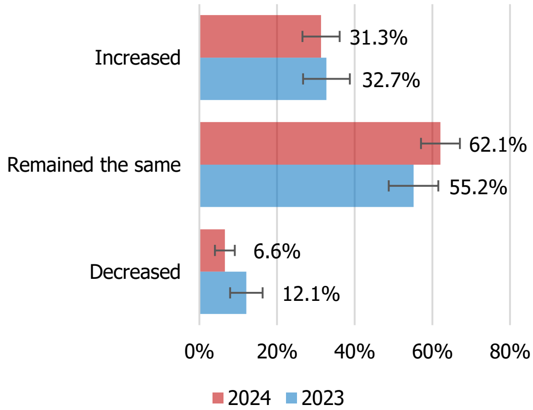
In the case of both experience and expectations, no statistically significant difference between 2024 and 2023 was found.

Capital Expenditure

Levels of capital expenditure have for the vast majority of businesses remained the same or increased over the previous six months. The percentages of businesses falling into these categories are 62.1% (95% CI [57.1%, 67.1%]) and 31.1% (95% CI [26.6%, 36.2%]) respectively.

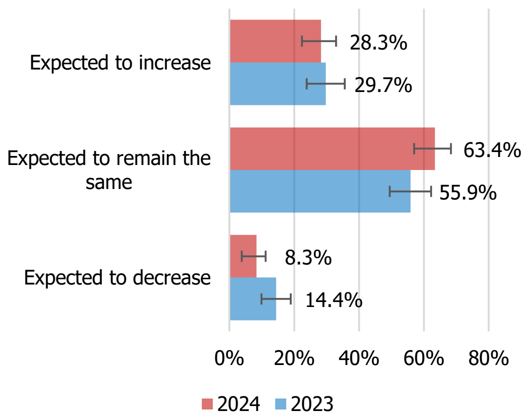
Compared with 2023, there is a small reduction in the percentage of businesses who reported a drop in capital expenditure.

Figure 20. How has your capital expenditure changed over the previous six months?



A very similar pattern of responses can be seen in businesses expectations for the coming six months, in which the most notable change compared with 2023 is a small decrease in the number of businesses expecting a reduction in capital expenditure.

Figure 21. How do you expect capital expenditure to change over the next six months?

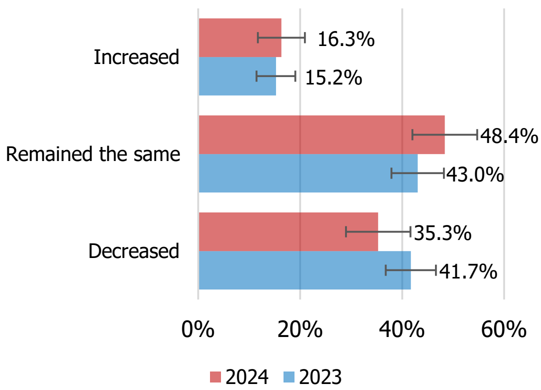


Profitability

Over 80% of businesses report that their profitability has remained the same or decreased over the six months prior to the data of the survey. Of all businesses, 48.4% (95% CI [43.2%, 53.5%]) state that their profitability has remained the same, while 35.3% (95% CI [30.4%, 40.2%]) state that it has decreased. This difference between these two responses is statistically significant, though relatively small.

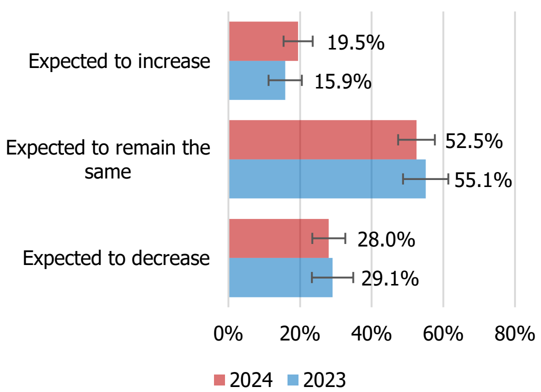
Only a minority of respondents saw the profitability of their businesses increase, in a pattern similar to that of 2023.

Figure 22. How has the profitability of your business changed over the previous six months?



Businesses fall into a similar pattern of responses when asked how they expect their profitability to change over the next six months. The main point of contrast between expectations and experience is that there is a statistically significant, though small, fall in the percentage of businesses who expect profitability to decrease compared with those who experienced one over the previous six months.

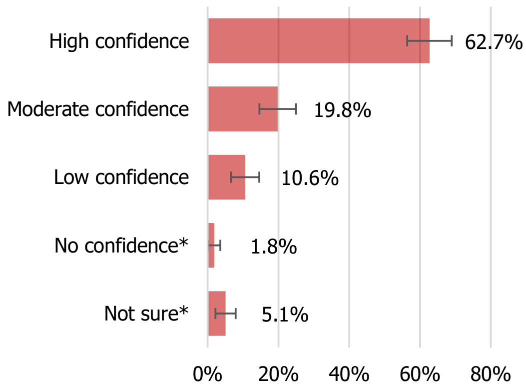
Figure 23. How do you expect profitability to change over the next six months?



Debt Obligations & Risk of Insolvency

In total, 35.4% (95% CI [30.5%, 40.3%]) stated that their business had no debt obligations. Of those that did have debt obligations, almost two-thirds (62.7% (95% CI [56.4%, 69.0%])) stated that they were highly confidence in their ability to meet these. A much smaller percentage of businesses, 12.4% (95% CI [8.1%, 16.7%]), reported having low or no confidence in their ability to meet their current obligations.

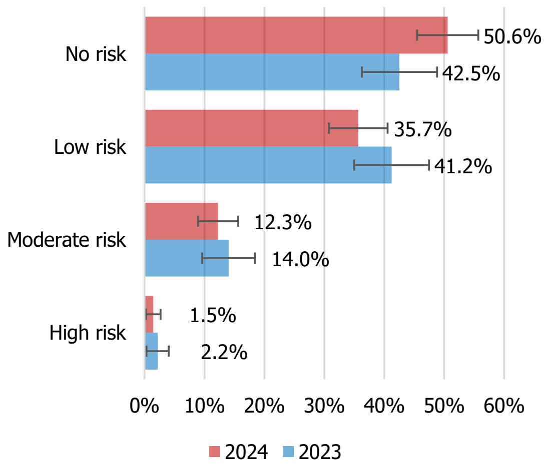
Figure 24. Confidence in ability to meet current debt obligations



Among businesses, 50.6% (95% CI [45.5%, 55.7%]) state that there is no risk of insolvency. In comparison 13.8% (95% CI [10.2%, 17.3%]) report a moderate to high risk. This figure is similar to that for the number of businesses with low to no confidence in their ability to meet their current debt obligations.

Compared with 2023, the data shows no statistically significant change in the percentage of businesses with

Figure 25. Risk of insolvency



The percentage of businesses reporting no risk of insolvency is significantly higher than is the case in the United Kingdom, where 37.1% of businesses reported no risk.

Table 5. Comparison of the risk of insolvency in the United Kingdom and Isle of Man

	United Kingdom	**Isle of Man**
No risk	37.1%	50.6%
Low risk	37.2%	35.7%
Moderate risk	10.7%	12.3%
High risk	1.4%	1.5%

This apparent disparity may be partially explained by the fact that large percentage of businesses in the United Kingdom (12.8%) stated that they were unsure what their risk of insolvency was.

