Wednesday 15th October 2025

Dear Tynwald Members

We are writing to highlight our grave concerns about the proposed new minimum wage due for debate in Tynwald next week. The strength of feeling within the business community is so strong that the 340 organisations represented in the list below (employing over 8,000 staff) were collated in just three working days and include businesses in engineering, construction, care, hospitality, automotive, corporate service, wholesale and retail distribution, tourism, event organisation, facilities management, and professional services (i.e., many of the Island's economic sectors).

We all agree that improving living standards is a laudable social policy, but social policies are for government to fund, and government can easily do so by increasing national insurance thresholds or tax allowances for those on lower incomes. Ultimately, it is net rather than gross earnings that matter in making a difference to people's living standards.

As the government-commissioned report on living wage made plain last year, the only guaranteed beneficiary of hiking headline wage rates is the government itself through higher national insurance and tax receipts. On the flip side, businesses will be heavily impacted, with the inevitable cascade effect of corporate failures, job losses, service reductions, and curtailment of investment. In turn this ultimately hurts our employees, the very people that the minimum wage policy is meant to help!

Many local businesses are buckling under the pressure of the existing minimum wage, which is already one of the highest in the world, and the generally high costs of operating on the Island. A further 10% hike to add to the double-inflation increases that have been applied since the pandemic will push many over the edge and make the concerns highlighted above a harsh reality. Conversely, combining affordable statutory wage rates with higher national insurance or income tax thresholds is guaranteed to put more money into pay packets without the downside of damage to the local economy. It will also lead to compensatory upside for government via more local spending and higher VAT receipts.

To put the cost of providing tax breaks into context, government's payroll bill for the current fiscal year will exceed £700m and its combined tax revenues are budgeted at nearly £1.4 billion. A fraction of one percent of these amounts could fund the changes required and avoid the inevitable economic damage that will ensue under the current proposals.

We would urge Tynwald members to vote down the proposal as drafted and focus instead on a net pay approach that is better suited to providing increased take home pay whilst protecting local jobs and business investment.

Yours sincerely

Adorn Care Group
Agrimark
A&J Quality Butchers
Albert Hotel
Amazing Vacations
Aura Bar Bistro
Barbary Coast
Barbary Coast Peel
Barbary Coast Ramsey
Best Energy Solutions
Bonsai Pan Asian Kitchen
Buttery
Car Shop
CM Partners
Colby Glen Hotel
Construction IOM (on behalf of 274 members)
Creek Inn
Creg Ny Baa
Curphey's
Dale &Co
Davison's
DLP
DW Cars
Event Management Solutions
Falcons Nest
Fig & Olive
Flavours Indian Kitchen
Frank Matcham's
Front Porch
Grain & Vine
Gellings
Ginger Hall Hotel
H&B Group
The Hutch
Hydro Hotel/Pico’s
Jaks
Kiartys Engineering
La Piazza Restaurant
Laxey Laundry Grp
Majestic Restaurant
Mannin Hotel
Mannvend

Marine Hotel
Mitre Hotel
Nags Head/ Bench Night Club
Palace Group
Paparazzi
O'Malley's Irish Bar
Old Market Inn
Outback
Pizza & Pasta
Prospero
Quickfit Supercentre
Quids Inn
Railway Station Hotel
Reactive Construction
Regency Hotel
Ridgway Gas
Robinsons
Salt Beauty
Stewart Clague Services
Star Services
Sulby Glen Hotel
Swagelok
Taylor Clarke
Target Tools
Telios
Trafalgar Hotel
Victory Café
Whistle Stop Café
Woodbourne Group

END.