Staffing Levels and Costs

SINCE mid-2021, unemployment levels on the Isle of Man have been at historically low levels. For example, there were fewer people registered for Jobseekers Allowance in October 2024 than at the same month for any year after 2002. In such a labour market it is not unusual to find that businesses are struggling to recruit staff, which appears to match the situation described by the figures contained in this section.

A large proportion of businesses, over two in five, stated that they had encountered difficulty recruiting over the six months prior to completing the survey. Roles requiring skilled, manual, or technical employees constitutes the area for which the largest percentage of businesses reported difficulties recruiting, with semi-skilled or unskilled roles and professional or managerial roles following that.

The most frequently given reasons for such difficulties were a lack of suitably qualified applicants and a low number of applications in general. While this can in part be explained by the low levels of unemployment on the Isle of Man, it may also indicate that the number of applicants from outside of the Isle of Man are not currently sufficient to meet the demands of the Isle of Man's economy.

Nearly nine percent of businesses further cited an inability on their part to offer a sufficiently attractive pay package as a cause for the difficulties they were encountering. Such an inability may be a consequence of increasing staff costs and falling profitability reported by a large percentage of businesses and covered previously in this report.

Just over forty-five percent of businesses were found to have experienced additional operational challenges as a result of difficulties recruiting staff. Chief among these was an obligation for current staff to work additional hours and an inability to meet demand.

Set against these difficulties, slightly more than fifty percent of businesses reported that their staffing costs had increased of the previous six months and a similar percentage stated that they expect their costs to increase over the next six months as well. In both cases, less than five percent of businesses state that staffing costs had decreased or that they expected staff costs to decrease.

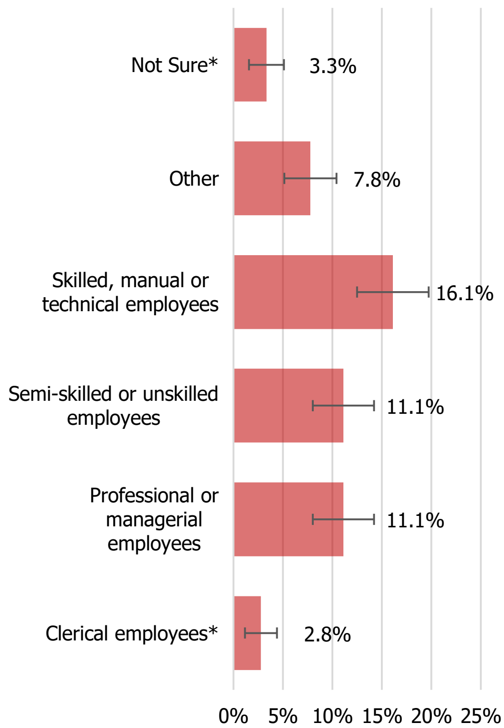
Despite this and our previously described figures concerning the falling profitability of businesses, the large majority of businesses were not at the time of the survey considering making redundancies. While a very small percentage of businesses said that they were considering such a move, just over 13% reported that they were not sure, suggesting that a larger number of businesses may be waiting to see how their economic position develops before committing to or ruling out such measures.

Recruitment Challenges

43.0% (95% CI [38.1%, 47.9%]) of all businesses reported that they had experienced difficulties recruiting over the previous six months. The corresponding estimate produced in 2023 was lower at 36.6% (95% CI [30.4%, 42.7%]), but this difference was not found to be statistically significant. As such, it is impossible to say whether this represents a genuine increase across the entire business community.

The three categories of employees to which the highest percentages of businesses stated they had difficulty recruiting to are, in descending order, 'skilled, manual, or technical employees', 'professional or managerial employees', and 'semi-skilled or unskilled employees'. Figure 26 provides a breakdown for each category considered in the survey.

Figure 26. Staffing categories by percentage of businesses encountering difficulty recruiting to them



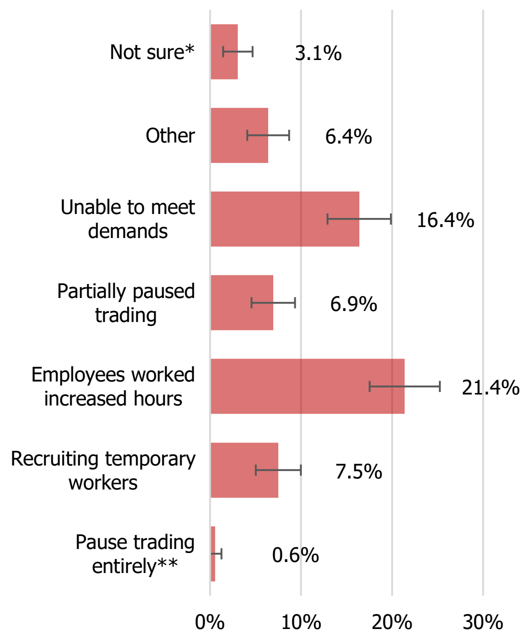
Comparison with the United Kingdom shows a slightly higher percentage of businesses in the Isle of Man reported experiencing difficulties when recruiting.

Table 6. Percentage of businesses in the Isle of Man and United Kingdom reporting difficulties recruiting

Country	Yes	No difficulties	Not sure
Isle of Man	43.0%	49.4%	3.3%
United Kingdom	33.2%	60.0%	6.8%

45.6% (95% CI [40.6%, 50.52%]) of businesses that had encountered such difficulties stated that these caused further operational challenges. The most frequently reported of these challenges was that current employees had to work increased hours to compensate; in total, 21.4% (95% CI [17.5%, 25.3%]) of all business reported that this was the case. The second most frequently reported challenge was an inability to meet demand. Smaller numbers of businesses reported that they had to recruit temporary workers or partially pause trading in order to compensate for an inability to recruit.

Figure 27. Percentages of all business reporting specific challenges owing to a shortage of workers



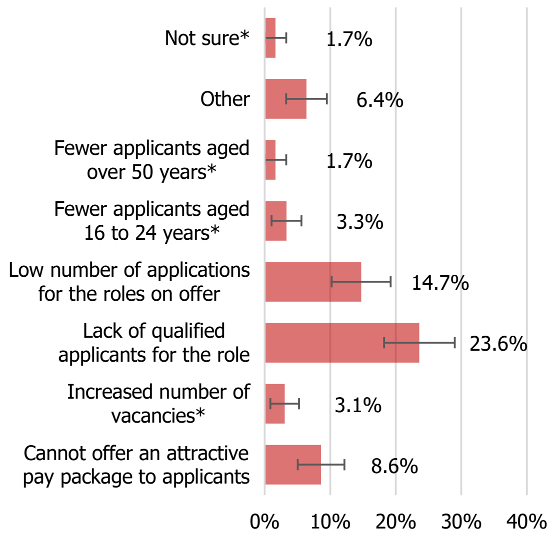
Comparisons with the United Kingdom show that at the time of the survey the Isle of Man had a higher percentage of businesses who reported that they experienced additional challenges as a result of difficulty recruiting. This may be a consequence of the larger labour pool available in the United Kingdom and potentially other demographic factors.

Table 7. Percentage of businesses in the United Kingdom experiencing challenges as a result of difficulties recruiting

Country	Yes	No difficulties	Not sure
Isle of Man	45.6%	48.3%	3.1%
United Kingdom	32.7%	60.2%	7.1%

The most frequently stated reason for difficulties encountered when recruiting staff, as was done by 23.6% (95% CI [18.2%, 29.0%]) of businesses, was a lack of qualified applicants. The next most frequent reason, reported by 14.7% (95% CI [10.2%, 19.2%]) of businesses, was a low number of applications. From this, it would appear that a labour shortage, and in particular of people having certain qualifications, is one of the chief factors causing businesses difficulty in this area.

Figure 28. Specific causes for recruitment difficulties by percentage of all businesses



Staffing Costs & Levels

8.6% (95% CI [5.0%, 12.2%]) of businesses state that their recruiting difficulties are caused by an inability to offer an attractive pay package to applicants. In addition to posing a problem in its own right, an inability to pay expected or appropriate salaries may also contribute to insufficient applications. A contributory factor in this area may be that a majority of businesses have both experienced a rise in staffing costs expect further rises in the near future (see the following section of this chapter).

A slim majority of businesses (56.8% (95% CI [51.8%, 61.8%]) state that staffing costs have increased over the previous six months. If we exclude those who state that staffing costs are not applicable to their business, that figure rises to 63.2% who state that staffing costs have increased.

A similar percentage, 57.8% (95%, CI [52.8%, 62.9%]), expect costs to rise further over the following six months. No difference was discovered comparing how businesses expected staffing costs to change over the next six months, which may indicate that businesses do not see much if any prospect that their situation with respect to staffing costs will change in the short term.

Figure 29. Staffing Costs over the previous six months

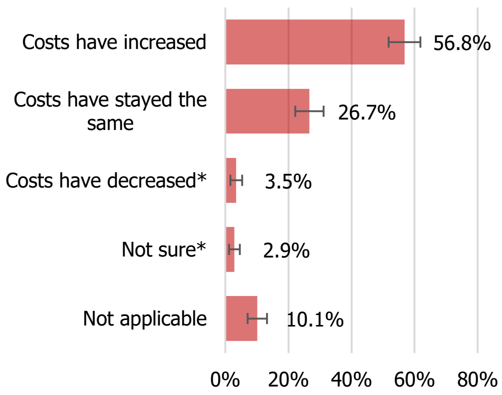
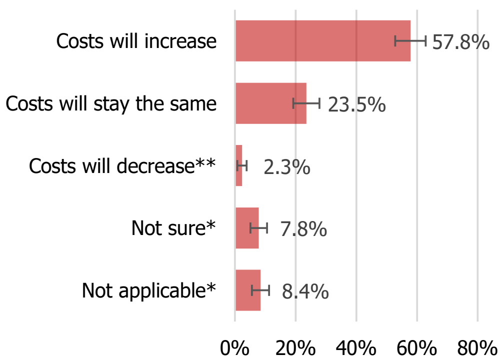
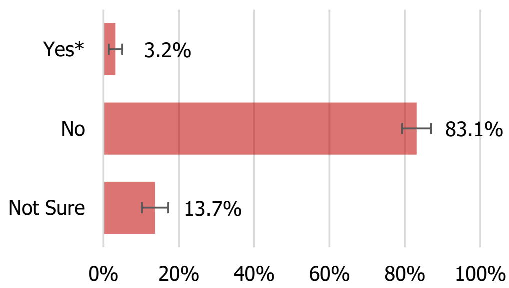


Figure 30. Expectations for staffing costs over the next six months



Despite increasing staff costs and, for a large percentage of businesses, static turnover and even declining profitability, a large majority of businesses stated that they had no intention of making redundancies as at the time of the survey. Such businesses constitute 83.1% (95% CI [79.3%, 86.9%]) of businesses. Although some businesses did intend to make redundancies, the statistic falls under the threshold at which the figure should be considered reliable in most cases.

Figure 31. Does your business intend to make redundancies over the next six months?



The percentage of businesses who said that they do not intend to make redundancies is statistically similar to the corresponding figure for the United Kingdom, which was 79.1%. This figure however only covers three months, rather than six, and so is not directly comparable with the figure for the Isle of Man

Skills & The Education System

A large majority of businesses on the Isle of Man state that they have experienced high demand for at least one skillset over the twelve months prior to the survey. Moreover, approximately half of businesses report that their workforce requires extra support and training in one of these skillsets. This may indicate that a large percentage of businesses currently struggle, at least in part, to meet demand. Customer service skills, skills in management or leadership, and advanced digital skills all feature prominently in the list of skills both in high demand and in which businesses' staff require extra support and training.

A comparison with the United Kingdom shows that, in most cases, similar percentages of businesses in both jurisdictions find the same skills have been in high demand or that that their workforce requires extra support or training in the same areas. Where there are differences, these tend to be small and concentrated in the area of 'advanced digital skills' or other skills not specified in the questionnaire issued to businesses.

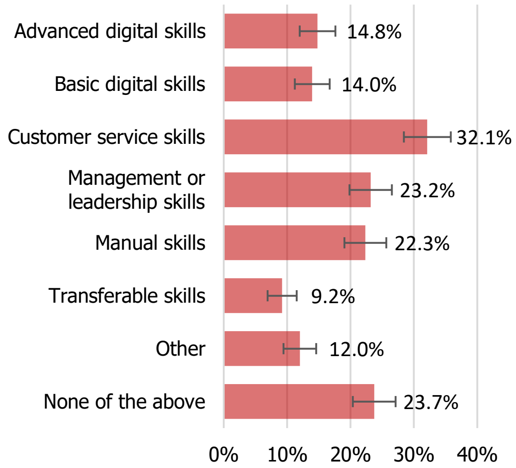
A majority of businesses are of the opinion that young people lack at least one skill necessary to enter the workforce, and that the education system on the Isle of Man is not responsive to the needs of the labour market. This is almost identical in nature and extent to the sentiment expressed by businesses in the 2023 survey. Approximately half of businesses identify 'interpersonal and communications skills' and 'life skills' as being areas in which young people are not appropriately skilled, though a not insignificant percentage of businesses also report that there is a lack of skills in 'basic numeracy and literacy'. This survey does not however capture how businesses view the education system should be more responsive to the needs of business, or to what extent they regard the responsibility for improving young people's skills in the areas covered as lying with the education system, rather than with others, such as parents, other government bodies such as further education institutions, or, through training programmes, employers themselves.

Demand for Skills & Training

Approximately three quarters of businesses (76.3% (95% CI [73.0%, 79.6%]) state that their business has experienced high demand in at least one category of skills over the previous twelve months.

Of these areas, by far the most frequently reported skillset was customer service skills, followed by management or leadership skills, and manual skills.

Figure 32. Skills that have been in high demand over the previous 12 months



Comparison with the UK shows a larger percentage of businesses reporting that they did not experience high demand for skill, and comparable levels of demand for most skills listed in the chart above. Where significant differences occur, these do so in percentage of businesses that experienced demand for advanced digital skills, which is slightly higher in the Isle of Man, transferable skills, which is slightly lower, and other, which was significantly lower.

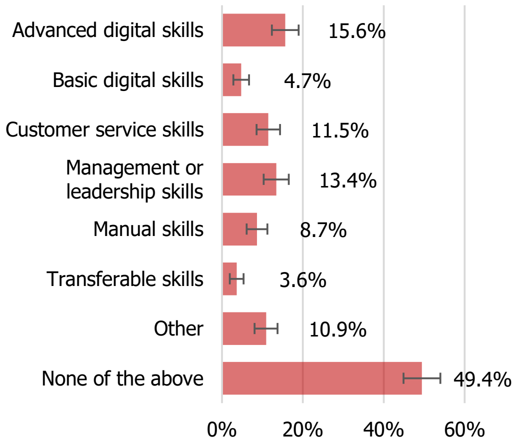
Table 8. Areas in which demand for skills differs significantly between the United Kingdom and Isle of Man

Skills	United Kingdom	Isle of Man
Advanced digital skills	10.5%	14.8%
Transferable skills	12.4%	9.2%
Other	3.4%	12.0%
None of the above	32.5%	23.7%

These differences suggest that the Isle of Man's economy may have a slightly different skills profile than that of the United Kingdom, requiring slightly more in the way of advanced digital skills and having a greater need for skills that are not covered by the list given in the survey. Efforts to investigate this second category, with a view to better understanding the apparent differences between the United Kingdom and the Isle of Man in what skills their workforces require, will be made in the next Isle of Man Business Environment and Conditions Survey.

Turning to areas in which businesses state that their existing staff require extra support and training, the area in which the greatest percentage of businesses believe their staff require extra support is in advanced digital skills. The next two most frequently cited areas were customer service skills and management and leadership skills, both of which feature in the previous chart as skills for which a large percentage of businesses experience a high level of demand.

Figure 33. Skills for which the workforce requires extra support and training



Comparison with the United Kingdom shows that there is less need for extra support and training in most of the areas above, with advanced digital skills and other exhibiting the largest differences.

Table 9. Differences between the United Kingdom and Isle of Man in areas where the workforce requires extra support and training

Skills	United Kingdom	Isle of Man
Advanced digital skills	9.0%	15.6%
Other	1.2%	10.9%

The Education System and Young People's Skills

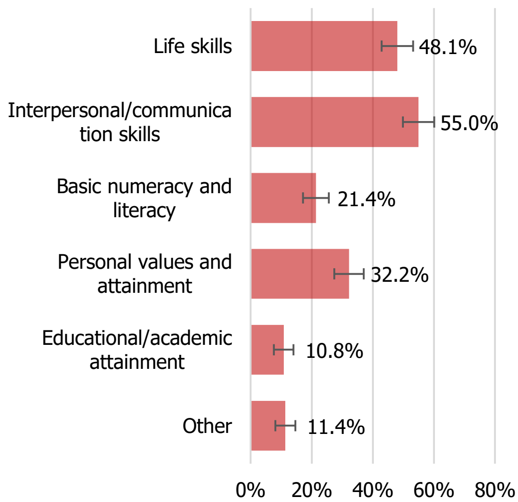
According to 84.4% (95% CI [80.5%, 88.3%]) of businesses, young people enter the workplace lacking at least one necessary skill. Just under half, 48.6% (95% CI [43.1%, 54.1%]), believe young people lack two or more such skills.

Table 10. Percentage of businesses by number of skills young employees lack

Number of skills lacking	% of Businesses	Lower MoE	Upper MoE
0	15.6%	11.7%	19.6%
1	35.8%	30.5%	41.0%
2	22.9%	18.3%	27.5%
3	11.2%	7.7%	14.6%
4	8.4%	5.3%	11.4%
5	5.6%	3.1%	8.1%
6**	0.6%	0.0%	1.4%

A slim majority of businesses, over half, believe that young people lack the interpersonal and communications skills necessary for the workplace. The next most commonly cited area is life skills, which just under half of businesses reported as an area in which young people were lacking. A large number of businesses also report concerns about skills in basic numeracy and literacy and personal values and attainment.

Figure 34. Percentage of businesses stating skills lacked by young employees



Additionally, a large majority of businesses further do not believe that the Isle of Man's education system is responsive to the needs of business. Businesses were asked to rate their level of agreement or disagreeement with the statement 'the education system is responsive to the needs of the labour market' on a scale of 1 to

11, where 11 represents strong agreement and 1 strong disagreement. Nearly two thirds of businesses provided scores in the range of 1 to 5, indicating moderate to strong disagreement.

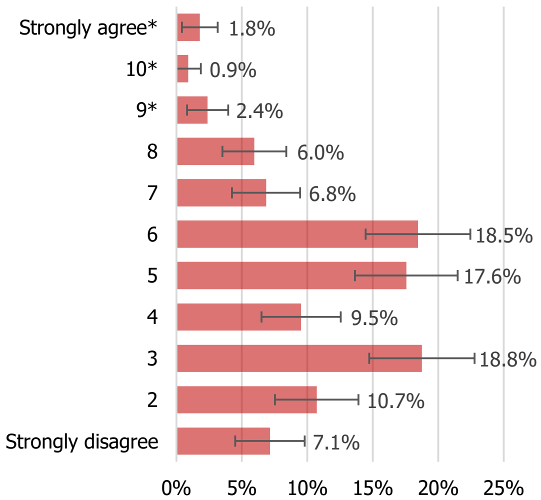
Table 11. Agreement with the statement 'the education system is responsive to the needs of business'

Strength of agreement	% of Businesses	Lower MoE	Upper MoE
Moderately to strongly disagree	63.7%	58.4%	69.0%
Neither agree nor disagree	18.5%	14.2%	22.7%
Moderately to strongly agree	17.9%	13.7%	22.1%

This is almost identical to the results of the 2023 survey, in which 64.1% of businesses moderately or strongly disagreed with the same statement.

The distribution of the scores provides further context to these figures. and indicates that disagreement with the statement leans towards stronger disagreement, while agreement clusters around moderate agreement.

Figure 35. Distribution of responses on the statement 'the education system is responsive to the needs of business'



This would appear to indicate that a considerable majority of businesses have at least some concerns about the responsiveness of the education system to the labour market, with most expressing moderate to strong concern. That said, the survey does not capture what expectations businesses have of the education system or of how businesses think that the education system should be more responsive to the needs of the labour market.

The Isle of Man as a Business Location

Most businesses on the Isle of Man would, to at least some extent, recommend the it as a place to do business. Although the difference between those who would recommend the Isle of Man as a place to do business and those who would not is large, this general endorsement comes with some caveats. For instance, fewer business believe that it is easy to do business on the Isle of Man compared with those who do not, and there is some evidence to suggest that the numbers of the former group have diminished to a relatively small extent.

When asked about levels of satisfaction concerning the cost and quality of six core amenities and services available on the Isle of Man, a small majority of businesses express satisfaction with the cost and quality of government services and telecommunications services, while medium or large majorities express some degree of satisfaction in the cost of utilities and hotels. By comparison, a small majority expressed dissatisfaction with the cost and quality of road infrastructure, and a large majority expressed dissatisfaction with transport links.

With the exception of utilities and hotels, dissatisfaction with the previously listed amenities and services was in each case expressed by no less than 40% of businesses surveyed, suggesting significant levels of dissatisfaction among businesses. Moreover, even in cases where businesses expressed some degree of satisfaction in either the cost or quality of a given service or amenity, few (typically less than 5%) stated that they were 'very satisfied'.

Businesses also expressed their levels of dissatisfaction or satisfaction in the planning system and the work permit system, as well as their views on government regulations. The planning system attracted the most significant levels of moderate to strong dissatisfaction, with a large majority of businesses expressing this compared with those expressing moderate to strong satisfaction. Opinions of the work permit system are more divided than for planning; although those businesses expressing moderate to strong dissatisfaction were in a majority, this was smaller in size than for the planning system and dissatisfaction tended to be concentrated at the more moderate end of the scale use. A medium-sized majority of businesses believe that the purpose of regulations is clear, while only a narrow majority are of the opinion that compliance with regulations is easy.

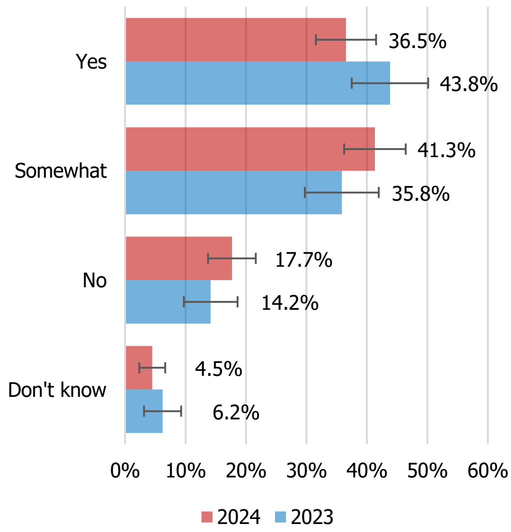
Despite these, sometimes substantial, levels of dissatisfaction with different elements of the business environment on the Isle of Man, it is worth reiterating that only a minority of businesses (less than 20%) would not recommend the Isle of Man as a place to do business. This suggests other factors of operating on the Isle of Man currently provide an adequate counterbalance for those areas that attract dissatisfaction.

General Satisfaction with the Isle of Man

A large majority of businesses state that they would at least somewhat recommend the Isle of Man as a place to do business. Just under twenty percent businesses say that they would not recommend the Isle of Man as a place to do business. Aside from a small contingent of businesses who do not know if they would or would not recommend the Isle of Man, the remainder is split more or less evenly, in the sense that no statistically significant difference could be found, between those who would recommend the Isle of Man and those who would somewhat recommend it.

The apparent difference between the figures for 2024 and 2023 would seem to indicate a weakening of the strength with which businesses would recommend the Isle of Man, but this is not statistically significant and so such an inference cannot be substantiated with the available evidence.

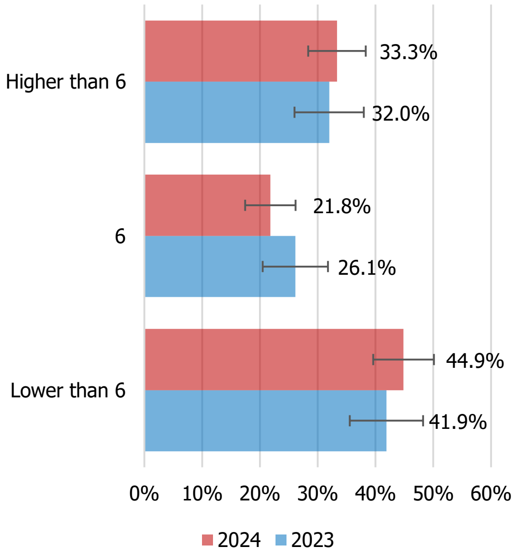
Figure 36. Would you recommend the Isle of Man as a place to do business



The Isle of Man Business Environment and Conditions Survey also investigated how satisfied businesses were with the work permit and planning systems in effect on the Isle of Man, due to the impact planning and work permit regulations can have on local businesses. Businesses were asked to score their satisfaction on a scale of 1 to 11 with 1 representing 'very dissatisfied', 11 representing 'very satisfied', and 6 being the mid-point between the two. For ease of interpretation, scores of 1 to 5 can be considered as expressing moderate to strong dissatisfaction.

With regards to the work permit system, the largest percentage of businesses were found to have moderate to significant dissatisfaction, though the difference between that and the percentage of businesses who expressed moderate to strong satisfaction is not large.

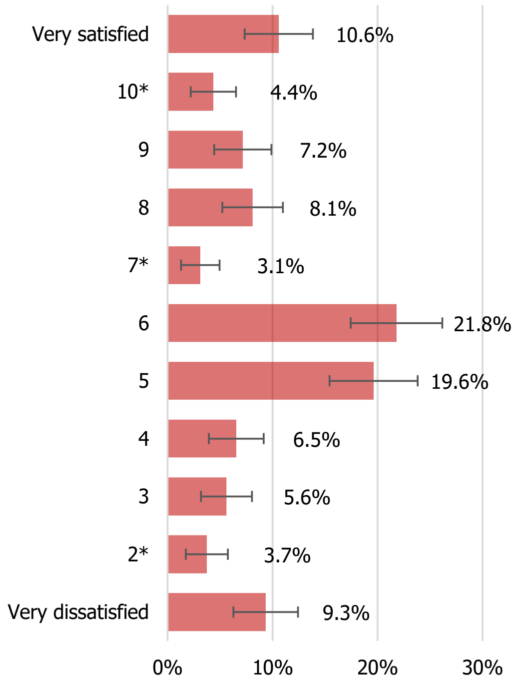
Figure 37. Satisfaction with the work permits system



No statistically significant difference between the responses provided in 2024 and those in 2023 could be identified.

Examination of the distribution of responses shows that a majority of those expressing dissatisfaction are concentrated towards the more moderate, rather than strong, end of the spectrum, with over half of responses expressing dissatisfaction falling into a score of four and five. Responses expressing satisfaction are more dispersed across the scale, with the most frequent response of this kind being the maximum score of 11.

Figure 38. Distribution of responses regarding satisfaction with the work permit system



A greater degree of dissatisfaction was shown in the planning system, for which nearly two thirds of businesses expressed moderate to strong dissatisfaction. A large majority of businesses expressed moderate to strong dissatisfaction with the planning system, and nearly a third of those selected the maximum possible score for dissatisfaction.

Figure 39. Satisfaction with the planning system

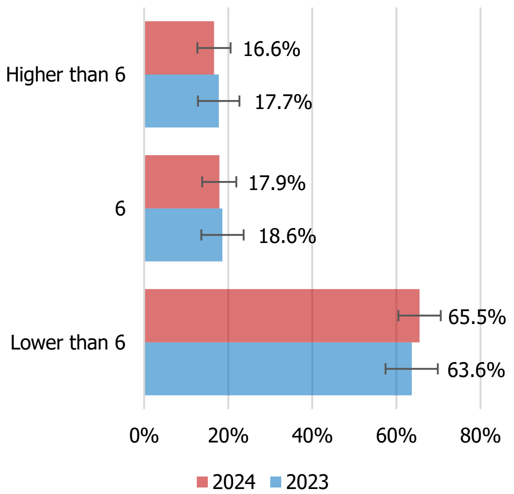
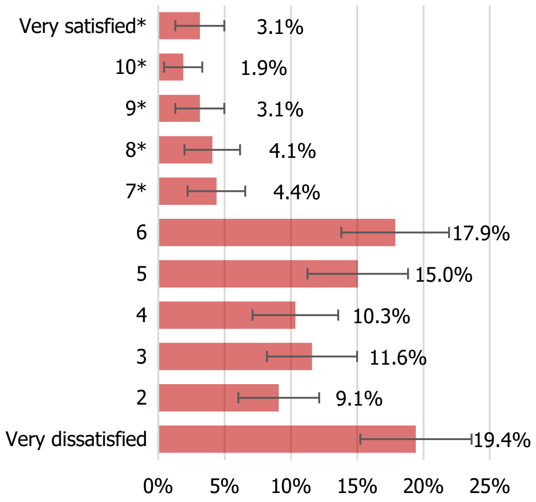
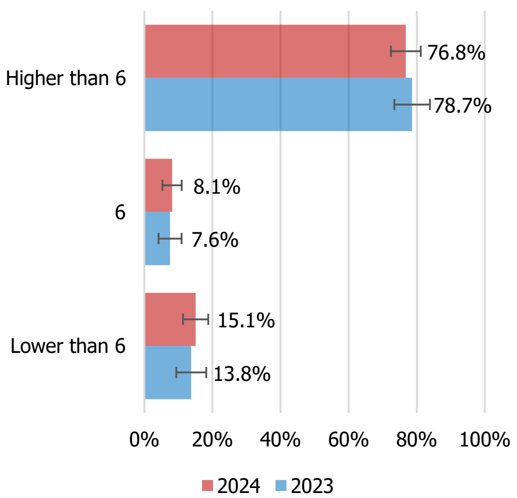


Figure 40. Distribution of responses regarding satisfaction with the planning system



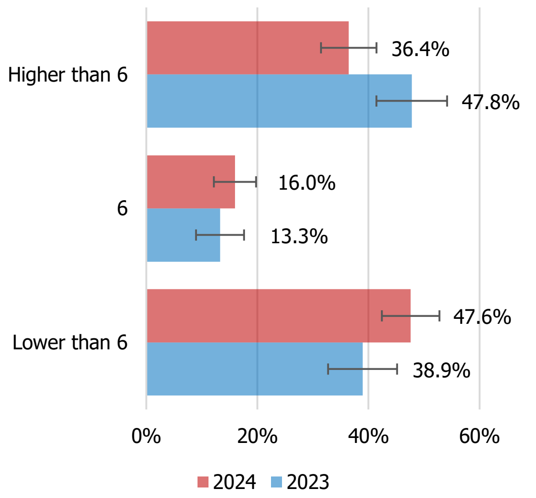
Over three quarters of businesses expressed moderate to strong agreement with the statement that the Isle of Man is a safe place to do business. These figures show no statistically significant difference compared with those from 2023.

Figure 41. Is the Isle of Man a safe environment in which to do business?



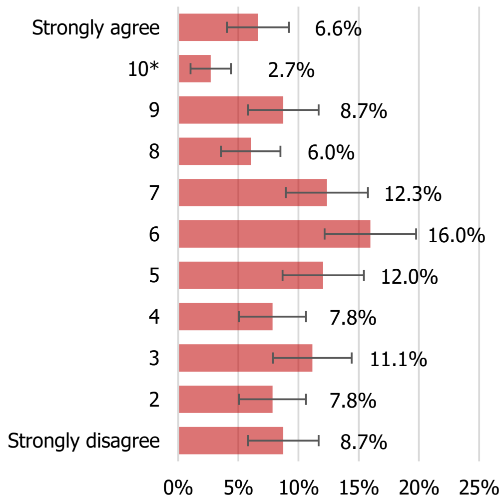
Opinion is more divided on the question of whether it is easy to do business on the Isle of Man. Although 36.4% (95% CI [31.5%, 41.5%]) of businesses expressed moderate or strong agreement with a statement that it is easy to do business on the Isle of Man, 47.6% (95% CI [42.4%, 52.8%]) expressed moderate to strong disagreement. This difference is statistically significant and represents a reversal of opinions in 2023, suggesting that more businesses started to encounter difficulties between the two years which they ascribe specifically to the Isle of Man as a location for doing business.

Figure 42. Is it easy to do business on the Isle of Man?



The single most frequently selected score for this statement was the mid-point of the scale used, while there was a large degree of dispersal of the remaining responses amongst other scores.

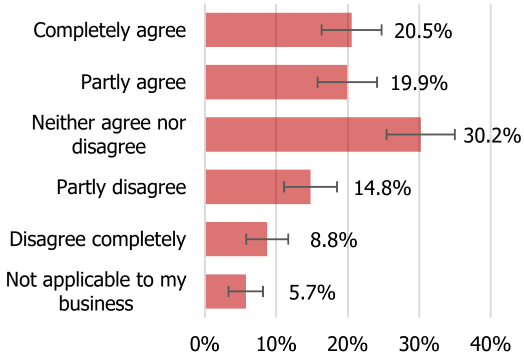
Figure 43. Distribution of responses regarding the ease of doing business on the Isle of Man



Turning to the nature of regulation on the Isle of Man, 40.4% (95% CI [35.4%, 45.6%]) of businesses agreed or partly agreed with the statement that the purpose of regulation on the Isle of Man is clear, while only 23.6%

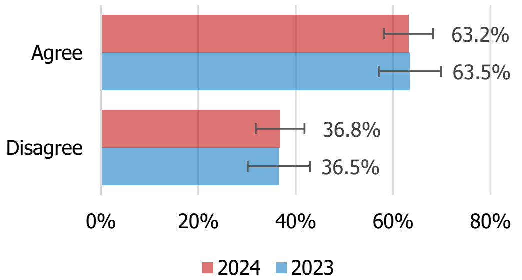
(95% CI [19.2%, 28.0%]) disagreed with the same statement.

Figure 44. The purposes of regulations are usually clear



Of those who either agree or disagree (that is to say, ignoring those who neither agreed nor disagreed and those who stated the question was not applicable to their business), a statistically significant majority agreed that the purpose of regulation was easy to understand.

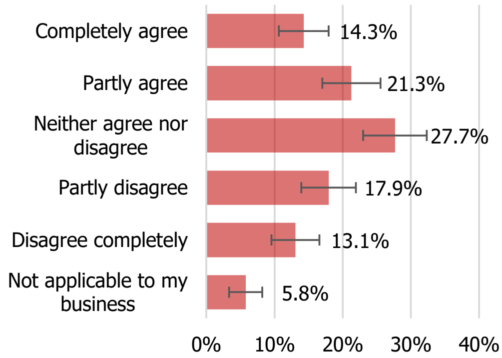
Figure 45. Agreement vs. disagreement that the purposes of regulations are clear



These figures are all but identical to those in 2023.

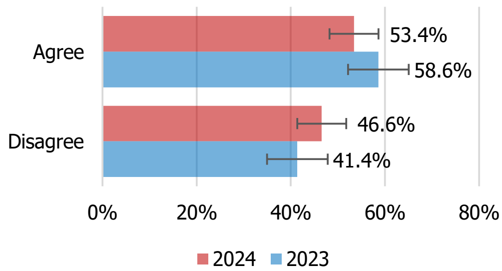
The difference in the extent of disagreement and agreement narrows considerably for perceptions of how easy it is to comply with regulations on the Isle of Man, with no statistically significant difference existing between the two positions.

Figure 46. It is easy to comply with regulations



Of those who either agree or disagree, there is a narrow majority for those who agree with the statement that regulations are easy to comply with. No statistically significant difference was found between the responses for 2023 and 2024.

Figure 47. Agreement vs. disagreement on the ease of complying with regulations



Satisfaction with the Cost & Quality of Services & Amenities

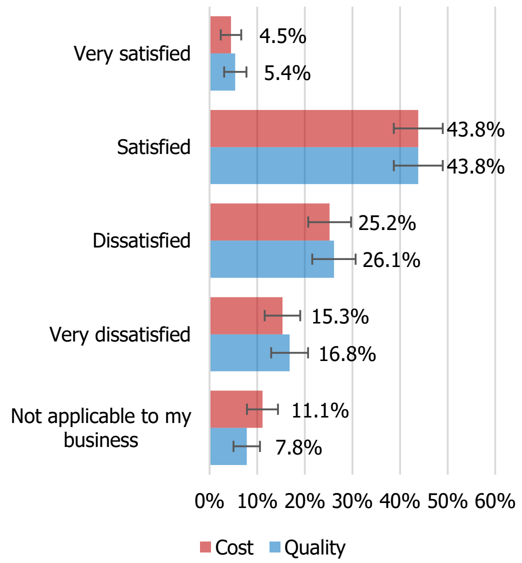
The Isle of Man Business Environment and Conditions Survey asked businesses to describe how satisfied they were with the cost and quality of a collection of major services and amenities available on the Isle of Man. These consisted of government services, transport links, road infrastructure, telecommunication services, utilities, and hotels.

For each of these, we provide a summary of satisfaction in both quality and cost as well as comparisons between 2023 and 2024.

Government Services

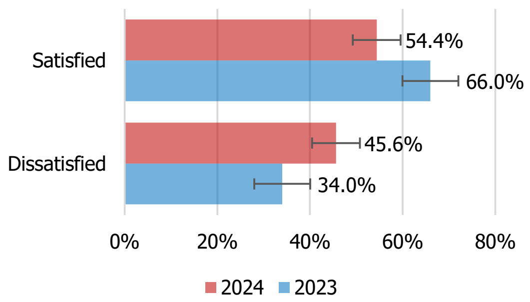
Slightly more businesses are satisfied or very satisfied with the cost of government services than are dissatisfied, though there is a largely even split between those who are satisfied or dissatisfied in the quality of those services.

Figure 48. Satisfaction with the cost of government services



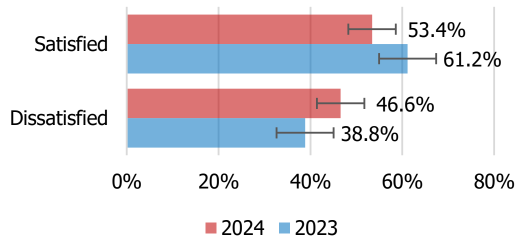
Ignoring those businesses for whom the question is not applicable, there is a small but statistically significant majority who express satisfaction in the cost of government services. This represents a fall in the percentage of businesses expressing satisfaction compared with 2023.

Figure 49. Satisfaction vs. dissatisfaction with the cost of government services



On the matter of quality, however, there is no significant difference between those expressing satisfaction or dissatisfaction, or between the responses for either year.

Figure 50. Satisfaction versus dissatisfaction with quality of government services



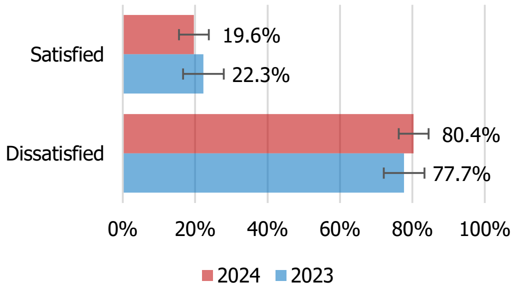
Transport Links

There is clear and extensive dissatisfaction with both the cost and quality of the Isle of Man's transport links. In both cases, over sixty percent of businesses express some degree of dissatisfaction, while under a quarter express satisfaction. Moreover, 'very dissatisfied' is the most frequent response on both aspects of transport links on the Isle of Man. There is however a statistically significant difference in levels of satisfaction in cost and quality, with a greater percentage of businesses expressing satisfaction with quality than with cost.

Figure 51. Satisfaction with the cost of transport links

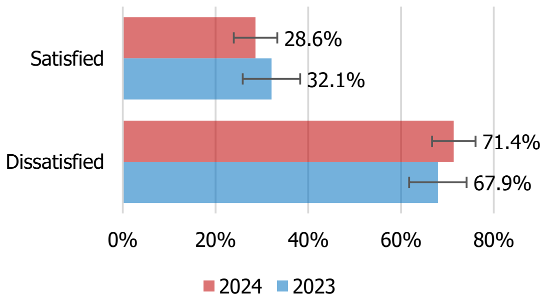
Ignoring businesses for whom the question of transport links is not applicable, a large majority show some level of dissatisfaction, showing little change compared with opinions in 2023.

Figure 52. Satisfaction vs. dissatisfaction with the cost of transport links



Responses to the question of the quality of transport links show a similar pattern, although with a statistically significant increase in the percentage of businesses satisfied with this compared with those satisfied with cost. There is no statistically significant difference between responses in 2023 and 2024.

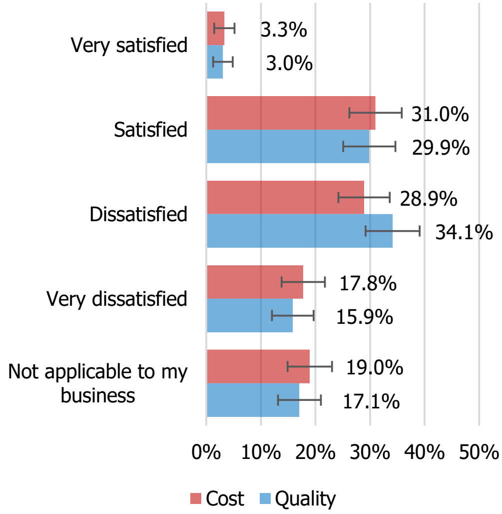
Figure 53. Satisfaction vs. dissatisfaction with regards to quality of transport links



Road Infrastructure

A statistically significant majority of businesses stated that they are dissatisfied or very dissatisfied with both the cost and quality of road infrastructure on the Isle of Man. In both cases, over 45% of businesses expressed some degree of dissatisfaction. The quality of road infrastructure attracted the most widespread dissatisfaction; in total 50.0% (95% CI [44.8%, 55.2%]) of businesses stated that they were dissatisfied or very dissatisfied.

Figure 54. Satisfaction in cost of road infrastructure



Excluding businesses who stated that the question was not applicable to them, 57.6% (95% CI [52.5%, 62.7%]) of the remaining businesses were to some extent dissatisfied with the cost of the Isle of Man's road infrastructure and 60.3% (95% CI [55.2%, 65.4%]) were dissatisfied with the quality. In both cases, there is no statistically significant difference between the opinions expressed in 2024 and those expressed in 2023.

Figure 55. Satisfaction vs. dissatisfaction with cost of road infrastructure

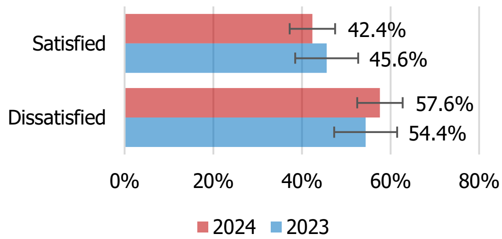
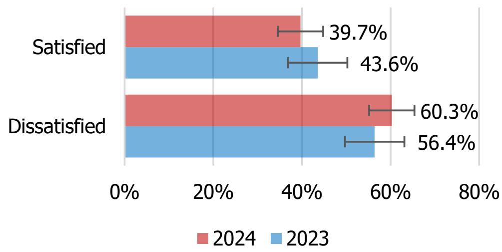


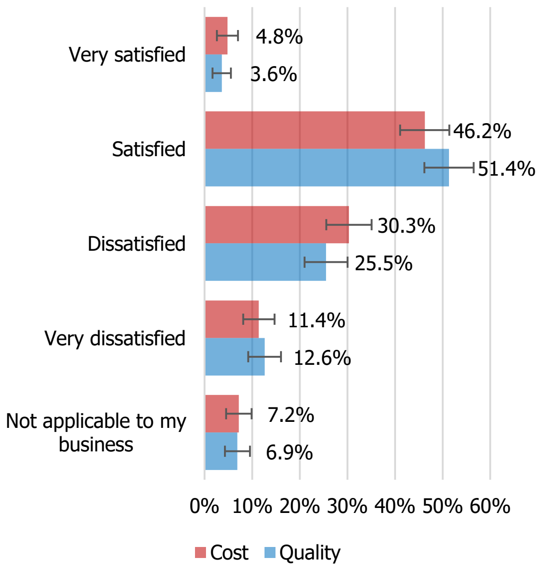
Figure 56. Satisfaction vs. dissatisfaction with quality of road infrastructure



Telecommunications

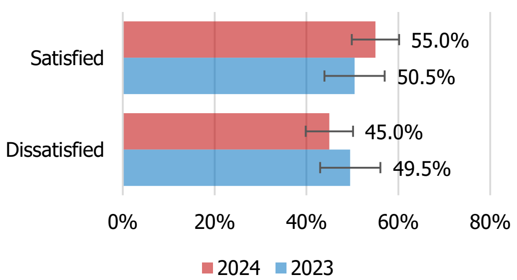
A slight majority of businesses were satisfied or very satisfied with both the cost and quality of telecommunication services on the Isle of Man. In both cases, at least half of businesses expressed some degree of satisfaction compared with just over forty percent who expressed dissatisfaction. No statistically significant difference could be found between the levels of satisfaction expressed for cost versus quality.

Figure 57. Satisfaction with the cost and quality of telecommunication services



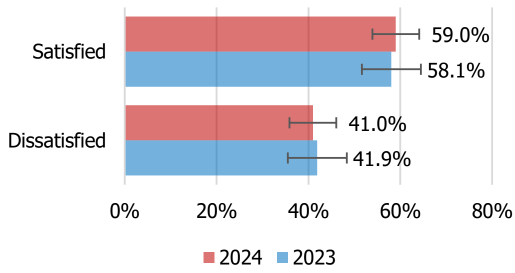
Excluding companies that answered with 'not applicable to my business', there is a small majority of businesses who express satisfaction of some degree with the cost of the telecommunications services available on the Isle of Man. No statistically significant difference was found between the responses in 2023 and in 2024.

Figure 58. Satisfaction vs. dissatisfaction in cost of telecommunication services



A similar division of satisfaction and dissatisfaction is evident regarding the quality of telecommunications services. In this case, however, the margin by which expressions of satisfaction outnumbered those of dissatisfaction is significantly larger. Opinion shows little change since 2024.

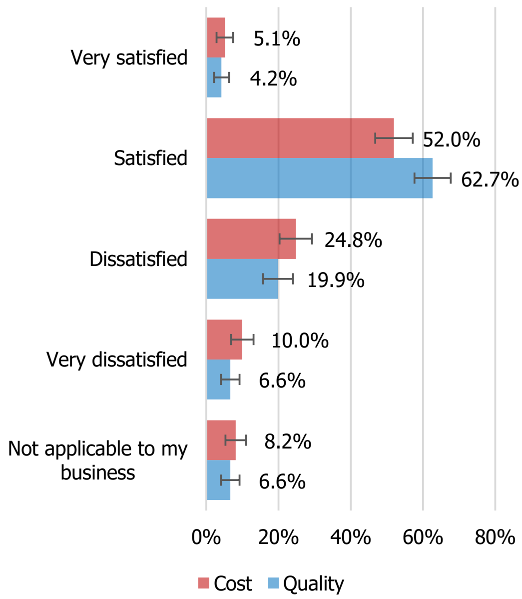
Figure 59. Satisfaction vs. dissatisfaction in quality of telecommunication services



Utilities

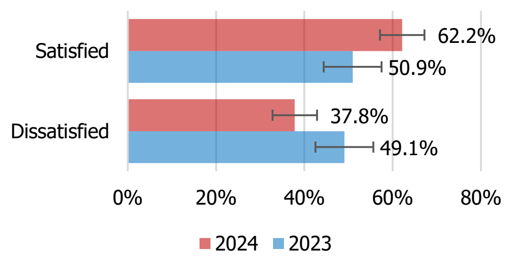
For the purpose of this survey, utilities includes services such as the provision of gas, electricity, and water. Responses from businesses generally show a higher degree of satisfaction in both the cost and quality of utilities than for most other amenities and services available on the Isle of Man. In particular, 57.1% (95% CI [52.0%, 62.2%]) of businesses stated that they were satisfied or very satisfied with the cost of utilities, while 66.9% (95% CI [62.0%, 71.8%]) of businesses said they were satisfied or very satisfied with the quality of utilities.

Figure 60. Satisfaction with cost and quality of utilities



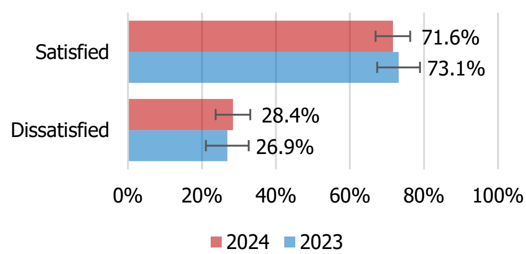
Excluding those businesses who said that the cost or quality of utilities was not applicable to their business, the percentage of businesses who expressed satisfaction in the cost rises to just over 60% and demonstrates a small but statistically significant increase compared with 2023.

Figure 61. Satisfaction vs. dissatisfaction in cost of utilities



Turning to the matter of quality of utilities, opinions are almost identical to those in 2023 and there is a large and statistically significant majority of businesses expressing their satisfaction.

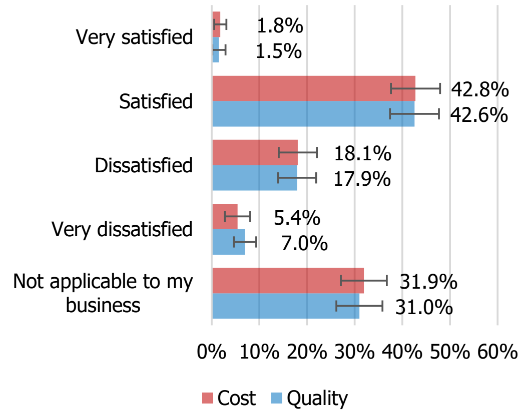
Figure 62. Satisfaction vs. dissatisfaction in quality of utilities



Hotels

Almost forty five percent of businesses reported that they were satisfied or very satisfied in both the cost and quality of hotels available on the Isle of Man. This represents a larger majority over that which expressed dissatisfaction owing to the large number of businesses who stated that the cost and quality of hotels was not applicable to their business.

Figure 63. Satisfaction in cost and quality in hotels



Excluding those businesses for whom the cost and quality of hotels was not relevant to their operation, nearly two thirds of the remaining businesses express satisfaction in both cost and quality, representing a medium-sized majority compared with businesses expressing dissatisfaction. No statistically significant difference was found comparing the results for 2023 with those of 2024.

Figure 64. Satisfaction vs. dissatisfaction in cost of hotels

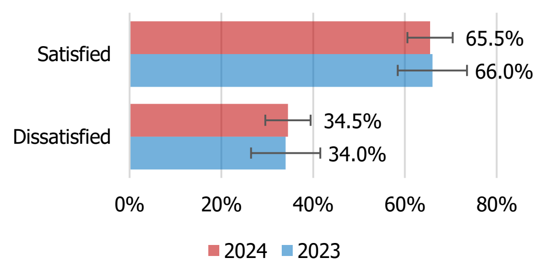
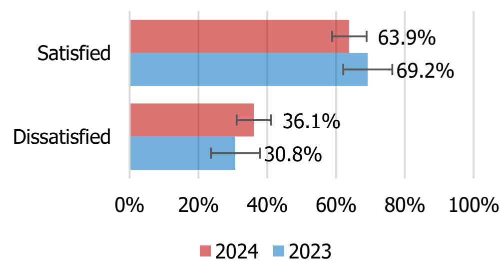


Figure 65. Satisfaction vs. dissatisfaction in the quality of hotels



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